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The Cultural Consequences of Russian Reform

Abstract

Numerous economic and social problems emerging from transition in Russia highlight the nearsightedness of current economic reform policies. Moves such as liberation of culture from direct state control are clearly for the better, but overall, the reforms have had a negative impact on Russian cultural life.

The study is organized as follows: section one describes the actuality of analysis of the impact economic reform in Russia has had on culture and the fine arts. Section two looks at the denationalization effects on culture and patronage issues. Section three describes a vicious circle that has led to “cultural goods” of poor quality. Problems of education in transitional period are analyzed in section four. The conclusion is devoted to analysis of official views of cultural consequences of economic reforms in Russia.

Keywords: culture, cultural demands, education, Russia

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1 Invisible problems

Television news journalists cynically joke that three types of shots attract greatest viewer interest: things on fire or exploding, people running around in front of bullets, and a crying woman holding anything dead. The best shot of all, of course, contains elements from all three. Of course, all of these images are extremely sensational, and quite foreign to most people's daily existence.

By the same token, attention in Russia goes to high-profile, large-scale economic reforms. Away from media view, though, a constellation of particularly complex political and social problems is also emerging. The most immediate, such as the poverty explosion and crisis in health care occasionally grab headlines, but most of the long-term damage presently being done to the fabric of Russian society escapes official notice. Part of the difficulty in perception is that these problems inveig themselves slowly like rust, termites or mold. In the view of some analysts, the hidden damage being wrought upon Russian culture and social life is already extensive. Such damage may be very costly to repair.

On the surface, a cultural consequence such as the demise of ballet funding will hardly lead to serious public unrest or civil war. To most people it seems there is little immediate threat posed by cultural decline and the erosion of what Francis Fukuyama calls "social capital". Naturally, Russian authorities calmly put off finding alternative solutions, or even thinking about such problems.

In fact, popular philosophers and culturologists affirm with straight faces that Russian culture is not exposed to any crisis as it is simply impossible to imagine anything detracting from the brilliance of Pushkin's poetry, Tchaikovsky's music, Repin's painting, or Eisenstein's cinematography. These claims are absurd, because it can readily be seen that the plight of artists themselves is not improving. Modern-day Mussorgsky's or Bunin's colleges still have to solve the problems of making a living and reaching their audiences. Further, the number of consumers of culture, i.e. those that do enjoy the classics of Russian culture such as those mentioned above, are in fact declining. There are fewer people reading Pushkin (as well as Shakespeare, Byron, Balzac, etc.), fewer people with an opportunity to hear Tchaikovsky performed, fewer

amateurs with opportunities to study the painting techniques of masters. Culture and the fine arts in Russia are in decline.

Economists can play a role in bringing these matters to light as they have the tools to analyze the present situation, and thus can quantify what is happening in the fields of culture and the fine arts. Measures to revive Russian cultural life are dependent on the success of economic reforms, and conversely, the economic and political revival of Russia is to some extent contingent on the health of cultural existence.

2 Four main problems

2.1 Denationalization of culture

During transition, privatization is seen as a top-priority task to be solved in the first wave of economic reform. The need for privatization is determined by the extent to which the state monopoly on property has prevailed. By just about any measure, the all-time "champion" in this field was the USSR, where almost everything, from lowly news-stands to massive industrial enterprises as well as virtually all land and natural resources, was the property of the state.

Further, nationalization in the USSR as a total process was not limited to property or certain economic aspects. The economy, policy, the public and private life of every person, science, education, upbringing of children and, of course, culture – everything was subject to direct state control.

"Nationalization of culture" is a concept covering the state monopoly on property (all theatres, art galleries, museums, publishing houses, bookstores, concert halls, etc. were state property), and restrictions on personal freedom. The state, in the guise of "cultural functionaries", determined what books authors must write and what readers must read; what pictures painters must paint, what plays theatres must perform, and what films got made.

Cultural workers, of course, were in no position to disobey the dictatorship of the state and assert their freedom to create art and literature masterpieces not ordered by the state. Those artists that did attempt solo efforts often met with

unfortunate endings. Wiser artists sometimes had to store their works “under the table” or “in the desk” until such time that public exposure was safe. Others deliberately their works be “shelved” in the archives as was often the fate of films which would have otherwise been destroyed by Soviet censorship. Authors unwilling to accept obscurity for his creations sometimes used alternative, non-state, i.e. illegal outlets (for example, publishing books abroad or *samizdat*, that uniquely Russian approach to self-publishing used by many of the greats including Pasternak and Solzhenitsin). Those caught were immediately proclaimed as public enemies and sanctioned.

Thus, the creators of cultural values in Russia always had to walk a fine line. Often they had to choose between dangerous opposition to the powers-that-be and a role of “courtier” writer, painter, producer willing to create works on themes such as glorification of the Soviet way of life, Soviet leaders, “industrial” themes, and describing the “ulcers” of capitalism. No less grievous was the destiny of readers, spectators, listeners – the “consumers” of art and culture. Of course, people did have the choice not to see, read or listen to all the things that were created by their thoughtful leadership of the state (although the children for whom it was mandatory to study such “waste paper” works in school were less fortunate). Nevertheless, the most serious effect of cultural nationalization on consumers was the sheer unavailability of works of domestic classic and modern (such as literature published by emigres) culture and world culture. Even officially endorsed authors such as Pushkin and Tolstoy were abridged. Few specimens of world literature were ever publicly available. Nearly all modern foreign culture works were denied Soviet citizens – only occasional works by USSR friends such as Andre Gide, John Reed or Romen Rollan were allowed the Soviet people, and always in abridged or sterilized versions.

Still, cultural nationalization in the USSR had a few virtues. It did let a talented stage manager named Sergei Eisenstein created some of the greatest masterpieces in cinema history; it allowed the poets Yesenin, Tvardovsky and Akhmatova to express themselves; and it supported Stanislavsky and Nemerovich-Danchenko in creation of new forms of theatre. Basically, the upside of cultural nationalization was reliable state financing.

One issue which deserves mention here is religion. In the USSR – where officially religious liberty and disestablishment were proclaimed – militant atheism dominated and believers were oppressed. Young people who went to church faced the threat of expulsion from Komsomol (the All-Union Lenin Young Communist League) which was tantamount to losing the opportunity to enter the better institutes and universities as well as ever getting a good job). Indeed, members of the Young Communist League and pioneers often patrolled churches during ecclesiastical holidays. Their function was to stop children from going to church with their parents. The Bible and the Gospel at these times were available to a few. Almost all monasteries and convents were closed, many churches and cathedrals were destroyed.

With the Soviet Union disbanded, people have more freedoms. Indeed, opinion polls show most Russians consider greater freedom to be the main positive change in their lives since perestroika began. Freedoms with possible cultural relevance include:

- freedom of creative power
- freedom to satisfy cultural demands
- religious freedom²
- legalization of foreign and Russian works of culture and Russian classic art in full; and
- freedom to join global culture.

I do not praise freedom because everybody recognizes it. I just say that it is excellent to have the possibility to create works of art freely and freely enjoy those specimen of culture which meet individual tastes and demands. It is wonderful that a

² Unfortunately, religious liberty in Russia did not lead to a revival of spirituality. Fashion – in this case a fashion for religiousness, prevailed over the moral aspects of religion. Quick as lightning, many avowed communists became convinced believers, and just as suddenly church officials found themselves involved in many aspects of lay existence. Sometime this participation took bizarre forms such as blessing armed missiles at firing grounds. It also proved to be fertile ground for cults and extreme religious sects (e.g. AUM-SINRIKE). Some of these groups preach values which have nothing in common with traditional Russian religious beliefs and conventional morality.

person may believe and pray to his own God. In fact, if these were the only Russian reforms effects on the Russian culture, I would be happy and would not need to write this article. But freedoms have their price, and I feel it important to discuss the price in economic and moral terms.

2.2 Culture as a victim of financial deficit

As mentioned, nationalization of culture limited various freedoms, but also justified the state's role as patron. It is indeed likely that no other country in the world has ever supported so many cultural institutions (from the Bolshoi Theatre and Tretyakov Art Gallery to village and factory art clubs).

During transition, the state, through insolvency, has lost its ability to bankroll cultural institutions, support industries (e.g. publishing houses) and artists. It can no longer carry out its patron role, and thus hurts the very people who might benefit from liberalization.

The scale of collapse in culture in the 1990s, especially 1995, can be seen in the paucity of budget financing. In 1995, state expenditure on education, culture and mass media fell 27.4 % in comparison with 1994 – i.e. proportionally about the same as reductions in state expenditure in other social branches. Federal budget expenditure fell by 40.3 %.

According to the publication *Russian Economy: Trends and Perspectives. May 1996*, "When approving the 1996 federal budget a definite shift took place in the policy of the state towards medical care, education and culture. It was planned to increase the share of spending on these sectors in the expenditure part of budget. Given the substantial shortage of revenues and the respective reduction in the expenditure part of the budget in the first months of 1996, the spending on social and culture spheres accounted for 0.85 % of GDP, that is, they were slightly lower than in 1995. At the same time the share of these spending in the expenditure part of the budget totalled 6.4 % and turned out to be close to the planned 6.5 %. Yet a considerable redistribution of the spending between the sectors took place. The spending on education went up considerably from 3.1 % to 4.3

%, the spending on culture and mass media fell sharply from 1.0 % to 0.6 %. Unlike the federal budget, the budgets of subjects of the Russian Federation registered an increase in the share of spending on all sectors in social and cultural spheres. Here, it was also the spending on education that got the priority: the share of spending on education grew from 19.8 % to 23.9 % over the same period last year, for culture and mass media – from 2.7 % to 3.0 %."³

Unfortunately, state measures to overcome financial crisis in culture have been too little and too late. The lack of the state financing naturally forces cultural institutions and cultural values producers to find other sources of financing such as – i.e. patrons, sponsors or customers for their "products". A few have managed to find financing, but most cultural institutions and cultural values producers suffer hunger, (at best, the financial kind, at worst, the real kind).

The number of clubs and cinema has fallen in Russia (Fig. 1), and there are fewer books, magazines and newspapers being published (Fig.2).⁴ The majority of acting cultural institutions find themselves in poor economic conditions.⁵

³ Russian Economy: Trends and Perspectives. May 1996. *Institute for the Economy in Transition, Moscow, 1996.*

⁴ Russia in Figures. *State Committee of the RF on Statistics, Moscow, 1995.*

⁵ Take several examples.

* An entire generation of Russian children has grown up without ever visiting the Tretyakov Art Gallery, which had been closed for reconstruction for ten years (such protracted period may be explained by the lack of financing). But even since the solemn opening of the reconstructed Gallery in 1995, it had to be closed again several times because of broken equipment. There were no funds for immediate repair.

* In April, 1996, the tower roof of Cabinet of Curiosities in St.Petersburg – the symbol of Russian science established in 1730 by Peter the Great – was destroyed. The only previous capital repair of this building was made in 1747 after a consuming fire. The administration of the museum has repeatedly appealed to the government for financing to repair the building. Two years ago the government approved the decision to give three billion roubles for the museum needs. In fact, the administration of the museum received only a third of

Economic hardship seriously hurts thousands of small provincial theatres, museums, libraries, centres for cultural activities, and art centres for children and amateurs. It is difficult to determine how many of them have ceased or become objects of commerce instead of objects of culture. Commercialization of cultural institutions takes rather ugly forms. Closed cinemas turn into car dealerships, and theatres turn into night clubs or gay bars. The most "commercialized" creative groups, such as the Theatre on Taganka, have even found themselves involved in prolonged scandals concerning division of property. Many of Russian cultural workers and creative groups are now rare guests in Moscow, preferring to live and work in other countries.

Behind every lost creation, we find the broken fortunes of real people – both cultural workers and potential consumers of works of art⁶. It needs to be understood that theatres, cinemas, museums, libraries and art centres closed in provincial towns mean thousands, indeed and hundreds of thousands of people deprived of access to cultural achievements. This statement can be disputed, of course, nobody can deprive people of books, CDs, reproductions of paintings, or trips to other cities and countries, where museums, theatres and concert halls are still open. Certainly, though, nobody will dispute that access to culture has become

the promised sum. At present, the museums workers are busy with evacuation of exhibits, and citizens and guests of the city are crowding in the museum – it is very likely that there will be no such possibility in future.

* Nowadays, at Mosfilm, once one of Russia's largest film studios, they only make one film a year (by comparison, 157 films were made at Mosfilm in 1982). Even the few films that do get made rarely reach Russian spectators as there is no money for theatre operation.

⁶ Fates of "non-commercialized" cultural workers – actors, writers, painters, musicians, are developing in different ways. As an example – Ivashov, a brilliant Russian actor who in his young years had received rewards of many international cinema festivals for his work in the title role in "Ballad of a Soldier" died in 1995 at the age of 50. The cause of death was serious disease, exacerbated by hard physical labour – in order to support his family (Ivashov's wife is an actress), the actor had to work at manual labour.

more difficult for many.

The problem of financial deficit has touched many consumers of culture; as a rule, the most significant consequences of economic reforms (i.e. impoverishment of population) have affected those who were the most active "consumers" of culture, i.e. readers, spectators, playgoers, listeners, museums', concert halls' and excursion' goers. Economic reforms and their social consequences have led to declines in the quality of life of the creative and technical and scientific intelligentsia, and workers in education and public health care.

In 1995, average monthly wages in education (62 %), art and culture (52 %), science (75 %), health care physical education and sports (69 %) were lower than the average monthly wages in all branches of Russian economy (Fig. 3)⁷.

The result is that consumers of cultural values simply cannot realize those possibilities and liberties received as a result of denationalization of culture. People have the right to read the books they want, to see the films and performances they want as well as visit any museums, art galleries or concert halls they choose anywhere in Russia or abroad – they just lack the money to do it. Therefore, financial consideration prevent people who might have cultural demands from satisfying that demand, and as a result they provide no revenue to cultural institutions, artists and other cultural workers.

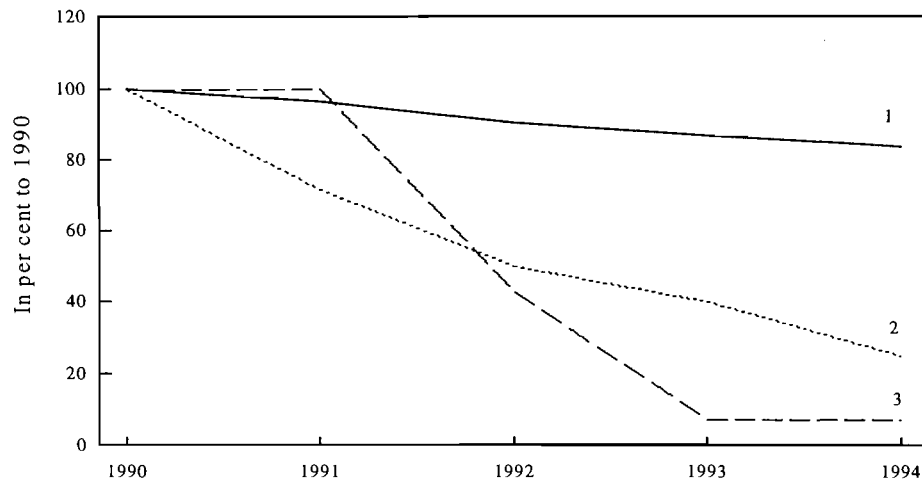
2.3 The vicious circle poor quality cultural goods

Just as the economic situation has actually improved for certain segments of the Russian population, there are also certain cultural institutions and producers of culture who have successfully adapted to market conditions and have better financial possibilities than they did in the Soviet period.

As mentioned, to survive in the new conditions, cultural institutions and cultural workers must find alternative sources of financing. Such awareness is not new to Russians; even Pushkin

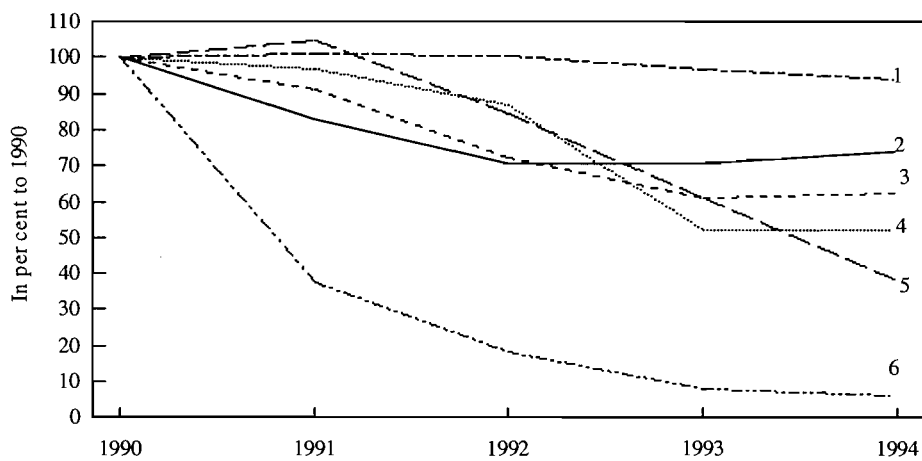
⁷ Statisticheskoe obozrenie, 1, 1996. Goskomstat Rossii.

Figure 1 Clubs, centres of cultural activities, cinema



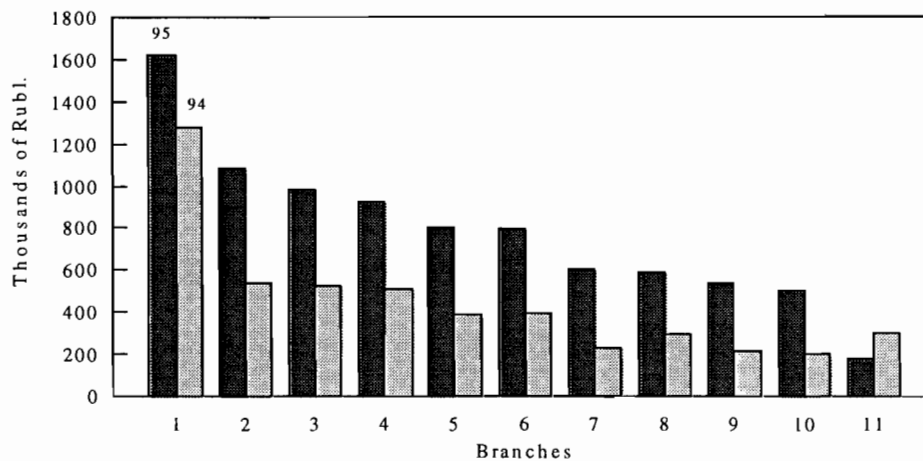
- 1 Number of clubs and centres for cultural activities
- 2 Construction of new clubs and centres for cultural activities
- 3 Construction of new cinema houses

Figure 2 Books, booklets, magazines and newspapers in circulation



- 1 Number of newspapers
- 2 Number of issued books and booklets (printed units)
- 3 Number of magazines and other periodic bulletins
- 4 Single print of newspapers
- 5 Circulation of issued books and booklets
- 6 Annual circulation of magazines and other periodic bulletins

Figure 3 Dynamics of average wages in branches of economy



- | | |
|------------------------------|--|
| 1 Credit, finance, insurance | 7 Medicine, sport and social insurance |
| 2 Transportation | 8 Science |
| 3 Construction | 9 Education |
| 4 Bodies of power | 10 Culture |
| 5 Municipal economy | 11 Agriculture |
| 6 Industry | |

wrote: "You don't sell inspiration, you sell the manuscript". Thus, cultural institutions and cultural workers need to identify potential consumers for their artistic efforts, or market economy terms, goods.

How does one price "cultural goods"? Of course, it depends on what kind of work of culture we are talking about. I would insist that now in Russia there just can not be cheap – in economic sense of the word – works of culture because of different economic reasons such as strict taxation and very high level of life any production is very risky and not very profitable process. Theatre performance, book publishing, painting, and most definitely film production need significant sums of money. And, as a result, it would be rather unrealistic to wait for prices to fall dramatically on good-quality books or tickets to theatres, cinema, museums or concerts.

Thus, many potential consumers of works of culture (cultural goods) are indirectly excluded from the possibility of consuming culture due to the state's financial problems. Demand for works of culture is thus presently driven by those of financial means.

The expression "new Russians" is well known, but who are they? Usually, this term is used to designate people who are self-confident in Russia, have tenable financial position and possibilities to meet their own needs, including cultural ones. Unfortunately, the majority of new Russians are not representatives of the old Soviet intelligentsia, who had an advantage for better realization of their abilities in new conditions (though, of course, there are such people), and not "honest entrepreneurs", who managed to succeed because of their personal business abilities (perhaps there are a few). New Russians are generally not community builders who take pride in their towns and the nation, but representatives of a criminal class and quasi-criminal structures, businessmen who have made fortune through fraud, tax evasion, black-market operations, and exploitation of state property.

It would be naive to suppose the presence of high cultural needs in the mentality of such people. More often they lack even a simple level of erudition, making them objects for jokes and

anecdotes⁸. There are jokes and anecdotes, but the following is reality: Russian antiquarian association “Gelos”, organizing sales of cultural values by auction, offers its new Russians clientele an “Indicator of painting prices”, which according to the inventors’ words “is designed for operative valuation of pictorial art of 47,000 world painters”, taking into account that all 47,000 painters can be divided into 12 groups according to the possible value of their works. The book presents a special table, which is designed to help “even the quite unqualified person to evaluate the correct price of a painting more or less exactly in just a few seconds” according to the area of canvas or image.

Even so, if buyers of Salvador Dali “postcards” even with the help of “Indicator of painting prices” somehow did become owners of fabulous collections, it wouldn’t have to be that bad. After all, the Tretyakov Art Gallery was started by a young merchant who began to buy paintings of Western European artists in cheap antiquarian shops. He had a good eye for as-yet-unknown masters. Tretyakov eventually went on to share the collection with thousands of people. Indeed, many Russian collectors donated their collections to their native towns in a gesture of public goodwill.

Sadly, most new Russians are simply acquiring assets, and have little concern with the object itself – land, real estate or cultural works. These people have little connection with the things they collect, and what’s worse their lack of cultural sense is contagious. As the main consumers of cultural goods, their tastes predominate. Sex, violence, vulgarity – these are the main objects of modern Russian book-shelves, cinema and TV screens, theatres stages. Perhaps, Russians were once a highly literate people, now they read less and less (especially the young). The reading public that remains increasingly prefers escapist pulp fiction, sexy potboilers and true crime stories, not

classics or non-fiction. The same is happening in painting, theatre and cinema. Thus, according to Russian saying: “the one who pays, chooses the music”.

Perhaps the most frightful thing is that in creating “cultural goods of poor quality” cultural workers not only satisfy certain needs of certain consumers, but also drive the market for the same poor quality goods. For, it would be quite strange to wait that teenagers who were “brought up” by features and “bed” scenes in their middle ages would become fonder of classic and elite cinematography, readers of world classic literature, etc.

Conversely, a child who from a very young age has been accustomed to the best samples of world culture is unlikely to develop a mad taste for pornography in his middle age. Unfortunately, many of those more erudite Russians who did manage to digest the works of Rozanov, Thoreau or even Henry Miller during the period of stagnation, are presently experiencing considerable financial hardship. They are in no position to influence the level of new “cultural goods” creation process. They have little chance to “choose the music”.

People say that Russia today lacks a “middle class”. What they mean is that there are many poor, a few rich, and almost no people in between. i.e. people with the time and financial possibilities to satisfy their cultural and aesthetic demands.

It takes time to acquire taste, and sadly in modern Russia, as a person’s financial position grows, his time available to enjoy the good life diminishes⁹. Business in Russia is a very hard and brutal thing; it demands considerable physical and mental strains. Thus, the majority of businessmen prefer a sauna or tennis court (if not bar and restaurants) after work, to a serious book.

I have already mentioned some data concerning reduction of books, magazines and newspa-

⁸ For example: two new Russians abroad eventually find themselves at a major art dealer just when two small paintings by Salvador Dali are being auctioned. The paintings are so expensive that none of the other bidders are even willing to give the starting bid. One of new Russians, not hesitating a moment, jumps in and settles at the asking price. He then comments to his friend: “Well, we’ve got the postcards, now let’s go for some souvenirs.”

⁹ For example: I have a friend succeeding as an entrepreneur who once has been a research-fellow. By origin she comes from a family of old Russian intellectuals. According to her own words she has learned to read nearly before she began walking and the most costly thing in her family always was a wonderful collection of books. And what now – she must confesses that she reads less than her driver (who hardly can be considered a book-lover).

pers issues. Figure 4¹⁰ presents dynamics of number of some cultural institutions and indexes of satisfaction of cultural demands. It is rather remarkable that the dynamic of number of cultural institutions is positive, but the dynamic of cultural demands' satisfaction – rather, the dynamic of cultural demands themselves – is negative. One might even conclude that the most negative effect of Russia's economic reforms in the field of culture are not the lack of funding, but the decreasing in the cultural demands of the population. It's a vicious circle: the deterioration of the economic and social situation exacerbates economic inequality, which makes the economic conditions needed for middle class formation even more remote, which further decreases in cultural demands of the population, which further deteriorates the economic and social situation, etc.

One sign of the times is Russia's wild growth of crime, organized and otherwise. We may even speak of the criminalization of society. The culture has been also subjected to the process: criminals become the customers of cultural goods. These people's tastes and values are then pressed on the rest of the population. Peculiarities of Russian mentality and Russian history make it easier to tolerate criminals, who are seen as "Robin Hoods" with certain codes of honour. Children and teenagers are constantly exposed to such values.

Another process, often called "Americanization" (though it has little to with Americans per se) is the introjection of foreign mass culture that glorifies cruelty, violence, vulgarity and casual sex. These processes have gone so far that many analysts now speak of a loss of national self-consciousness among Russians. The "reverse side" these processes is the dehumanization of the individual that allows the promotion of fanatic ideas.

According to a recent *World Development Report*, "The economic consequences of reduction of cultural demands level have already developed and will develop to a greater in the future with the reduction of the general educational level of the population and the professional fitness of labour forces. Education reform is urgent because the erosion of a country's human capital imposes high

downstream costs. Ill-educated people make up a large proportion of the unemployed and the poor. Fortunately, there is good evidence that higher enrollments and a rapid response of the education system to changing labour market pay dividends: such factors explain a significant part of the higher growth rates of the high-performing East Asian economies in recent decades. In transition economies a shortage of necessary skills hampers enterprise restructuring and privatization."¹¹

2.4 The problems of education and upbringing

Perhaps, the only way out of crisis is to increase cultural demand among the population, i.e. to improve the educational and upbringing process:

"High quality and good access to basic education and health care were two of the proudest achievements of central planning. Under central planning the Soviet Union was well-educated society, with almost universal primary and lower secondary enrollment, high levels of literacy compared with countries at similar incomes (and sometimes with those with much higher income), and impressive levels of basic numeracy and engineering skills."¹² – *World Development Report (A schematic of the Russian education' system is given in Figure 5¹³.)*

"But reform of education is needed, and urgently. First, the inherited education system was highly inefficient even in the context of central planning. The state financed education on the basis of rigid formulas, allocating resources without regard to student or employer demand. And although the provision of education was for the most part a public monopoly, it was poorly coordi-

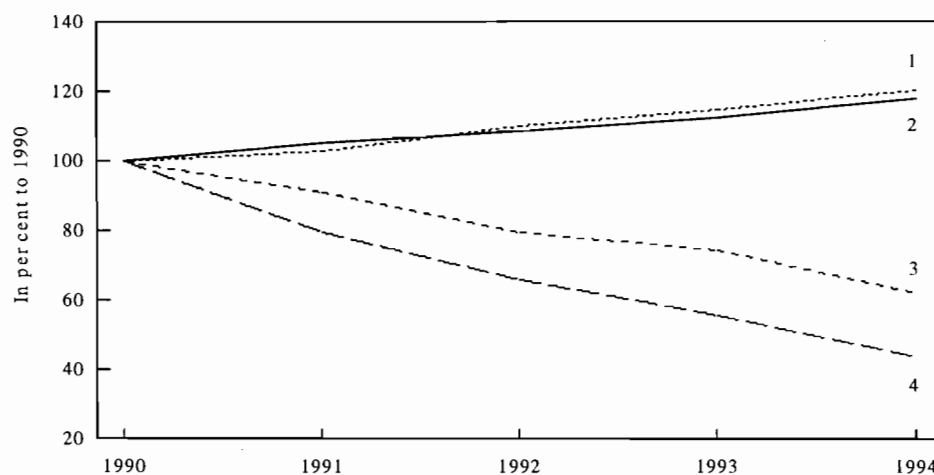
¹¹ From *Plan to Market*. World Development Report, 1996. Published for the World Bank. Oxford University Press.

¹² From *Plan to Market*. World Development Report, 1996. Published for the World Bank. Oxford University Press.

¹³ Stephen P. Heyneman. *Entering A Higher Grade – Proposals to reform Russia's Education System. Transition, volume 6, number 1–2, January–February, 1995.*

¹⁰ Russia in Figures. *State Committee of the RF on Statistics, Moscow, 1995.*

Figure 4 Museums and theatres



- 1 Number of theatres
- 2 Number of museums
- 3 Visits to theatres
- 4 Visits to museums

nated. Programs for professional development were fragmented, and scarce resources were often wasted on duplication of facilities, as each enterprise and ministry developed its own. Nor did administrators or teachers have any incentive to use resources efficiently. The result was gross overstaffing and high unit costs. In many ways the education system – like the health system, as we shall see below – had problems similar to those of state enterprises. The solution, although not the same, will involve some of the same elements – for example, incentives to efficiency and greater responsiveness to consumer demand. As explained below, the second reason why reform is needed is that the inherited system has major deficiencies in terms of supporting a market system.”¹⁴

“The Soviet system of education was created to the needs of command economy, where the sphere of activity of one citizen was strictly limited. It was supposed that one would retain his job until the pension age. Education was free and equal for all Soviet citizens. Children were taught

to listen and obey, not to propose questions to be answered, honour leaders, know the culture and history of their land. The application of gathered knowledge in different circumstances was not encouraged”¹⁵.

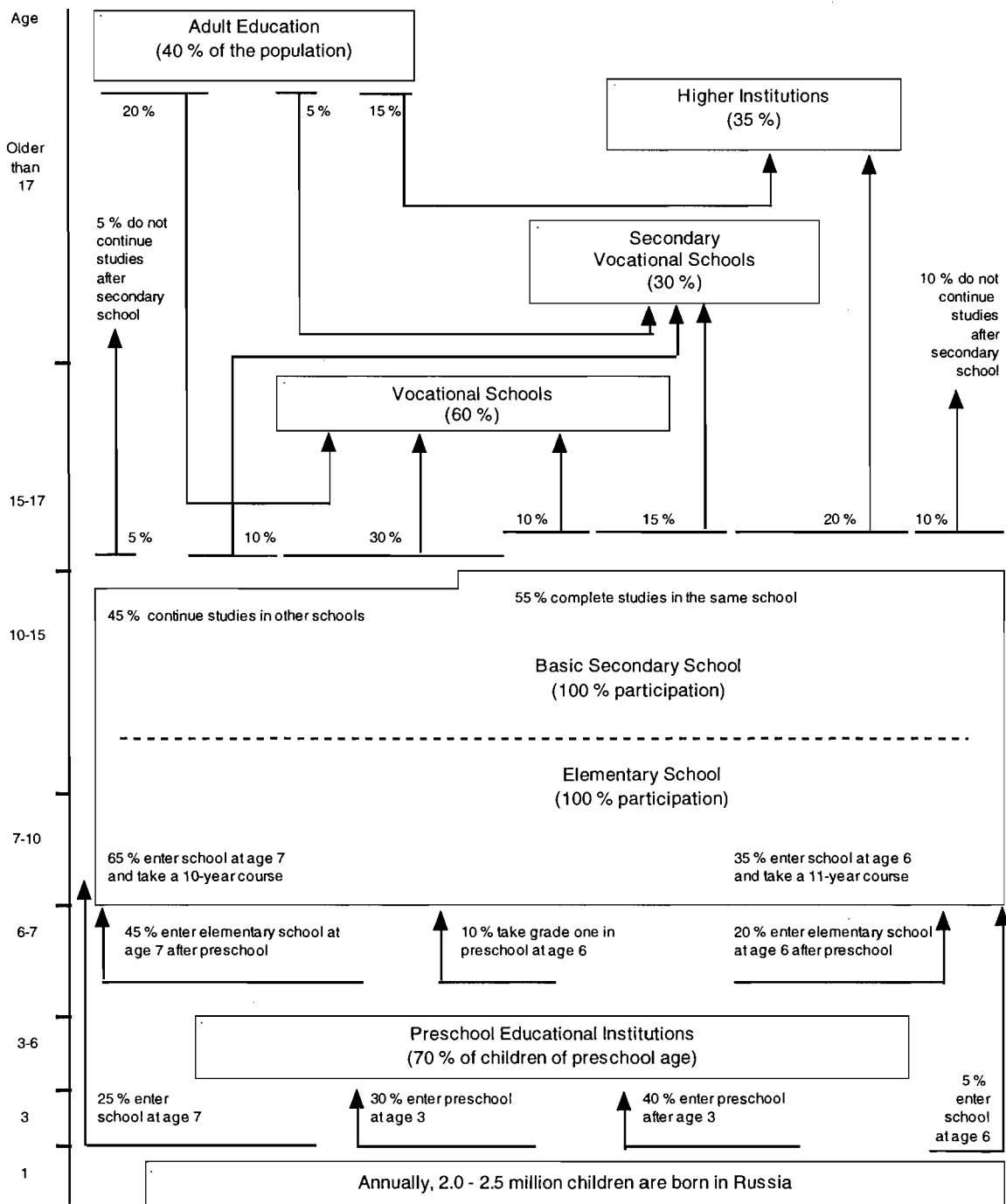
“Education systems under central planning focused, on the one hand, on teaching all students a uniform interpretation of history and national purpose, and on the other, on mastery of fixed, specialized bodies of knowledge to be applied in narrowly defined jobs”¹⁶. Education therefore emphasized conformity for all and specialist expertise for each. This philosophy rendered socialist education systems inadequate to the needs of a market economy in at least three ways. First, although basic education was in many ways superior to that in many Western countries, subse-

¹⁴ From Plan to Market. World Development Report, 1996. Published for the World Bank. Oxford University Press.

¹⁵ Tatiana Popova and Merja Tekoniemi. Social Consequences of Economic Reforms in Russia. *Review of Economies in Transition*, 1996.

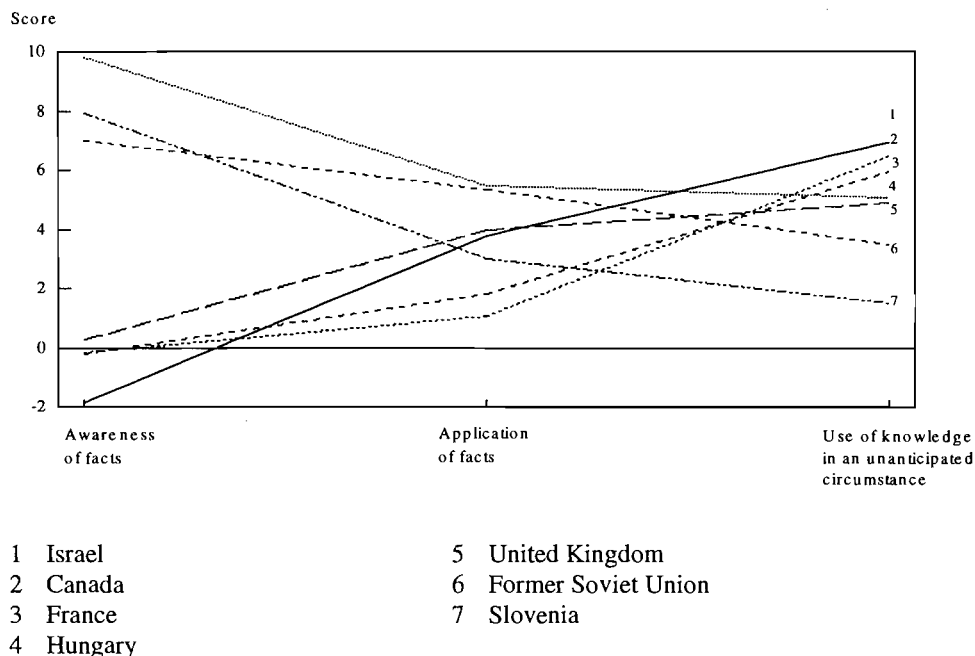
¹⁶ From Plan to Market. World Development Report, 1996. Published for the World Bank. Oxford University Press.

Figure 5 Russia's School System



Source: Stephen P. Heyneman. World Bank; Transition 1-2/1995

figure 6 Science and mathematics test performance of children in selected transition and established market economies



Data are deviations from the overall mean, for a sample of nineteen countries, of test results of nine- and thirteen-year-olds on the second International Assessment of Educational Progress, conducted in 1991. Countries shown are those whose performance was above the sample mean.
Source: Kovalyova 1994.

quent training was too specialized from too early an age. Second, adult education and training, essential for job mobility in a market economy, was neglected because workers were expected to remain in their first occupation throughout their working lives. Third, subjects such as economics, management science, law, and psychology – all of which feature prominently in market economies – were deemed irrelevant and ignored or underemphasized.

Liberal market economies also use education to transmit cultural, political, and national values as well as knowledge and skills. In sharp contrast with education under central planning, however, their systems emphasize personal responsibility, intellectual freedom, and problem-solving skills.

The skills that students acquire through their education can be assessed along three dimensions: the ability to solve a known class of problems; the ability to apply a given technique to a new problem; and the ability to choose which technique to

use to solve a new problem. Although this hierarchy of skills was recognized throughout the centrally planned economies, in many the upper end – that involving independent, critical thought – was regarded as seditious. Figure 6 illustrates these three dimensions, revealing both the strengths of the old system and where there may be a need for change.¹⁷

Adapting the education package will not be easy (Table 1). Given the limitations of state financing, though, it is doubtful if education and upbringing systems can be maintained at their present level, let alone be developed.

Because of financial difficulties, the share of educational expenses in budget spending has di-

¹⁷ From *Plan to Market*. World Development Report, 1996. Published for the World Bank. Oxford University Press.

Table 1 Examples of needed changes in the education package

Component of the education package	Objective
Knowledge	Preserve the achievements of the old system, but rectify the earlier underemphasis of social sciences and law.
Skills	Assist the movement from specific skills to broader and more flexible skills better able to meet the continually changing demands of a market economy. Strengthen the ability to apply knowledge in new and unforeseen circumstances.
Attitudes	Strengthen the idea that the initiatives of workers and others are rewarded. Assist in the understanding that employing workers (subject to suitable regulation) is not exploiting them, but giving them an opportunity to earn a living. Assist the understanding that business has its place in society and hence that profits are needed to provide an engine of growth.
Values	In line with the changed relationship between the citizen and the state, encourage the understanding that citizens need to take responsibility for their actions, including their choice about education, work, and lifestyle. Foster the understanding that freedom of expression is an essential, constructive component of a pluralist society governed by consent.

Source: From Plan to Market. World Development Report, 1996. *Published for the World Bank. Oxford University Press.*

minished from 5.8 % in 1992 to 3.1 % in 1995¹⁸. Compared to 1994, real state expenditure on education fell by almost 27 %. The cuts were seen most severely in the wages of teachers, which in 1995 were on average 53 % of the average wages in industry. This situation has been additionally exacerbated by the fact that financial assets from government have often been spent on other items than wages of teachers. Overstaffing further adds to the problem. Lowering the number of staff would enable real wage increases and perhaps encourage greater efficiency.

Another "victim" of the poor financial situation in education have been children under school age. The provision of preschool education has declined dramatically because of financial difficulties, growth of for-pay day-care and Russia's falling birth rate. In five years, the number of chil-

dren in preschools has gone down by about 35 %.

The most serious signs of socio-economic situation strain in the educational sphere became non-stop teachers strikes in various regions of Russia in 1994–1995. After the nationwide teachers strike on 26, September, 1994, actions of protest continued in 15 regions of Russia. One-tenth of state schools or 321,400 people in 51 regions of Russia took part in the all-Russia teachers strike on 14–15 December, 1994. Actions of protest took place in 575 educational institutions with 27,200 people participating¹⁹. The strikes reflected reaction to the disappointing government decision of February 1995 on increasing the wages of teachers. Even after the measures taken in November 1995 to increase real wages for teachers, most salaries were still below the subsistence minimum.

¹⁸ Tatiana Popova and Merja Tekoniemi. Social Consequences of Economic Reforms in Russia. *Review of Economies in Transition*, 1996.

¹⁹ Review of Russian Economy, vol.4, N2, 1995.

As noted, some positive prospects in financing of education have been recorded in 1996. The redistribution of spending in favour of education may be, to some extent, attributed to more than a 10-fold increase in the number of strikes by educational establishments in December of 1995 and January of 1996 compared to October and November of 1995. The strikes were caused by growing budgetary deficits and belatedness in wage payments. In March–April of 1996 the arrears in wages began to fall and the number of strikes fell considerably.²⁰

Unfortunately, the situation in education is already so serious that financial injections may no longer be able to improve the situation.²¹

Many analysts connect their hopes for educational reforms with development of alternative, non-governmental educational institutions. Those institutions began emerging simultaneously with the beginning of economic and political reforms in Russia. However, there are not many such schools yet. Thus, in 1994–1995 school years out of 70,000 secondary schools there were 1327 state schools with extended study of several subjects and alternative curriculum) and 448 non-governmental schools²². In 1995 structural changes have continued in educational institutions. For a year the number of secondary schools has increased on 1 %, establishment of new types of educational institutions became more rapid: the number of alternative state schools has increased on 9 %. Network of private schools obtaining governmental licence has increased on 17.5 %, and made 0.8 % of total number of secondary schools²³.

²⁰ Russian Economy: Trends and Perspectives. May 1996. *Institute for the Economy in Transition, Moscow, 1996.*

²¹ Even a solution of technical questions requires large financial means. According to Goskomstat's data in 1993–1994 33.9 % of schools in Russia were in need of major repairs, only 42.2 % of schools had all conveniences (63.5 % of schools had water-supply; 68.8 % of schools – central heating; 52.7 % – sewers). Only 65.1 % of schools had computers. 65 % of schools worked in one shift, others – in two or three shifts.

²² Russia in Figures. *State Committee of the RF on Statistics, Moscow, 1995.*

²³ Review of Russian Economy, vol.4, N2, 1995.

Distribution of non-governmental schools over Russia is rather disproportional and is closely connected with the results of economic reforms succeeding in the region. Almost half of them are located in Moscow, St.Petersburg and Moscow region. Since the existence of private schools, structure of their financial sources has undergone significant evolution. If during the first stage practically all expenses were covered by founders, at present the main financial sources are payments made by parents. The state payments, normatively determined at the rate of one pupil (notwithstanding the educational institution's type), practically do not reach private schools because of extreme perplexity of process of the state accreditation obtaining by private schools which is the necessary clause for the distribution of budget assignments.

Wide discussions which were taking place during 1994 year over number of bills concerning possible ways of privatization in the field of education had finalized by adoption in April, 1995 of the Federal Law "On Reservation of the State and Municipal Educational Institutions Status and Moratorium on Their Privatization", which has stipulated three-years prohibition on privatization of all kinds of educational institutions, including objects of their industrial and social infrastructure. The only principally new clause, included in the Law wording, became authorization to introduce changes in the composition of founders of educational institutions. However, such amendment may be accomplished only by the inclusion of new founders from authoritative and executive bodies, completely excluding private founders. The Law "On Introduction of Amendments and Addendum to the Law of Russian Federation "On Education" adopted by the State Duma in April, 1995, had stipulated the rule of direct action, prohibiting privatization of the state and municipal educational institutions.

Thus, insignificant number, disproportionality of regional distribution and financing at the cost of pupils' parents make it impossible to speak about accessibility of non-state education. As the experience shows, non-state schools which are not oriented to pupils' parents as a sources of financing, have no possibilities to survive in the modern Russian conditions.

Besides all above-mentioned there is one more factor, making doubtful the possibility of

educational reforms accomplishment by development of non-state schools. This factor is the quality of teaching in non-state schools and in alternative state schools. Unfortunately, there are a lot of facts when the only new thing in such untraditional schools is financial burden which falls upon the shoulders of parents. Besides, quality of teaching in private schools is not better but more often poorer than in the usual state schools.

All schools must be subjected to reforms. There should be no hope that reforms will go by themselves and that it is enough just find money for teachers salaries or school-buildings repair. Professional level of teachers very often does not meet modern demands, that is why it is necessary to conduct reforms of teaching in pedagogical institutes and in system of teachers retraining with reforms of secondary schools.

Cultivation of cultural demands is accomplished not only in the system of the state education but (and at first) in families. Today we are in the face of various factors which allow to conclude about a crisis of family upbringing. I will note only some of them:

- families having children are mostly vulnerable concerning problems of poverty and unemployment;
- together with total decreasing of birth-rate in Russia, a share of children who are brought up in single parent families is increasing;
- children' dereliction (among children living in families), growth of number of waifs and strays (as orphans, and also children who have parents), growth of juvenile delinquency are urgent problems in today's Russia.

Unfortunately, family and children problems lack "priority" in Russia. Problems of survival in new economic conditions for some and enrichment for others are coming to the first stage, keeping out of the light problems of upbringing and education of own children.

3 Conclusions

Analysis of the cultural consequences of Russian economic reforms leads to rather paradoxical conclusions. Denationalization of culture is a positive result, but overall the former patron of culture, the state, has turned its back on problems in the arts and culture. In a sense, the state has acted toward culture as an overly devoted parent, who first failed allow a child to grow up normally by making the child always ride around in a pram, never allowing the child to learn to stand or walk. Now, suddenly, the parent has placed this child on the ground, expecting the child not only to be able to stand alone and walk, but even run. Of course, the child simply falls on his face and probably would like to be put back in the pram. What the child needs is time to build up his muscles and learn to walk. Thus, customers and producers of cultural values need an opportunity to learn how to live under market conditions and make it on their own. It is not simply a matter of providing financial assistance (the pram), but establishment of organizational and legislative conditions for normal development of culture in a market-oriented economy and psychological adaptation of people to market economy conditions.

State policy must give greater priority to fields of culture; they require peculiar attention and support. Given the state's financial limitation, priority probably should go to upbringing and education. As to support for acting cultural institutions, it should be addressed mainly to projects of national significance.

Recent actions towards support of culture by the government and president have had a transient, populist character. They generally have lacked organisation and follow-through, and tended to focus simply on funding problems. In May, 1996 the government did approve a federal target program "Development and Preservation of Culture and Arts in 1997–1999" similar to a previous federal program for 1993–1995. The new program is limited to the traditional sector of "culture and arts"²⁴. It has been drawn up from applications from various departments, such as the

²⁴ Russian Economy: Trends and Perspectives. May 1996. *Institute for the Economy in Transition, Moscow*, 1996.

RF Ministry of Culture, Roskomkino, Rosarchives, Rostsirk, etc. to finance the maintenance cost of the respective federal organizations and to carry out various cultural events. The program makes no

provisions for either any structural changes or adoption of any purposeful policy towards any other channels for distribution of cultural values.

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