

Political Graft and Education Corruption in Ukraine

Compliance, Collusion, and Control

ARARAT L. OSIPIAN

Abstract: In this article, the author considers corruption in higher education in Ukraine, including such aspects as corruption in admissions to higher education institutions, corruption in the academic process of teaching and learning, and corruption in administering the newly introduced standardized test for high school graduates. The author builds a grounded theory that explains the issues of compliance, collusion, and control. This theory is based on the idea of governmental control over corrupt higher education institutions. It implies a spillover of political graft in the academy, which facilitates educational corruption and suggests that the state may encourage the institutionally based culture of corruption in higher education. The author presents the implications of the current regime's actions in the context of the educational reform taking place in Ukrainian higher education and argues that the ruling regime is interested in breeding corruption in academia to sustain its existence.

Keywords: bribery, corruption, graft, higher education, reform, Ukraine

Corruption is a growing problem throughout the world. According to some estimates, countries with transition economies are the most corrupt. Transparency International and World Bank surveys both show that Ukraine is an especially corrupt country.¹ According to the corruption perceptions index (CPI) that Transparency International calculates annually, Ukraine ranked 83rd out of the 91 countries surveyed in 2001.² In 2006, Ukraine was given a score of 2.8, making it 99th out of 163 countries.³

A number of scholarly publications and national surveys in Ukraine confirmed that corruption is a problem. For instance, a 2002 Ukrainian Institute of Social Research poll

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showed that 78 percent of respondents believed that all or most government officials have accepted bribes. More than 80 percent stated that corruption was prevalent within the judicial branch of the government, and 71 percent believed that most government officials were tied to the mafia or private family business relations. Moreover, a good portion of Ukrainians are inclined to accept bribery as a normal part of everyday life.⁴ Peter Solomon and Todd Foglesong note that the number of reported corruption-related incidents in Ukraine rose 250 percent between 1990 and 1998. By 1998, there were 2,449 incidents, which led to 1,641 convictions.⁵ According to the data presented by the Civil Organization Committee against Corruption and Organized Crime, the number of reports of corruption sent to court by Ukrainian law enforcement agencies for trial increased from 5,862 in 2006 to 5,994 in 2007.⁶

Corruption may be found in many sectors of the national economy, including higher education. Corruption in education is more detrimental than typical bureaucratic corruption. Corruption in higher education is detrimental to society for three major reasons: (1) it has a negative impact on the economy and society because it hinders the system's efficiency; (2) it hurts society by negatively affecting educational programs; and (3) it diminishes social cohesion, because students learn corrupt practices. Corruption in higher education negatively affects access to higher education, quality of higher education services, and equity. The development of a substantial private sector in higher education has led to increased corruption. Private higher education institutions are as corrupt as their public counterparts, proving that people other than public officials are susceptible to corruption.

Corruption in Higher Education

There are 680,000 licensed openings (and no unlicensed openings) for freshmen in approximately 480 higher education institutions in Ukraine, 80 percent of which are in public higher education institutions and 20 percent are in private institutions. There are also numerous public community colleges and vocational schools. There are more openings in higher education institutions in Ukraine than there are candidates willing to pursue college degrees, including openings in distance-learning programs, correspondence programs, and retraining. The government funds half of the students in public colleges and universities. The admissions processes at government-funded institutions are corrupt: Prospective students pay bribes and use personal connections to gain access to publicly funded colleges and universities.⁷ Furthermore, after admission, course grades can be bought from faculty members.

There are a variety of forms of corruption that can be found in higher education in Ukraine, including bribery, embezzlement, extortion, fraud, nepotism, cronyism, favoritism, kickbacks, violating rules and regulations, ignoring admissions criteria in the admissions process, cheating, plagiarism, research misconduct, discrimination, and abuse of public property. Such forms of corruption are often connected in bundles—assigning a high grade to a student in exchange for a bribe is fraud, for instance. The corruption can have different origins. A bribe can be offered voluntarily or extorted. It can be in the form of cash, merchandise, service, or a monetary donation. In addition to classic forms of corruption, gross waste, misallocation of public resources, and sexual misconduct take place in higher education institutions in Ukraine. The media has reported on corruption problems in Ukraine's higher education system.⁸

The media reports appear to be trustworthy, because they are based on interviews with leading educators, students, and law enforcement officials, and also on surveys conducted

by reputable research institutions. An element of bias may, of course, be present, but it is insignificant; the presence of widespread corruption in Ukraine's higher education sector is not in doubt. Corruption in higher education was not researched during Soviet times. Anecdotal evidence indicates that the scale of corruption in Soviet universities was nowhere near its present scale, however. This may be explained by the state's tight control over universities, the relatively high salaries for professors, and the absence of a widespread culture of corruption in Soviet Ukraine.

The head of the Department of Economic Crimes Prevention in the Ministry of the Interior, General Leonid Skalozub, reported in July 2006 that there were 210 cases of bribery registered in higher education institutions for that year, eleven of which were in Kyiv.⁹ He mentioned a departmental chair in Luhansk who accepted cash and demanded that students pay his bills for electronics and construction. The corrupt chair was arrested while receiving a bribe of UAH10,000.¹⁰ The deputy director of the Kyiv National University's college was arrested while receiving bribes of \$5,000 and UAH5,000 (worth approximately \$1,000).¹¹

The number of cases of bribery in higher education that the Ministry of the Interior reported appears to be only the tip of the iceberg. According to a survey conducted by the Millennium Challenge Corporation with the Ukrainian government's support, corruption riddles all economic and societal spheres. The respondents consider institutions of higher education as the most corrupt type of organization, followed by hospitals and polyclinics, law enforcement agencies, and tax-collection offices. Fifty-two percent of the respondents consider engaging in corrupt practices to be the easiest and most reliable way to solve problems. Moreover, these views are even more pronounced among younger people.¹²

Students are not necessarily always victims of corruption. Some are active participants or even initiators of corrupt activities. According to Science and Education Minister Stanislav Nikolaenko, many students would give their professor a bribe in exchange for a better grade if the professor asked. The survey shows that 21 percent of students in Donetskaya Oblast, 29 percent in Kyiv, 28 percent in Lviv, 25 percent in Odessa, and 30 percent in Kharkiv would do the same. Another 15 percent of the respondents said they would not take advantage of such an offer but would inform their friends of it. Only 21 to 26 percent of all students, depending on the region, said that they would not bribe a teacher. Finally, only 3 to 8 percent would inform the police. Forty-two percent of the parents of prospective students said that instead of wasting time preparing their children for college entry examinations, they would rather seek other ways and means of getting their children into college, including informal payments to and connections with college faculty and administrators.¹³ The mass media openly discusses what gifts might be appropriate for faculty members and how they should be presented, which helps perpetuate corruption in academia.¹⁴

The head of the Department of Higher Education in the Ministry of Science and Education cites a 2006 survey of freshmen that shows that two-thirds of them did not encounter bribery, nepotism, or protectionism. Yaroslav Bolyubash considers this a good indicator that the higher education industry has a low level of corruption.¹⁵ He believes corruption in higher education may not be as bad as the media portrays it. However, as Philip Shaw points out, the data from a 2003 survey conducted by the Partnership for a Transparent Society, which included 1,588 freshmen and sophomores in twelve cities throughout Ukraine, revealed that:

56 percent of students bribed to enter their educational establishment, 22 percent bribed to pass exams, 18 percent bribed for credit, and 5 percent bribed on term papers. Over 35 percent felt their educational establishment was “very corrupt” or “rather corrupt” while 48 percent of students viewed teachers that accept bribes as “corrupt,” “criminal,” or as “bribe-takers.” Finally, 27 percent of students bribed on their final exams during secondary school.¹⁶

Graft in schools’ admissions offices, government-funded higher education institutions, and bribery in the academic process (e.g., paying for higher grades) may be the most explicit form of corruption, but these practices are not the only forms of corruption in academia. Other examples in colleges and universities in Ukraine include embezzlement, fraud, gross waste, misallocation of resources, and so forth. An investigative report revealed that the former president of the Luhansk branch of the Inter-Regional Academy of Personnel Management [Mizhregionalna Akademiya Upravlinnya Personalom] (MAUP)¹⁷ embezzled UAH831,900—approximately \$46,000.¹⁸ Producers of fake diplomas, called diploma mills, and low-quality educational programs can now be found in some poorly managed branches of both public and private higher education institutions. The Ministry of Science and Education fights diploma mills and oversees the quality of higher education services through the processes of licensing and accreditation. The State Attestation Commission [Derzhavna Atestatsijna Komissiya] revoked the licenses of 116 educational programs, branches, affiliates, and colleges in 2006. The licenses were recalled from, among others, a Kyiv business college, educational programs at Kharkiv National University of the Ministry of Interior [Kharkovsky Natsionalny Universitet Ministerstva Vnutrennih Del]—which has branches in Smila, Poltava, Melitopol, Yevpatoriya, Kerch, Mariupol, and Herson—an educational branch of Kharkiv Aeronautical University in Alushta [Kharkovsky Aerokosmichesky Universitet], and a branch of East-Ukrainian University in Feodosiya [Vostochnoukrainsky Universitet].¹⁹

According to another source in the Ministry of Science and Education, the ministry revoked 104 licenses from various educational branches and programs in 2006 and 2007. These institutions included educational consulting centers, branches, faculties, and departments in institutions of higher learning, which are often the part of vocational and professional two-year colleges that illegally produce four-year baccalaureate degrees and even five-year specialist degrees.²⁰ State-funded higher education institutions created forty-five such institutions; private higher education institutions established fifty-nine.²¹

Corruption in licensing and accreditation is not limited to institutions that bribe and give officials kickbacks so that they can obtain approvals and permits to establish substandard educational services. Illegal licensing and accreditation are a means to the market shares of an institution’s competitor. The struggle for customers results in new forms of corruption. These new forms can easily be mistaken for state measures trying to combat corruption in education. One of the recent examples of such a struggle is an attempt to deprive MAUP of a part of its business through *naezd* or *reiderstvo* [raidership]. The rector of MAUP, Mykola Golovaty, accused Stanislav Nikolaenko and other state officials of attempting to take 3,000 tuition-paying students from MAUP and transfer them to Zaporizhe Technical University.²² This allegation suggests that state officials and some higher education institutions are colluding in an attempt to oust their competitors from the market.

Tuition in the more prestigious universities in Ukraine is steadily becoming more expensive. The cost of one year of studies in the most popular majors (e.g., economics, finance, management, international business, and public relations) increased by 25 percent

from 2005 to 2006. The cost of an economics education at the Institute of International Relations in Kyiv National University increased from \$3,000 to \$4,000 per annum. At Kyiv-Mohyla Academy, the annual cost of an education is between UAH13,500 and UAH15,000 (\$2,700 and \$3,000). This annual cost increased to \$3,000 in 2007. About ten students apply for each state-funded opening in such majors as economics, banking, and finance at elite universities. Computer sciences draw five to seven applicants per state-funded opening. Even humanities degrees, including cultural anthropology, history, philosophy, and political science, have large numbers of applicants for government-funded openings.²³ Media reports show that higher education institutions are earning money from the increased enrollment. The size of the average bribe is expected to increase accordingly.²⁴ Survey results and interviews point to a large-scale problem of corruption in higher education in Ukraine. Top government officials acknowledge widespread corruption practices in Ukraine's education industry.²⁵ However, scholarly publications that should offer theoretical explanations for the phenomenon of corruption in higher education in Ukraine are virtually nonexistent. Continuing economic growth and democratization are also resulting in an increasing amount of corruption. The existing body of research on corruption does not explain this paradox. The grounded theory approach may be helpful in explaining this puzzling reality.

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Political Graft and Education Corruption

Grounded Theory

I use the grounded theory approach to develop a theoretical extension for the issue of corruption in higher education in Ukraine. This theoretical extension explains how corruption works in higher education, how it evolves and develops, and how it perpetuates and sustains itself. According to Alireza Moghaddam, “The grounded theory approach consists of a set of steps and processes which are the building blocks of a quality grounded theory. Grounded theory . . . focuses on making implicit beliefs explicit.”²⁶ For Kathy Charmaz, grounded theory refers to theory developed inductively from data.²⁷ Anselm Strauss and Juliet Corbin point out that grounded theory was introduced in 1967 to present a reliable way of connecting diverse facts into an explanatory theory when “data are fractured, conceptualized, and integrated to form theory.”²⁸ Referring to Barnet Glaser and Strauss, Moghaddam points out that “what Glaser and Strauss suggested as grounded theory is actually a ‘systematic, qualitative process used to generate a theory that explains, at a broad conceptual level, a process, an action, or interaction about a substantive topic.’”²⁹

The grounded theory approach is specifically designed to address issues that have not been well researched, such as corruption in higher education. Rahmat Samik-Ibrahim states that “the strongest cases for the use of grounded theory are in studies of comparatively unexplored areas.”³⁰ John Creswell states that the grounded-theory approach is used

to generate a new explanatory theory rather than use one “off the shelf,” to enlighten a procedure, action, or interaction—a step-by-step, systematic process to stay close to the data.³¹ Grounded theory may be applied to areas where no extensive scholarly literature exists. The method of induction may be used in studying corruption in higher education based on particular cases. I base the grounded theory developed in this article on the conceptual idea that corruption in politics may spill over to academia.

Understanding Corruption

To begin with, what is corruption? Frank Anichiarico and James Jacobs write: “Corruption is a problem and corruption control is a constant challenge for all governments. Corruption undermines citizens’ confidence in and commitment to the commonwealth and can even destroy the legitimacy of the political system. Therefore, it is not difficult to agree with a phalanx of scholars and practitioners who argue that corruption must be controlled.”³² This assessment puts the public’s interests above the state’s interests. However, in transition economies, the state’s interests traditionally dominate the public’s interests. It is therefore in the public’s interest to minimize corruption, whereas the state’s interest may lie in optimizing corruption, balancing the public interest and the regime’s sustainability. Alexander Callow writes: “Perhaps the heart of the issue is not the kind of graft or who perpetrates it or even its magnitude, but rather its impact upon the democratic process. Graft of any kind breeds distrust. Distrust breeds cynicism. Cynicism is the most powerful enemy of the democratic representative process.”³³

Susan Rose-Ackerman states that “political decisions that are made on the basis of majority preferences may be undermined by wide use of an illegal market as the method for allocation. . . . Corrupt incentives are the nearly inevitable consequence of all government attempts to control market forces—even the ‘minimal’ state.”³⁴ A person’s values limit the applicability of this approach, as some people cannot be bought. Michael Johnston says that “corruption involves abuse of a public role or trust for the sake of some private benefit.”³⁵ Private benefit is a very broad term and may be understood differently depending on the context.

Joseph Nye’s definition of corruption is the most commonly cited in political literature:

Corruption is behavior which deviates from the formal duties of a public role because of private-regarding (family, close private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private-regarding influence. This includes such behavior as bribery (use of reward to pervert the judgment of a person in a position of trust); nepotism (bestowal of patronage by reasons of ascriptive relationship rather than merit); and misappropriation (illegal appropriation of public resources for private-regarding use).³⁶

Arnold Rogow and Harold Lasswell propose that “A corrupt act violates responsibility toward at least one system of public or civic order and is in fact incompatible with (destructive of) any such system. A system of public or civic order exalts common interest over special interest; violations of the common interest for special advantage are corrupt.”³⁷ According to Mushtaq Khan, “The bargaining power of patrons and clients can explain differences in the rights and resources which they exchange (often in corrupt transactions).”³⁸ Peter deLeon contends that “political corruption is a cooperative form of unsanctioned, usually condemned policy influence for some type of significant personal gain, in which the currency could be economic, social, political, or ideological remu-

neration,” and he concludes that political corruption is an integrated, systemic part of the American political process.³⁹ That quote could be applied to higher education in Ukraine, which is largely funded at the public’s expense. Public spending on education in Ukraine declined from 6.19 percent of the gross domestic product in 1991 to 3.62 percent in 1999. It increased to 6.39 percent in 2005.⁴⁰ The current political state in Ukraine is unstable. This political instability is explained in part by the continuing competition for public offices by different political parties and movements. Power is mostly concentrated in the presidential administration, the cabinet of ministers, and the Verkhovna Rada.⁴¹ All these are in constant conflict with each other, because the authority and functions of each are not clearly delineated. Legal vacuums, contradictory laws, and temporary verdicts cancel each other out and perpetuate legal nihilism and corruption. Political leaders frequently accuse each other of corruption and promise to curb corruption. Such promises and accusations increase during parliamentary elections and other major political events.

Ongoing privatization, the struggle for regional dominance, and the formation of a new social order—a new system of societal regulation based on market principles—separates the new leaders from their Communist predecessors. Stephen Handelman states:

This new class of kleptocrats is significantly different from the corruption-tinged aristocracy of former Communist regimes, although in many cases the faces are the same. It comprises serving members of government (many of whom are former Communist Party bureaucrats), military or security officials, as well as managers of state-supported agencies and institutions. They have all profited from the massive privatization processes underway in their countries, which they often have had a role in managing.⁴²

Major political parties and electoral blocs represent the economic interests of oligarchic clans. Clans become more significant because of the central authority’s decline. As distinct from Russia, where the term *managed democracy* covers the existing authoritarian regime, Ukraine may be characterized by a much higher level of plurality of forms of political expression along with a more vivid political life. If Russian political parties either represent the ruling regime or are hopeless in their opposition to the regime, in Ukraine, the political fight is real. The ideals of the Orange Revolution, which many sincerely supported, have vanished. The promise to fight corruption, which President Viktor Yushchenko offered to the electorate in 2004, appears to have no clear start or finish, and the level of corruption continues to grow.

Unlike Russia, Ukraine has more plurality in politics.⁴³ In Russia, political parties represent the ruling regime or are powerless.⁴⁴ In Ukraine, the promises of the Orange Revolution have been unfulfilled, as corruption has failed to decline and political instability prevents the economy from achieving better levels of growth.

Businesses often lobby politicians to pass beneficial legislation. Businessmen go into politics at the national and local level to advance their firm’s interests. Finally, political graft occurs when politicians join and leave political coalitions depending on the benefits promised to them, rather than their political views and ideological beliefs. According to media reports and scholarly publications, corruption among Ukrainian politicians and bureaucrats is widespread.⁴⁵ Leonid Kuchma, the former president of Ukraine, believes the current system of political and economic organization in Ukraine is a plutocracy. He believes oligarchs could not afford to do what they do now during his presidency, because he would have held them in his iron fist and cracked down on them.⁴⁶ However, Kuchma’s presidency was marked by numerous corruption scandals in higher education.

Yushchenko came into the presidency on an anticorruption platform. However, his promises to curb corruption were unrealistically ambitious and too populist, especially for a country in which the level of corruption is continuously increasing. He even went so far as to abolish the traffic police. His populist initiatives remain unfulfilled, however. Legitimate political regimes have a strong incentive to crack down on corrupt networks, because it will strengthen the regime's position and popularity, but when regimes are established because of corrupt networks, their legitimacy is fragile.

Pragmatists in Ukraine have garnered more support through economic growth and improved living conditions. The Party of Regions, led by the former prime minister and presi-

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dential candidate Viktor Yanukovich, styles itself as economically pragmatic. The Party of Regions takes credit for the Ukrainian paradox, which is economic growth despite political instability.

Every major political group is seeking support from the population. Western-type political campaigns are not the only tool at the parties' disposal. Many prefer using old-fashioned Soviet-style centralized administrative efforts to garner support. *Administrative resource* is actively used in areas in which administrators have significant

influence and power over their subordinates, such as education, healthcare, the military, and the penitentiary system.⁴⁷ Increasing democratization, however, is making administrative resource less effective. An emerging civil society and nongovernmental organizations are weakening the vertical power structure in Ukraine. Valdimer Key describes the essence of transition from one form of control to the other as follows:

In non-democratic states in the past the problem of ruling has been essentially one of consolidating the strength of magnates whose power rested primarily upon control of large sections of the population through attitudes of subservience closely related to the ownership of land. By force, marriage, patronage, [or] compromise these persons of position were brought into submission, alliance or collusion with the monarch. The equilibrium of power operated in a framework of attitudes of the general populace with respect to authority which was relatively stable.

The problem of maintaining authority and given persons in authority in a democratic state is much more complex. The consent of a greater proportion of the population must be secured. Attitudes of submission may not be nearly so marked. Upstart ideas and personalities are relatively more influential. The techniques of achieving and retaining power are usually different and more diverse. In a despotic state the person with the strongest army usually won. The primary political relationships which cemented together a powerful minority, which is always enough to rule, were force, superstitious respect, economic dependence, fear. In a democracy the aim is essentially the same—to form a solid minority—but the techniques are in some respects different.⁴⁸

In Key's terms, the minority in Ukraine is seeking to cement its power and guarantee its sustainability. Administrative resource, supplemented with informal means of control, is

used by the solid minority to secure support of the masses and suppress the growing opposition to the ruling regime. State ministries and other public offices that retain significant control over industries and public services are vital to the regime.

The Ministry of Science and Education is a significant administrative resource because it has authority over the majority of Ukraine's 478 public and private higher education institutions. Although higher education started to become decentralized in 1991, the ruling regime is now trying to reassert control over higher education. Accordingly, centralization *and* decentralization are characteristic of the higher education system in Ukraine. The regime continues to push for market reforms in the economy, but it is not natural for a bureaucracy to give up its authority. The state bureaucracies are least likely to voluntarily deprive themselves of their remaining power.

The state is interested in retaining control over as many entities as possible to garner popular support. As a result, the state must surrender some of its power through decentralization and delegation of authority and simultaneously attempt to retain its power. In higher education institutions, the state asserts its will through rules and regulations. In addition, it coerces corrupt university leaders and faculty to comply with the regime's demands. In this way, corrupt faculty members are more likely to comply with the regime's demands than honest faculty members, because these contradict the uncorrupt faculty's morale, professional ethics, or beliefs. The regime secures the support of corrupt faculty and of students, influenced by the faculty. Furthermore, corrupt faculty fear possible reprisals from the regime, based on the faculty members' illicit activities.

The decrease in government funding of higher education necessitated new forms of influence that allowed the political regime to exercise its discretionary power. *Ukrainizatsiya*—mandating the use of the Ukrainian language (including in education)—and ideological influence in academic curricula may be used as tools of pressure and control. Other tools include rules and regulations over the content and quality of educational programs. One of the major tools that the Ministry of Science and Education uses to exercise its authority over higher education institutions is licensing and accreditation. Threats to licensing and accreditation may, however, not be enough to force higher education institutions to comply with the regime's demands. The quest for loyalty and compliance must also be supported by other informal or illegal means. The corruption that has plagued academia may be used by the state to support the informal hierarchy of compliance and control.

Academic Corruption, Compliance, and Control

Some consider excessive corruption as an indicator of the state's weakness.⁴⁹ Ivan Zhdanov presents the following view on the relation of the state and corruption: "Corruption and government are eternal antagonists. Corruption, as a form of social corrosion, 'eats away' governmental structures, while governmental authority in turn strives to destroy corruption."⁵⁰ Vladimir Shlapentokh argues the opposite, pointing to the state's active role in developing and sustaining corruption.⁵¹ He says that widespread corruption creates a parallel, semifeudal chain of command that competes with the official hierarchy.

Keith Darden points to the vulnerability of the bureaucracy's illegally acquired assets: "Hence, the threat of exposing and enforcing [a bureaucrat's] wrongdoing constitutes an enormously powerful sanction and places lower-level officials in an especially vulnerable position. The severity of this sanction allows the state leadership to practice a systematic form of blackmail, with payment extracted not in cash but in obedience."⁵² Robert Payne

places the mechanism of subversion and corruption in national systems and in international politics, based on the historical practices of dictatorial regimes.⁵³

Supervisors in hierarchical organizations monitor agents and control their behavior to prevent potential acts of corruption. However, corruption may develop vertically in an organizational hierarchy. Juan Carrillo notes that “corruption can propagate within the hierarchy. We capture this recursive property of corruption by assuming that agents can share the bribe with their superiors in exchange for not being denounced.”⁵⁴ This presupposes the existence of collusion between supervisors and agents. In Ukrainian institutions of higher education, collusion occurs between the political regime and the educators. The state criminalizes corruption. The regime, however, prosecutes only those corrupt educators who do not comply with the regime. The regime sacrifices its reputation among the masses to benefit from support guaranteed by corrupt educators; corrupt educators, indulged by the state, collect illicit benefits in lieu of their reputation and moral stance. Bryon MacWilliams reports Yushchenko’s demand for some university leaders to resign: “The president of Ukraine has told the nation’s university rectors that he expects letters of resignation from those who abused their offices in the elections that brought him to power. ‘This is my moral demand,’ Viktor A. Yushchenko said last month in a speech at the Ministry of Education and Science in Kiev, the capital. ‘Everyone who allowed violations of the dignity of students must reflect thoroughly. Those who compromised themselves must leave the walls of the universities.’”⁵⁵ Educators comply with the regime’s demands for support and are placed under the regime’s informal control. Accordingly, corruption in higher education may be defined as a system of informal relations established to regulate unsanctioned access to material and nonmaterial assets through abuse of the office of public or corporate trust.⁵⁶

College leaders, faculty, and staff may be indifferent to the current political regime if their salary, benefits from corruption, and risks of being prosecuted for corruption by the state are less than the hypothetical income they would be able to earn outside academia. They will oppose the current political regime if their salary and benefits from corruption are equal to the income they would be able to earn working outside academia. Conversely, if college leaders, faculty, and staff earn more in academia than they would earn outside academia, they will support the regime. The total amount of benefits derived from corrupt activities by each educator individually or collectively is the determining factor for political loyalty based on satisfaction with the current system. Simply put, educators are happy with the current political regime as long as their legal and illicit benefits allow them a decent living and their benefits would not be higher under another regime. Although the state criminalizes corrupt behavior, the Criminal Code is not very specific about corruption in higher education, especially private colleges. The regime is only interested in selective justice—the selective application of criminal charges to corrupt college professors. Otherwise, the regime would risk losing the support of a significant part of the university faculty and administrators.

If political candidates promise better benefits, whether legal or derived from corruption, educators will be willing to vote for regime change to gain more income. Corrupt educators who expect their salary to increase under noncorrupt leaders would vote for regime change. They would want their salaries increased or their access to the benefits of corruption increased.

Budget constraints limit the regime’s sustainability, which means the regime cannot please all educators. Instead, the regime identifies the key educators who can use admin-

istrative resource and guarantees those educators a higher salary in exchange for political support. In these circumstances, the regime's primary task is to create and maintain a system that maximizes educators' salaries and the benefits from corruption. This system should simultaneously minimize the opportunity costs of being employed in the education industry and the risks of being involved in corrupt activities.

The regime uses power coercively to maintain the informal hierarchy of compliance and control. Widely publicized investigations and prosecutions of corrupt professors, college administrators, and managers act as a deterrence.⁵⁷ However, they are intended to deter educators not from engaging in corrupt activities but from not complying with the regime's policies and requests for political support. This causes corrupt political practices to influence corruption in higher education.

Corruption constitutes an informal contract between the regime, university faculty, administrators, and students. The illicit nature of educational corruption causes a lack of information and a mismatch of expectations between students and faculty regarding the size of a bribe to be paid for a certain favor. The level of each participant's corruptness and the services available in exchange for a bribe determines the balance of power and the participating parties' responsibilities in the system. A professor determines his or her students' grades, and, in addition to bribes, he or she can demand their support for certain political candidates. The regime, in turn, does not demand a percentage of the professor's illicit profits, but it expects his or her loyalty and support.

Key defines graft as "an abuse of power for personal or party profit." He says that graft usually involves a relationship between the official abusing the power and some other individual or individuals. The techniques of graft are the methods employed in these relationships and the methods used in cases of graft involving only a single individual.⁵⁸ In Ukraine, there is an ongoing exchange of favors between bureaucrats, state politicians, and educators. One example of these exchanges is bureaucrats obtaining prestigious academic degrees in exchange for doing favors for these institutions.⁵⁹ The allocation of public resources is a prerogative of state bureaucrats, and the conferral of academic degrees is a prerogative of educators. The corrupt practice of conferring doctoral degrees to politicians and bureaucrats became so bad that the government considered prohibiting state officials from receiving doctorates. The prestige and promotions that come with doctorates are in high demand among state bureaucrats. Government-funded institutions of higher learning accepting state bureaucrats' unqualified children—another form of corruption—is also in high demand.⁶⁰

Educational faculty are more susceptible to corruption when their salaries are below the poverty line and lower than in other sectors of the economy. Studies show that the scale of corruption in the public sector in general, and in public higher education institutions in particular, increases when the gap between public-sector pay rates and private-sector pay rates widens.⁶¹ In addition to salary differences, reduced risk of being detected, prosecuted, and punished for corruption makes bribery less risky for those who comply with the regime. Corruption in higher education may be viewed as a result of a combination of at least three major factors: (1) decreased governmental funding for education, (2) educators' opportunistic behavior, and (3) the regime's informal encouragement of corrupt behavior.

According to Andrei Shleifer and Daniel Treisman, administrative corruption is very high in Uzbekistan, Armenia, and Azerbaijan, lower in the Russian Federation, Bulgaria, and Lithuania, and lowest in the relatively wealthy Hungary and Slovenia. Individuals'

perceptions about corruption put Russia as more corrupt than Argentina, Brazil, Romania, and Lithuania.⁶² Jacob Svensson points out that higher per capita income and higher levels of human capital reduce corruption.⁶³ This supports our suggestion that underpaid college faculty are most likely to be corrupt.

Economic considerations are not the only determinants of corrupt behavior. The Soviet mentality contributes to the strength of hierarchy and state interference in university affairs. Georgy Petrov and Paul Temple point out the importance of the mentality that dominates academia:

Corruption is not only caused by financial and structural factors in higher education systems of the former Soviet republics: it is also linked to the Soviet period *mentalitet*. *Blat* practices (accepted levels of petty corruption) of the Soviet period taught Russian citizens to protect their networks of family and friends, not to take personal responsibilities, but alternatively to rely on, or blame, the Government. In the Soviet era, higher education was solely provided by the central Government, handed down from above. University staff and students had very few rights, and no sense of “ownership.” As a result, “beating the system” became an accepted end in itself. This is still broadly the picture in Russia and Azerbaijan (naturally, there are exceptions), where ministries and their agencies still prescribe in great detail what universities must teach. This limits freedom of thought and action, and discourages personal responsibility and initiative.⁶⁴

The task of maintaining the regime’s sustainability exists on a macrolevel and a microlevel. On the macrolevel, this task is expressed in a properly designed education policy, focused on maintaining the hierarchy of compliance and control. Laws and rules that regulate the higher education industry are tailored in accordance with the regime’s demands, which propagates conformity among colleges and universities. On the microlevel, its primary concern is college and university management and institutional environment. This necessitates consideration of what Avner Greif and David Laitin call *endogenous institutional change* and *institutional reinforcement*.⁶⁵

Educators advance their corrupt interests through corrupt hierarchies that also serve as a basis for state coercion. Duncan Waite and David Allen believe corrupt regimes and corrupt hierarchies in higher education are self-sustaining. They present schemes of possible corrupt hierarchies in colleges and universities that are formed to channel and distribute benefits derived from corrupt activities.⁶⁶ The institutional culture of corruption that develops among educators indicates that newcomers must adapt to the system’s existing informal rules by becoming involved in illicit activities. These rules no longer depend on the behavior of corrupt individuals; rather, the rules now constitute an indivisible part of the institution’s culture. Greif and Laitin note that recognizing the importance of shared beliefs goes back to Emile Durkheim, “who viewed institutions as being composed of beliefs and models of conduct shared in a collectivity.”⁶⁷ Greif and Laitin point to the importance of the institutional environment in sharing the beliefs of individuals:

Beliefs shared by members of the society about how other individuals would behave in various contingencies are an institutional element. Each individual, however, faces some uncertainty as to whether such behavior will or will not be followed and to what effect. Basing one’s actions on the beliefs about what others will do is not foolproof. Others’ actions are not ex-ante known with certainty, and as stressed above, the many environmental factors influencing others’ behaviors are not directly observable.⁶⁸

To understand how corruption in higher education institutions sustains itself, it is necessary to examine an educator’s social environment and personal characteristics. The

environment in which corruption occurs and its effect on the educator's personal views of corruption may be denoted as social pressure. Social pressure includes peer pressure on the educator and his or her moral considerations. In corrupt organizations, including colleges and universities, peer pressure encourages corruption. A higher level of peer pressure results in a higher probability that a faculty member will accept bribes and support the ruling regime. An educator may have a hard time reconciling this with his or her moral values. An educator may also feel the pressure to make ends meet. Informal networks of corrupt educators have permeated higher education in Ukraine. Accordingly, corruption in higher education may be defined as a system of informal relations established to regulate unsanctioned access to material and nonmaterial assets through the abuse of the office of public or corporate trust.

Because of its financial constraints, the regime targets key educators and academic leaders instead of entire higher education institutions. Leading educators who become close to the regime coerce their fellow faculty members into compliance. Faculty members involved in petty corruption, including bribery and nepotism, influence students and encourage them to support the regime. Finally, it becomes unreasonable and even counterintuitive for a faculty member to resist corrupt practices. There are several reasons why such behavior would be unreasonable and irrational. A noncorrupt faculty member would deprive himself or herself of the benefits of corruption and prevent others from fully obtaining such benefits, by refusing to take advantage of an opportunity to generate additional income. Also, such behavior would signal a potential risk of noncompliance with the regime's demands, which would threaten the livelihoods of an educator's colleagues and institution. Accordingly the institution would probably attempt to remove such a faculty member.

Implications of the Policy of Control through Corruption

In 2006, the Ukrainian authorities began an ineffectual campaign against corruption in academia.⁶⁹ Yushchenko addressed this issue on a few occasions. He asked state universities to curtail corrupt practices and called on rectors and professors to stop bribery and cronyism during entrance exams, a widespread practice that he characterized as "shameful and humiliating."⁷⁰ Yushchenko talked about corruption in education at Kyiv National University on March 9, 2007:

We are talking about the way to eradicate corruption in higher education institutions, starting from the entry examinations; how to create an independent system of conducting competitive examinations; how to make it possible for the state funds that now extend to 54 percent of all students in higher education institutions, how to support those specialists requested by the state who come through truly transparent and honest competition. In one year, the state changed its view on the state-funded specialties—from 47 percent of students funded by the state to 54 percent (despite, as you know, according to the law it should be not less than 50 percent).⁷¹

This high-level campaign had little effect. However, Nikolaenko disagrees. He referred to a survey conducted by the Institute of Social and Political Psychology of the Academy of Pedagogical Sciences in 2006. The survey targeted students in Kyiv, Kharkiv, Donetsk, Lviv, and Odessa. The following responses were obtained to the question, "How, in your opinion, has the corruption situation in entering higher education institutions changed as compared to previous years?": Approximately 20 percent of the respondents said that they

know of bribery cases, but the number of such cases has declined; around 27 percent of the respondents said that the number of faculty members taking bribes had not changed; 7–8 percent of the respondents believed bribery is flourishing. The number of respondents who admitted paying a bribe to enter a college or university declined from 19 percent in 2005 to 13 percent in 2006.⁷² The ruling regime has an interest in academia. A slight increase in government-funded openings for students in higher education institutions proves that the state wants to maintain control of higher education and garner the trust and support of the students. The regime wants to appear as if it cares about the students. Economic measures are also being used to combat corruption. The key focus is on the instructors' salaries. Stanislav Nikolaenko, the minister of science and education, points out that in 2005, an instructor's monthly salary was UAH400,⁷³ and that "to buy an apartment, a professor would have to work for 126 years without eating and drinking. This created economic ground for corruption that still exists now. . . . During the last two-and-a-half years, the salaries almost doubled. A college instructor now earns around UAH1,370. This process will continue and economic ground for corruption will disappear."⁷⁴

Although a significant increase in faculty salaries is necessary, this measure may not necessarily lead to a significant decline in academic corruption. Svensson notes that increasing salaries might decrease corruption, but there is not enough evidence to support it.⁷⁵ This statement can only be proven empirically, whereas the existing evidence is very contradictory as to whether a faculty member will accept a bribe and whether the faculty members consider bribery an additional source of income.⁷⁶ Eradicating corruption is difficult once it becomes embedded in a society. Increasing instructors' wages is just one step that needs to be taken to reduce corruption in higher education.

Prateek Goorha suggests that better paid public officials may be less corrupt.⁷⁷ In Ukraine, professors earn an average salary, despite their high qualifications. This means they are still grossly underpaid and that corruption in colleges and universities is unlikely to decline. Moreover, a major part of corrupt activities in academia is based on nepotism, cronyism, and protectionism. Even if professors' salaries substantially increase, professors will continue to abuse their power in the admissions process and when assigning grades. Furthermore, faculty members and university officials will continue to be appointed not because of their academic merit and leadership skills, but because of their connections, previous positions, and their ability to make money in the private sector. This makes promoting educators who are loyal to the regime difficult. The media reported about controversies in the recent elections to the National Academy of Sciences of Ukraine.⁷⁸

According to Vasily Shinkaruk, the head of the Department of Higher Education, a new, independent admissions test will help curb corruption in higher education.⁷⁹ The test is intended to provide independent estimates of high school graduates' knowledge. The test score should be a major or the only criterion in admissions decisions to colleges and universities. However, many believe the standardized test will not help decrease corruption in the admissions process. Volodymyr Semynozhenko, a professor at the National Academy of Sciences of Ukraine, thinks independent testing will not solve the problem of corruption in higher education. He states that "Corruption in our country is not a narrow phenomenon confined to a particular branch or an industry. This is a countrywide problem. Hence, fighting corruption should start with the independent testing of state bureaucrats and politicians."⁸⁰ His opinion places corruption in academia in a broader context, pointing to widespread corruption in many areas of Ukrainian life.

Even the test's supporters are questioning its applicability. Vyacheslav Brjuhovetsky, the president of National University Kyiv-Mohyla Academy, a leading higher education institution, believes the test will need at least ten years to prove successful. Brjuhovetsky also believes the idea of the test has been misunderstood, claiming that the real meaning of external or independent testing is in selecting students with certain characteristics needed for each specialty and not in granting admissions based on high test scores. He also points to the necessity of fully equipped test centers, computerized networks, and specialists.⁸¹ Media reports indicate that the majority of college and university rectors are against the test.⁸² Brjuhovetsky believes some of the rectors will try to sabotage the test and that the test will not reduce corruption in higher education.⁸³ Nikolaenko also expresses concern about the test, but he believes that the test is going to be successful. He says that some of the rectors refused to acknowledge the test and to run test-based admissions. He told the rectors that if they did not use the test in the admissions process, he would find rectors who would.⁸⁴ Replacing the rectors, however, would be difficult, because they are so ensconced in their positions.

Nikolaenko admits that the tests will not completely replace the entry examinations. Some oral examinations will be preserved. This leaves some space for corruption in college admissions. The regime may be using the test to broaden its powers. If rectors refuse to administer the test, the regime could fire them and insert loyal rectors.

Corruption in higher education is malleable. For instance, bribery in entrance examinations and in academic processes can be partially replaced by private tutoring, in which professors tutor prospective students and then administer entry examinations. Nepotism and cronyism, although less explicit forms of corruption, are turning higher education institutions into family enterprises. Corruption in the testing process will diminish the significance of the standardized test. The remaining discretionary power of university professors over admissions decisions will also undermine the standardized test.

The prescriptions offered by the Ministry of Science and Education do not consider university autonomy, market mechanisms, or the reduction of state control over universities. Instead, the state continues to tighten its grip on higher education. A complete eradication of corruption in higher education in Ukraine is highly unlikely. Corruption in education will remain fluid, as the system moves from the Soviet model to a market one. Clear rules, including legislation, a code of conduct, and an ethics charter, are still needed.

The system of higher education in Ukraine is reformed to conform to the principles laid down by the Bologna Declaration, a pledge by twenty-nine countries to reform the structures of their higher education systems in a way that anticipates a three-tier system of educational degrees, including baccalaureate, masters, and PhD programs. This designed conformity, however, is only true for the academic standards, and, to a lesser extent, the content of educational programs. The system of funding will likely transform into a structure similar to the U.S. model of financing higher education, which relies heavily on money from individuals and educational loans. There is no need for the public to fund higher education through the central budget; if government-funded openings are allocated on the basis of informal relations, kinship, and bribes, funding will only serve to perpetuate corruption. Although the combination of personal funding and educational loans appears to be more appropriate as a new system of funding, Ukraine has not yet moved toward this system.

Corruption threatens the implementation of the Lisbon Convention (a 1997 agreement on qualifications concerning higher education in Europe) that grants mutual

recognition to the signing parties' educational credentials. Stephen Heyneman, Kathryn Anderson, and Nazym Nuraliyeva assert that "Whether experienced or perceived, universities or university systems with reputations for corruption will likely end the Bologna process. Were this process to actually take effect it would constitute the educational equivalent in the EU of unilateral disarmament."⁸⁵ Countries with a low level of corruption are unlikely to recognize educational credentials from the countries where degrees are for sale.

Conclusion

Three major overlapping processes are occurring in higher education in Ukraine. First, there is an ongoing process of commoditization of education and the transition of the education system to a free-market model. Second, students and their parents, instead of the state, are starting to fund higher education. Third, standardized tests are starting to become the most important criteria in the admissions process. Corruption will most likely trickle down to secondary education and testing centers as a result of the standardized test. The possible privatization of higher education services will likely cause a decrease in corruption in state-university relations. However, corruption in customer-provider relations may increase. Provision of false information and fraud may grow if colleges and private educational loan providers use deceptive tactics to attract students, as occurs in other decentralized systems.⁸⁶ Corruption in licensing and accreditation may increase. The privatization of higher education will cause an increase in educational loans. The limited availability of educational loans, new regulations, and insufficient banking regulations may cause the potential for more corruption in the financial sector.

Positive changes are possible. The declining monopoly of the Ministry of Science and Education and the emerging multicentricity in higher education will facilitate broadening the spectrum of educational services. A broader spectrum and better information will give prospective students more options and a better opportunity to choose between programs. Increased public awareness of corruption in higher education, the availability of academic degrees for sale, fake educational credentials, and the like will lead to an increase in demand for high-quality educational programs, rather than easily forged educational certificates. Higher salaries will partially negate the argument that educators engage in corruption for financial survival. Higher expectations from consumers will make it more difficult for faculty members to act opportunistically. Growing university autonomy and higher salaries will decrease state control of higher education. Ultimately, a less-corrupt, market-oriented higher education system is likely to emerge.

NOTES

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