

The Role of Universities for Graduates' Labor Market in Russia

Norio HORIE*

Abstract

Should the labor market for university graduates be a target for youth employment policies? Higher education is a keystone for youth to enter the world of highly skilled workers. In Russia, it has been reported that many graduates failed to find a job and were excluded from the world of work. The question of how to have graduates transit smoothly from university to work remains unanswered. This paper recommends that Russia should strengthen the function of universities in job placement assistance and guidance, and fortify the institutional commitment of universities and employers to the graduates' labor market.

Keywords: *Russia, University-to-work transition, Job assignment, Graduates' labor market.*

1. Introduction

Should the labor market for university graduates be a target for youth employment policies? Graduates from university are highly educated people, and now more than ever, education is a key resource for integrating youth into society. Higher education is a keystone for young people to enter the world of highly skilled workers and, of course, it is rather easier for them to obtain employment than less educated youth. However, there is still no guarantee of a smooth transition from university to the world of work just with a certificate of graduation. Russia is one country that is experiencing a high youth unemployment rate; in 2002, it was officially 14.4% for people aged 20 to 24. This is an outstanding figure compared with the rate for higher age brackets (Russia's unemployment rate in 2002 was 8.6%).

According to a local newspaper in Novosibirsk (*Vechernii Novosibirsk*, March 1, 2000), the third largest city in Russia, 10% of all unemployed people registered in the Novosibirsk State

* Associate Professor, Center for Far Eastern Studies, Toyama University, 3190 Gofuku, Toyama City, 930-8555, JAPAN; E-mail: horie@eco.toyama-u.ac.jp. The research for this article was carried out with help of grants-in-aid from the Japan Society for the Promotion of Science (#15730132 & #16402014). I wish to thank Prof. Maria Tsenzharik and Prof. Sergei Sutyurin of St. Petersburg State University, and Prof. Alexander Berdinsky of Novosibirsk State Technical University for their support of my researches. I also thank two referees for their useful comments. An earlier version of this paper was presented at the conference "New Europe 2020: Visions and Strategies for Wider Europe" held in Turku, Finland, 27-28 August 2004.

Employment Service (SES) were new graduates, and half of the university graduates could not obtain jobs in accordance with their specialty. Graduates are often unsure about how to find a job, and thus visit the SES with their certification of graduation. The Novosibirsk SES is now making it a priority to tackle youth unemployment with the slogan “Year of Youth,” a campaign that began in 2000 (Grinchenko *et al.* 2000). Thus it can be said that unemployment of university graduates is one of the most urgent problems in the Russian labor market.

Here we focus on the time graduates leave university as they make the transition to the world of work. University graduates have always faced the possibility of dropping into unemployment if they cannot find a job prior to graduating. Furthermore, educated youth are often excluded from society at the time they graduate, when they lose their status as students if they fail to gain employment. This is the reason why we stress the term of “transition” from university to work.

It is said that Russian graduates tend to depend on their informal social ties to find jobs. Clarke’s survey showed that youth very often used their personal connections to find their job (Clarke 1999, p.216), which is supported by official statistics that show almost 60% of youth depended on personal connections to find jobs in 2001 (Goskomstat 2001, p.195). We consider that this is neither a national characteristic of Russia, nor a typical characteristic of youth behavior for finding a job; instead we estimate that they have little choice other than to depend on their social ties. It should also be remembered that almost all graduates in the former Soviet time were distributed to their workplaces by the mandatory state job-assignment system. The abolition of that system forced youth to depend on their social ties, and still no social institution for recruiting graduates has been established.

Individual behavior is path-dependent and depends on previous patterns of behavior ruled by preexisting institutions (Ibrahim and Galt 2002; Hodgson 1997). Drastic changes to institutions destroy the path, and often cause individuals lose their way. We should, therefore, examine how drastic institutional changes positively or negatively affect these individuals during the transition from university to work in Russia. It is thus crucial to analyze concrete changes of “formal institutions,” not “informal social ties.”

The stress on “formal institutional linkage” rather than “informal social ties” for the graduate labor market was discussed by Kariya & Rosembaum (1995). The prototype of their discussion on the formal institutional linkage is based on the Japanese high school-to-work transition, in which employers are committed to hiring high-school graduates as long as they meet expectations, and high schools are committed to placing their graduates with certain employers, as long as they offer appropriate jobs to their students (Karita & Rosembaum 1995, p.102). This is strongly contrary to the dominant idea of a “free labor market,” in which institutional linkages do not, or should not, affect job placement. This discussion on the tight institutional linkage between educational institutions and employers can also have some implications to the Russian transformation of the graduate labor market.

The main topics of discussion in this paper are derived from the following questions:

- (1) How do institutional changes from former Soviet time to the present affect behaviors of university graduates in finding a job?

(2) What role can Russian universities play in the graduate labor market?

To assess them, we will focus on the transformation of the “administrative job-assignment system,” which was once the mandatory state job-assignment system, but is now merely an administrative job-assignment system organized by each individual university. This is because such job-assignment systems have represented partnerships between universities and employers. When we observe the changes from the Soviet era to the present, we can understand how Russian universities have committed to the graduates' labor market, and find an open door for further commitment of Russian universities to their graduates' transition to work.

This article proceeds as follows. First, we outline the university-to-work transition in the context of an international perspective in broad reference to the cases of British and Japanese universities. Second, we describe the general characteristics of Russian universities and their present economic situation, referring to our case study on Novosibirsk State Technical University. Third, we examine the former Soviet-type mandatory job-assignment system, which constituted formal institutional linkages for graduates' distribution to workplaces. Next, we return to the present graduates' labor market, and examine what was lost with the abolition of the former institutional linkages for graduates' transition to work and how universities currently maintain their administrative job-assignment system, and then explore the direction of the new partnership between universities and employers for tackling youth unemployment. We end with short concluding remarks.

2. Transition from University to Work from an International Perspective

The International Labour Organization (ILO) has pursued measures for youth to enhance their employability in the labor market, with the World Employment Report 1998-99 (ILO 1998) stressing training and employability for youth. Even in the Russian context, many observers have stressed encouraging universities to respond to demand in the labor market and to improve the employability and/or adaptability to the market economy of Russian youth as a means to tackle the unemployment problem. The Active Labor Market Policy (ALMP) is one of the measures being implemented to enhance employability of youth. The paradox, however, comes from the fact that even though graduates in most cases slip into unemployment during the transition from education to work, indicating that we really should pursue the goal of graduates' transition from university to work without a period of unemployment, ALMP often applies to youth who are already unemployed.

From an international perspective, university graduates' transition to work without a period of joblessness is not regarded as a focal matter for tackling youth employment. This is because the duration of joblessness after graduation varies from country to country and its impact on youth unemployment is not clear. In Canada the average time it takes for graduates to find a permanent job exceeds fifteen months (Betts *et al.* 2000). In Japan, almost 90% of students in university start searching for employment prior to their graduation (Japan Institute of Labour 2001, p.59), and in

1991, 91.4% of the graduates who wished to work could obtain a job before graduation. Even during Japan's recent economic recession, the 2001 figure stayed at a respectable 74.2%. Although the behavior of graduates searching for jobs varies by country, an effort has been made to survey the smoothness of the transition of graduates from education to work (O'Higgins 2001, p.62).

How universities commit to graduates' transition from university to work also varies from country to country. In the United States, people see their labor market as a free market, and assume the institutional linkages between universities and employers do not exist. Contrary to this assumption, Kariya & Rosemberg stressed that there are college-employer networks influencing college students in United States, although they do not operate in systematic ways (Kariya & Rosemberg 1995, p.105). Whether there are institutional linkages between universities and employers or not, it is certain that there is no consensus that universities should support graduates' transition to work, and concrete institutions for supporting students' job placement, like a placement office in university, only exist "virtually" (Kariya & Rosemberg 1995, p.105).

In contrast, universities in Great Britain have their own career services. Such services help students to manage their career choices and successfully make the transition from university to work. Their main services are careers guidance, making information available and maintaining contacts with firms, and/or job placement. The goal of the careers services is for students to start thinking about their future career as early as possible and for them to plan and prepare for it while they are studying at university (Ehlert & Cordier 2002, pp.95-96). In most of the countries in Europe, very few university students use their respective university's organization to find their job. Rather, they use their personal social ties. In Britain, however, more students use an organization at their university to find their job. Hence the ratio of graduates who could find permanent employment before graduation in Britain is rather higher than that in other European countries: Italy, Spain, France, Austria and so on (Japan Institute of Labour 2001, p.59). This indicates there is a stronger partnership between universities and enterprises in Britain, where universities' careers services offer support for placing graduates in jobs.

The situation is similar in Japan, where universities also strongly commit to graduates' transition to work. Japanese universities have strong ties with local enterprises for graduate recruitment, with the universities themselves have some function of collecting job-offer information from enterprises and supporting the job-search activities of for students. Students in Japan tend to enlist the help of the career/placement office or teaching staff of their university. The uniqueness of the Japanese-type graduates' labor market is that students start to seek and find their job while they are still at university, and most of the graduates join the world of work all together on April 1st, when the new academic year begins. This is one of the reasons why the Japanese graduates' labor market keeps lower unemployment rates than those of other countries. It partly comes from the fact that Japanese universities have their own employment advice & placement offices, which institutionally help students to prepare for their job-seeking activities, and in some cases, help to place students into jobs.

A university's commitment to the graduate labor market, with which students can receive support from educational institutions while they study, can certainly help students to find a job

while undergraduates, contributing to the graduates' smooth transition from university to work. In Russia, however, there is currently no uniform system organized by universities to support graduates to transit from education to work, although there was during the former Soviet era. The sudden abolition of the system students socially depended on could not drastically change students' job-seeking behavior; most university students still start looking for a job prior to graduation, and the employment rate at the time they graduate (the share of graduates who have already found their job by October 1st) is rather higher than that for graduates in Western countries. Such behavior comes from the pathway from the old Soviet-type university-to-work transition system to the present Russian university-to-work transition system.

3. Russian Universities in Transition

Russian universities traditionally regard their task not as the imparting of broad knowledge and furthering of students' personal and intellectual development like Japanese and British universities, but as specific preparation for occupations and careers. We should keep in mind that an important feature of the Russian education system is its extensively developed vocational and technical education, and training components. Narrow professionalism is often cited as a criticism against Russian education in universities. It stems from the fact that Russian occupations are narrowly defined, and this is a tradition dating from the former Soviet period. For example, the Russian occupational classification system (All-Russian Classification of Workers and Employees Occupations, and Wage Grades) includes 7,433 occupational titles. In contrast, the U.S. occupational classification system defined by the Department of Labor, called O*NET, comprises 1,094 titles, while Japanese occupational classification for Employment Services contains 2,167 titles. Russian occupational classification can be characterized as an excessive division of occupations. Graham's experience at Moscow University shows it as very real.

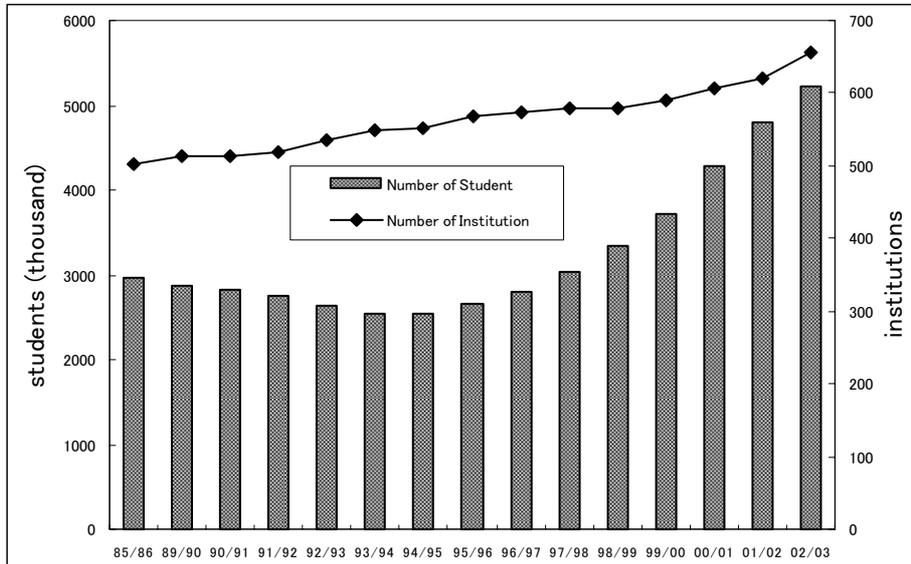
I met a young woman who said that she was an engineer. "What kind of an engineer?" I asked. "A ball-bearing engineer for paper mills" was the reply. I responded, "Oh, you must be a mechanical engineer." She rejoined, "No, I am a ball-bearing engineer for paper mills." (Graham 2002, p.69)

And sure enough, there was a degree in "ball-bearing engineering for paper mills." Such narrow professionalism came from the introduction and modification of the Soviet-type Taylorism: one of its characteristics was "specialization of works." That is, the most important determinant for enterprises when hiring a new employee was his specialty, *spetsial'nost'* in Russian (Granick 1987, p.36).

In the course of the economic transition from the former planned economy to a market economy, the demands on education also changed drastically. Of course, Russian universities have also made efforts to meet the demands of the present labor market by establishing new faculties and

courses. The need for courses in economics, management, and law has encouraged Russian universities to establish new faculties and even new universities. The rapid expansion at universities in the number of students is also very remarkable (Figure 1).

Figure 1 The number of Students and Institutions in Higher Education



Source: Goskomstat 2001, 2003b

This trend does not only arise from the fact that universities should meet the demands of the labor market; it also comes from the fact that most Russian universities are eager to find new sources of income to cover the funding shortfalls resulting from a cash-strapped state budget. Russian state universities have two sources for their budget: a state budget and a non-state budget.

Public expenditure on education as a proportion of total public expenditure in Russia decreased in the 1990s. In 1980 it stood at 16.7%, falling to 12.0% in 2002. However, this share cannot be described as lower than those of Western countries. For example, the average public expenditure on education as a percentage of total public expenditure in 1998 in OECD countries was 12.9%, which was the same as in Russia in 1998. The share of public expenditure on education in GDP terms, however, shows a negative trend: it was a mere 3% in Russia in 2000, lower than the average (5.4%) in OECD countries. In fact, this was the lowest figure even among CIS countries (McWilliams 2001, p. A43).

The state budget for state universities was also restrained in the 1990s. Unfortunately, though, Russian state universities do not publish their own financial reports. Hare & Lugachev's (1999) interviews with rectors were the only resources for concretely determining the depressed condition of the state budget for universities¹. We found some figures relating to the financial situation in a local technical university in Siberia, Novosibirsk State Technical University in their newsletter "Inform".

¹ Bagautdinova (2003) also described the financial situation of higher education in Russia with official statistics.

The state budget was heavily constrained, and far from the amount the university asked for (Table 1). In particular, no state budget covered the modernising of facilities and equipment. Although President Putin stressed that financing of education was improving owing to the improvement of the Russian economy in recent years², financing of higher education must increase further to modernize institutions and improve their quality of education.

State universities have been rushed into obtaining non-state budgets due to the funding shortage from the state budget. According to the data on Novosibirsk State Technical University as shown in Table 2, the time will soon come when the share of the non-state budget will exceed the state budget. The main resource for the non-state budget is tuition fees (Table 3). Thus it is crucial for universities to attract youth to enroll so as to increase their non-state budgets.

Table 1. Budget Structure of Novosibirsk State Technical University for the first half of 1999

Items	Amount requested (‘000s of Rubles)	State Budget approved (‘000s of Rubles)	Given / Approved (%)	Given / Requested (%)
Salaries	55,725.0	25,072.0	100	45
Grants	21,865	12,508.0	100	57
University meals	16,986	369.0	100	2
Special milk for hard work	134.0	0.9	100	0.7
Public services and communications	23,082.0	180.0	100	0.8
Purchasing facilities and repairs	30,984.0	0	0	0
Temporary and large repairs	4,163.0	0	0	0
The other daily expenditures	7,784.0	543.0	100	7
Total	160,723.0	38,673.0	100	24

Source: Inform No.8(77), 31 August 1999, p. 11.

Table 2. State Budget vs. Non-State Budget for Novosibirsk State Technical University

Year	State Budget (%)	Non State Budget (%)
1994	87.7	12.3
1995	76.0	24.0
1996	75.0	25.0
1997	73.5	31.5
1998	57.0	43.0

Source: Inform, No.2 (60), 1998, and No.4 (73), 1999

Table 3. Structure of Non-State Budget for Novosibirsk State Technical University

	1997	1998
Non-State Budget details (‘000s of Rubles)	19,297	30,341
Income from real estate	3,495	4,134
Educational services	13,573	23,110
Others	2,229	3,097

Source: Inform, No.2 (60), 1998, and No.4 (73), 1999

² President Putin’s speech in Novosibirsk State Technical University can be found at the site: <http://www.nstu.edu/history/putin/performance.phtml>.

The facts show that Russian universities are making efforts to rearrange the contents of their education by establishing new courses and faculties such as faculties of economics, management, and business, although some faculties related to old or traditional economic sectors remain as old-fashioned features of education. Thus, the universities are forced to devise ways to attract new students. What they are not doing, however, is addressing the problem of university leavers. As such, systematic job-placement support for graduates is still not operating among state universities.

4. The Former Soviet University and its Formal Institutional Linkages

Soviet universities were tightly linked to the centralized planned economy. They had strong ties with federal ministries responsible for different economic sectors, and local state enterprises to which graduates were distributed. Therefore, the agents for graduates’ transition from university to work in the former Soviet Union were the universities themselves, government, and state enterprises. The processes for distributing university graduates to state enterprises were also completed with coordination between these three agents, and the system was called the State Job-Assignment System (SJAS). The linkages between them were formal institutional linkages for graduates’ transition from university to work.

These formal institutional linkages for SJAS can be divided into three types: Government-Universities, Government-State enterprises, and Universities-State Enterprises. Linkages between Government-Universities and Government-State enterprises included only informational flows on graduates and plans of distribution, while the linkage between universities and state enterprises did not directly relate to SJAS, though it was *de facto* an important component for SJAS. In most cases, graduates could know their future workplace only through this linkage. Let us describe the processes by which SJAS actually worked in coordination with these three linkages (Figure 2).

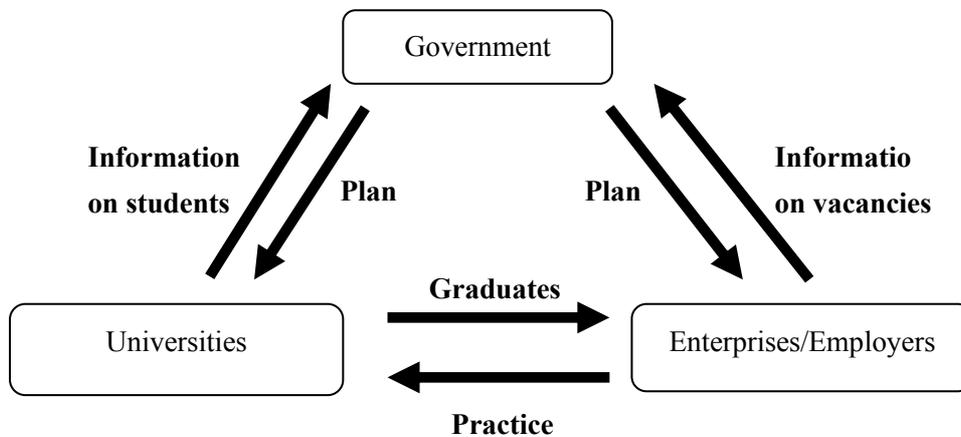


Figure 2 Formal Institutional Linkages in the Former USSR

First, graduates' transition from university to work was conducted by the state assignment system of graduates, by which graduates were distributed to each state enterprise under the planned economy. Second, all the information on vacancies and graduates was uniformly reserved and controlled by the central government to plan the distribution of graduates. Third, vocational training, such as a summer curriculum at a university was put into practice in state enterprises.

Universities had to report to the central government information on students who were about to graduate, and state enterprises also had to report how many and what vacancies should be filled for the next year's production plan. The central government received this information from universities and state enterprises, and planned how many graduates of each university should be distributed to each state enterprise.

Each university then received a list of the state enterprises to which their graduates should be distributed. The list of state enterprises contained names of state enterprises and/ or factories, the number of vacancies in each enterprise, job titles, place of work, salaries, and living conditions. The committee responsible for graduate distribution at each university examined all relevant information on the students (their specialty, qualifications, university record, family situation, volunteer activities), conducted interviews with students, and then, in the name of the committee, the head of the committee (ordinarily, the dean of a faculty) proposed to students their distribution. Each student was then informed of the enterprise's name, his or her job title, salary, and living conditions (provision or not of an apartment) by the head or the student's supervisor³. It was easier for students with good scores to agree with their posts in state enterprises, since they were more likely to be distributed into good posts or enterprises. The worse they scored, the worse conditions they would get. Therefore, the competition for good job placement was only restricted to what the central government planned.

Decisions regarding graduates' job assignments were reported to state enterprises via the central government. Graduates received certifications of graduation and job assignment within five days of graduation, which were a necessary condition for labor contract with a state enterprise. Graduates with these certifications could not quit their job for three years, and the state enterprise could not fire them without permission from the central government. The state job-assignment system in the Soviet Union, therefore, featured some characteristics of force, as criticized by some Western observers (Johnson 1996).

What we described above is the linkages that existed between universities and the central government and between state enterprises and the central government. The remaining linkage is the one between universities and state enterprises. This was also vital for distributing graduates in the Soviet Union.

The flow of graduates from universities to state enterprises was, of course, as we mentioned above, planned and coordinated by the central government. This does not, however, mean that all the graduates knew nothing about their workplace in state enterprises except the data shown by the

³ This process is confirmed in "Sbornik Normativnykh o Trude" (1984, pp. 247-259). We also confirmed it through interviews with supervisors at a local technical university in Novosibirsk. They kindly recalled their old memories of it, and showed me the documents used in allocating graduates.

committee. In local universities, many graduates were familiar with their workplace due to “practices” conducted at university.

The “practice (*Praktika*)” is a kind of vocational training with an internship at a local state enterprise in partnership with the university. Students participated in this practice four times during their university education: in the first grade, “orientational practice” at a factory for a month; in the third grade, “technical practice” at a factory for a month; in the fourth grade, “calculation-design practice (*Raschotno-konstruktorskaia Praktika*)” at a factory for a month; and in the fifth grade, practice for graduation, were conducted⁴. We refer to this “practice” as “*On the Job Training (OJT) while an undergraduate.*”

What we like to stress here is that the practices helped students to become familiar with their future workplaces, because most graduates in local universities were distributed to the same factories or state enterprises as where the practices were held⁵. In this sense, the partnership between universities and state enterprises through the program of practice was one of the most important linkages in the Soviet state job-assignment system.

It is true that graduates could not quit their job for three years, that their choice of job was quite limited, and that the competition for a good job was limited to the list of state enterprises decided on by the government. We agree with this criticism. However, it is also true that local graduates in the Soviet era could choose a job that was familiar to them through OJT while undergraduates, and they could obtain their employment while undergraduates.

The uniqueness of former Soviet State Job-Assignment System relied on the fact that graduates could get their jobs while undergraduates, and this system was maintained by three formal institutional linkages, that is, by the partnerships among government, universities, and state enterprises. In Western countries, there is no consensus for youth to find employment while undergraduates⁶. New graduates in the former Soviet Union completed their transition from university to work without any in-between time spent searching for a job after graduation. The State Job-Assignment System, in principle, never generated graduate unemployment at the time they graduated from universities. Of course the Soviet system had a closed, forced, and inefficient nature. It is not my point to argue for the revival of such a former forced job assignment system. We should, however, search for what institutional linkages new Russian universities should reconstruct.

5. Graduate Labor Market in New Russia

The three former institutional linkages have been transformed, weakened, and even stripped of

⁴ This is the case in technical universities. We collected the program documents for the “practice” at Novosibirsk State Technical University.

⁵ We confirmed this fact with the list of state enterprises for allocating graduates in 1987 and with the document “On organizing young specialist’s practice,” which is a supervisors’ report on completing practical study in state enterprises in 1987 at Novosibirsk Technical University, the former Novosibirsk Institute of Electrical Engineering.

⁶ According to research conducted by the Japan Institute of Labour, youth in most European countries tended to start looking for a job around the time of graduation or after graduation.

their contents since the collapse of the planned economy. The information flow between government and universities, and between government and enterprises, does not constitute any formal linkage for the present graduate labor market. Furthermore, none of the former agencies of Soviet State Job-Assignment System have any responsibility for youth employment. Consequently, three major changes can be observed (Figure 3).

First, since graduates are no longer distributed by the state to enterprises, they have to find their job by themselves. They have to play in the “free” labor market, but it is frequently the case that graduates do not know how to seek a job and what jobs are available in this new labor market. Graduates thus tend to depend on social ties such as parents, relatives, and friends to find a job.

Second, during the depression in the 90s, state enterprises and privatized enterprises did not take any responsibility for receiving students for practice, nor could they afford to receive them. As a result, universities often could not and cannot provide students with practical experience at enterprises. This means that the linkage between universities and enterprises, one of the vital institutional linkages for university-to-work transition, has vanished.

Third, the central government no longer controls the distribution of graduates to enterprises, thus information on vacancies and graduates has been fragmented into each university, enterprise, and the State Employment Service (Employment Center). Under this condition it is difficult for graduates to obtain appropriate information for their job. Furthermore it is also difficult for universities to read demand in the labor market and support graduates.

Figure 3 Changing Formal Institutional Linkages in the 90s

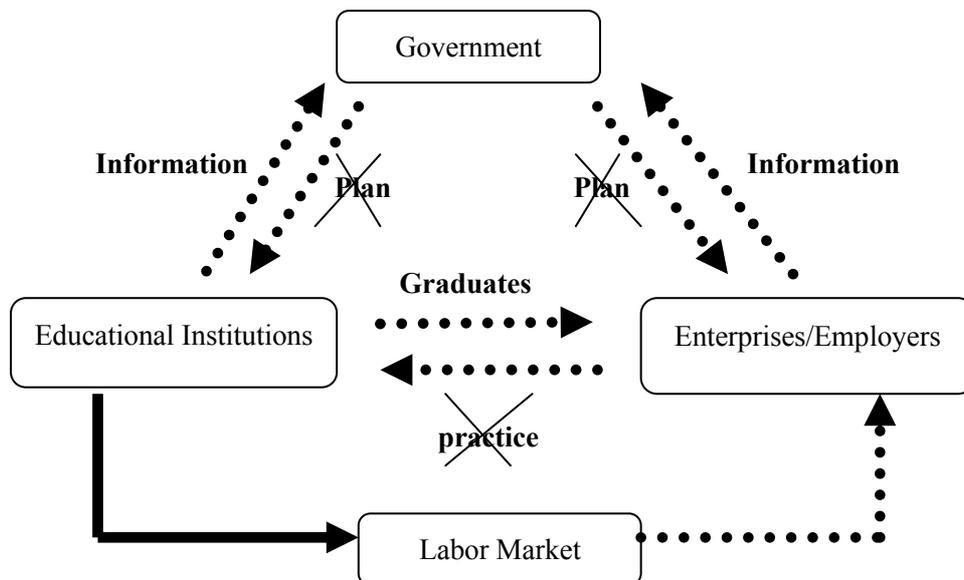


Table 4. The share of administrative assignments among graduates of state higher-education institutions in Russia (%)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Graduates	100	100	100	100	100	100	100	100	100	100
Receive AJS	53.5	52.6	51.6	48.4	46.7	45.1	44.4	46.3	47.8	46.7
Do not receive AJS*	46.4	47.0	42.2	42.2	38.5	37.3	37.0	35.7	36.4	35.8
Find Job themselves	n.a.	n.a.	26.6	n.a.	n.a.	23.2	24.1	20.4	26.5	27.1
Employment Rate**	n.a.	n.a.	78.2	n.a.	n.a.	68.3	68.5	66.7	74.3	73.8

Source: Compiled by author from Goskomstat 1997, 2002, 2003a, 2003b.

*Percentage of graduates who did not receive AJS, including the graduates who found their job by themselves.

**Employment rate is the percentage of graduates who receive AJS and find a job themselves from among all graduates.

Russian universities have generally diminished their role in graduates' transition to work, though they do still play some administrative role. Russian universities have modified the former State Job-Assignment System into a university-based administrative job assignment system.

According to Russian official statistics, 47% of youths graduating as specialists received administrative job assignment (AJA) in 2002. Table 4 shows the trends of the graduates who received AJS, did not receive AJA, and found jobs themselves. The graduates who did not receive AJA included the graduates who could not find a job, did not apply for AJA, and could find a job themselves are included in this table. These data are dated for October 1st, which is when the new academic year begins. The information means the employment rate indirectly shows how many graduates got their jobs before they graduated, and that most of the graduates who did not receive AJA could not find jobs prior to their graduation. Still, almost half of the graduates received AJA. Therefore, AJA inherited from the former SJAS is still an important measure for graduates to find their jobs.

Of course, AJA in present Russia has no characteristic of force. When graduates can find jobs themselves, they need not receive AJA. What we need to find out is why so many graduates still receive AJA; in other words, why do so many graduates still depend on their university's AJA to find employment? Our interviews with graduates and professors in universities showed four reasons why AJA is maintained still now in Russia as follows.

The first reason is that when a university has a strong connection with local enterprises, new graduates can receive administrative assignment to a job. In some cases, such connections are inherited from the connections established in the Soviet era. Or when an enterprise needs a specific labor skill, the enterprise makes a direct connection for recruitment from a specific university⁷. In the other cases, enterprises have their employees, and their sons, daughters, and relatives enroll in the university in exchange for carrying the burden of schooling expenses. In these cases, they automatically receive administrative assignment to a job.

The second reason is that, although universities do have enough jobs to which graduates can be distributed, the offered jobs have no appeal to graduates. This is because the jobs universities can

⁷ According to our interview (November 2000) with Mr. Shalamov, a deputy manager of the Bank for Foreign Trade, Khabarovsk Branch, this bank recruits new graduates from Khabarovsk State Academy of Economics and Law every year in a contract with this academy to secure staff with good skills.

provide do not match the graduates' skills – they are often unskilled or rural jobs. It is therefore reasonable to estimate that there are few graduates receiving such kinds of job assignments. In contrast, for some universities in prospering cities such as Moscow and St. Petersburg, the number of preferable jobs that they can provide is sometimes still prodigious. Prosperous enterprises themselves send these universities their job offers. In such cases, graduates who obtain their job through their university's office of student job placements also often receive AJA⁸.

Third, when a specific type of trained labor is demanded in a certain region, local governments provide free education with the condition that graduates must work at the place assigned by them. In this case also, graduates receive administrative assignment to a job.

The fourth reason is that when the graduates can find job openings themselves, universities negotiate with the respective enterprises to provide administrative assignment to a job.

As we have described above, direct connection between universities and enterprises is vital for maintaining AJA. During the Soviet era, among agents for graduates' transition from university to work, the main linkage between universities and enterprises was not the linkage directly related to graduates transition to work, but the partnership for "practices." Abolition of the linkages between government and universities, and between government and enterprises for university-to-work transition led universities to strengthen their linkages with enterprises. During the economic recession of the 1990s, this linkage was weakening, decreasing the share of graduates who received AJA year by year. Economic stabilization after the Russian financial crisis seemed to have some positive effect on recreating the partnership between universities and enterprises, because the share of graduates who received AJA increased after 1999. The partnership between universities and enterprises is one that should be re-established to help graduates transit smoothly from university to work.

This partnership is not the same thing as the linkage between universities and the state enterprises of the Soviet era. That has almost vanished, because most of the state enterprises were privatized, closed, or experienced frequent stoppages. The former state enterprises no longer have a duty to keep receiving students for practices anymore, and cannot often not afford to keep them anyway, especially in the local traditional engineering sectors we found in Siberia. One of the supervisors for practices at Novosibirsk State Technical University had to find a new place for students to practice because the enterprise that had formerly received practicing students rejected them. Now his students complete their practical experience at one of the institutes of the Russian Academy of Science.

Of course, such difficulty in finding enterprises for students' professional training depends on the economic condition of respective industrial sectors and regions. Russian aerospace universities have well-established traditional ties with the leading aerospace companies and R&D institutions, which give engineering students industrial training (Mitin & Grabilnikov 2001, p.64). Such an

⁸ In the Faculty of Economics, St. Petersburg State University, only one person (dean of the office) works in charge of students' job placement. She said she did not have to visit enterprises to capture job offers; enterprises sent her job offers to recruit graduates (interviewed April 16th, 2004). This faculty, however, does not provide AJA to graduates with this channel.

advantage, however, is not a general feature of students' professional training in Russia. Kovaleva (1999, p.427) claimed that the present situation for Russian enterprises does not allow them to revive the linkage between universities and industrial enterprises. Chernenko (2001, p.21) also claimed that only the universities in Moscow and St. Petersburg could revive the linkage between universities and enterprises by themselves, but in general the government commitment was inevitable for most state universities to revive the linkage.

The regional statistics on graduates in Novosibirsk province also support this fact. Novosibirsk is Russia's third biggest city by population. The share of graduates receiving AJA in the industrial sector, where the traditional engineering sectors are still dominant in Novosibirsk, was far lower than the total Russian average, and lower than for most other specialties, as shown in Table 5⁹. Most of the graduates in the industrial sector had to find their job themselves. In principle, the graduates who did not receive AJA were the ones who did not have a job at the time they graduated. This share varies very much by specialty, and the importance of AJA for students might also be different by specialty.

Table 5. Share of administrative assignments among graduates of state higher-education institutions in Novosibirsk Province by specialty (% , October 1st, 2000)

		<i>Received Administrative assignment</i>	<i>Did Not receive Administrative assignment*</i>	<i>Found job themselves</i>	<i>Pursue Higher education</i>	<i>Army</i>
All	100	42.0	11.7	35.1	10.3	0.9
Industry	100	10.9	9.9	79.2	0	0
Construction	100	58.7	8.3	30.1	1.3	1.6
Transport	100	72.3	8.3	16.2	2.5	0.7
Communication	100	65.0	15.2	11.1	7.9	0.8
Agriculture	100	28.3	0	66.3	2.2	3.2
Economy	100	8.2	53.0	0	38.8	0
Health	100	67.7	0	11.9	20.4	0
Education	100	40.3	2.8	43.2	12.5	1.2
Art	100	1.6	98.4	0	0	0

Source: Novosibirskii Oblastnoi Komitet Gosudarstvennoi Statistiki, 2001, p.30

*The share of graduates who did not receive AJA does not include graduates who found a job by themselves.

Even though re-establishment of the partnership between universities and enterprises is vital for a smooth transition from university to work, the revival of a mandatory job assignment system is not the point to be stressed to solve the problem of graduates' transition. It is true that there has been talk for several years now about bringing back the mandatory, guaranteed job-assignment system for graduates of universities as they had in the Soviet days. In fact, some regions have already introduced mandatory job assignments for graduates of medical and teacher-training schools, where the shortage of specific manpower is most apparent. Moreover, rectors of

⁹ In Novosibirsk, new faculties and departments in economics & law were established in the 1990s. They have not inherited any connection with enterprises from the Soviet era, so graduates there cannot depend on AJA for their job placement, although these specialties are expected to be prosperous for students during their careers.

universities and student unions have complained that SJAS's abolition has led to mass unemployment among recent graduates (Vasilenko 2001: 3). However, contrary to the idea of reviving a mandatory JAS, the point to be stressed is that a new partnership between universities and employers should include dialogue among universities, employers, and government to facilitate universities' commitment to graduates recruitment to help students to transit to work smoothly without suffering joblessness after graduation. Under the condition that the importance of AJA differs greatly by specialty, we cannot expect any formal institutional linkage between universities and employers to be re-established only on each university's initiative. It is a question of how Russian policies can help universities and employers to establish new formal institutional linkages among universities, enterprises, and government, which support graduates in finding a job before graduation. In the other words, a policy to realize graduates' smooth transition from university to the world of work is sorely needed. It requires coordination by the government to prepare a roundtable of universities and employers sitting together to explore new partnerships to prevent graduate unemployment.

6. Concluding Remarks

In the Soviet era, new graduates were selected by the State Job-Assignment System regime, but in Russia's new market economy, there are many new graduates who cannot attain the job for which they had trained. This has led to their competing with elder skilled labor, and having no institutional assistance for recruitment. These are two extremes. We think it is crucial for the labor market in an economic transitional period from a planned economy to a market economy to find an alternative between these two extremes without abolishing the partnership between universities and employers.

In the neo-liberal labor market, youths themselves should be responsible for their failure to enroll into the world of work. They are required to attain employability to overcome the difficulties of gaining citizenship in the world of work. The difficulty for youths to find employment in Russia, however, often does not depend on their personal abilities and efforts; it often comes from the fact that youths do not have the institutional framework they can rely on when they look for a job opening, do not know how to find a job, and have no choice but to depend on their informal social ties. This dependence on their social ties does not provide equality for all graduates to access opportunities in the search for a job.

What Russian students lost with the abolition of the mandatory job-assignment system in the former Soviet Union was not only the mandatory characteristics of the graduates' labor market; they also lost the formal institutional linkages on which they could rely to gain employment. Thus the graduates have lost their formal job-seeking path, and the principle – “equal access to all employment opportunities on the basis of individual capacity” is still not guaranteed, just as it was not during the Soviet era, even though it should be the most important principle in the free labor market.

The key to a successful youth transition from higher education to the world of work is the institutional commitment of universities, employers and government bodies to the youth labor market. The OECD (1999, 2001) also suggested the importance of rebuilding the connection between education institutions and employers. The commitment to the youth labor market does not imply mandatory regulation by the state; instead, it should be coordinated in dialogues among universities, employers, and government.

In short, we recommend two policy implications:

- (1) Strengthen the function of universities in job placement assistance and guidance.
- (2) Strengthen the institutional commitment of universities and employers to the graduates labor market.

These policy implications can be drawn under the condition that Russian students inherit the behavior with which they used to start their job search before graduation and used to obtain a job before graduation, and that there is a consensus that youths are vulnerable to the present severe labor-market situation, should be protected from it and be directed toward appropriate jobs prior to graduation.

Russian students still now are used to finding a job before graduation, and the AJA system is still maintained. In this sense, Russian universities have many opportunities to provide students with recruitment guidance services and job placement assistance in partnership with employers. A flow of job offers from employers to universities may help to create an exclusive graduates' labor market for graduates that is separated from the general labor market, in which the older people with careers also participate. In Russia, since state-run universities are predominant, the initiative of all state universities and the related ministries' policies to build a labor market exclusively for graduates will greatly affect graduates' smooth transition to work. In Russia's labor market, universities are required to play an important role to create a labor market for graduates.

References

- Bagautdinova, N.**, 2003. *Vyshaiia Shkola Segodnia I Zafta: Puti Preodoleniia Krizisa (Higher education today and tomorrow: the way to overcome the crisis)*. Moscow: Ekonomika.
- Betts, J., Ferrall, C., and Ross, F.**, 2000. *The Transition to Work for Canadian University Graduates: Time to First Job, 1982-1990*. Analytical Studies Branch - Research Paper Series, Statistics Canada No.11F0019MPE, No.141.
- Bray, M. and Borevskaya, N.**, 2001. Financing Education in Transitional Societies: Lesson from Russia and China. *Comparative Education*, 37(3), 345-365.
- Graham, L. R.**, 1993. *The Ghost of the Executed Engineer*. London: Harvard University Press.
- Chernenko, D.**, 2001. Rynku Truda Heobkhodim Deictvennyi Reguliruiuschii Mekhanizm (An effective regulation mechanism is necessary for the labor market). *Chelovek i Truda (Human & Labor)*, 6, 20-22.
- Clarke, S.**, 1999. *The Formation of a Labour Market in Russia*. Cheltenham: Edward Elgar.
- Ehlert, H. and Cordier, H.** (eds.), 2002. *The Transition from Higher Education to the Labour Market: International Perspectives and Challenges*. Frankfurt: Peter Lang.

- Goskomstat Rossii**, 2003a. *Sotsial'noe Polozhenie i Uroven' Zhizn' Naseleniia Rossii (Social Condition and Living Standard of people in Russia)*. Moscow: Goskomstat.
- Goskomstat Rossii**, 2003b. *Obrazovanie v Rossii 2003 (Education in Russia 2003)*. Moscow: Goskomstat.
- Goskomstat Rossii**, 2002. *Vysshee Obrazovanie v Rossii: 2001 (Higher Education in Russia: 2001)*. Moscow: Goskomstat.
- Goskomstat Rossii**, 1997. *Sotsial'noe Polozhenie i Uroven' Zhizn' Naseleniia Rossii (Social Condition and Living Standard of people in Russia)*. Moscow: Goskomstat.
- Granick, D.**, 1987. *Job Rights in the Soviet Union: Their Consequences*. NY: Cambridge Univ. Press.
- Grinchenko, V. and Moskvina, O.**, 2000. Ot "Goda Rabotdatelia – k "Godu Molodezhi" (From "the Year of Employer" to "the Year of Youth"). *Chelovek i Truda (Human & Labor)*, 7, 56-60.
- Hare, P. and Lugachev, M.**, 1999. Higher Education in Transition to a Market Economy: Two Case Studies. *Europe-Asia Studies*, 51(1), 101-122.
- Hodgson, G. M.**, 1997. The Ubiquity of Habits and Rules. *Cambridge Journal of Economics*, 21, 663-684.
- Ibrahim, G. and Galt, G.**, 2002. Bye-bye Central Planning, Hello Market Hiccups: Institutional Transition in Romania. *Cambridge Journal of Economics*, 26, 105-118.
- ILO**, 1998. *World Employment Report 1998-99: Employability in the Global Economy – How Training Matters*. Geneva: ILO.
- Japan Institute of Labour**, 2001. Nichiou no Daigaku to Shokugyou (University and Occupations in Japan and Europe). *Research Report No.143*, Tokyo: Japan Institute of Labour.
- Johnson, M. S.**, 1996. Russian Education Reform in the 1990s. *The Harriman Review*, 9(4), 36-45.
- Kariya T. and Rosebaum J. E.**, 1995. Institutional linkages between Education and Work as Quasi-Internal Labor Markets. *Research in Social Stratification and Mobility*, 14, 99-134.
- Kovaleva, N.**, 1999. Women and Engineering Training in Russia. *European Journal of Education*, 34(4), 425-35.
- MacWilliams, B.**, 2001. For Russia's Universities, a Decade of More Freedom and Less Money. *The Chronicle of Higher Education*, 48(16), A42-A44.
- Mitin, B. S. and Grabilnikov, A. S.**, 2001. Cooperation between Technical Universities and Industry and Effects on Manufacturing in Russia. *Industry & Higher Education*, Feb., 62-66.
- Novosibirskii Oblastnoi Komitet Gosudarstvennoi Statistiki**, 2001. *Vyschie i Srednie Spetsial'nye Uchebnye Zavedeniia Novosibirskoi Oblasti (Higher and Secondary Special Education Institutions of Novosibirsk Province)*. Novosibirsk.
- O'Higgins, N.**, 2001. *Youth Unemployment and Employment Policy: A Global Perspective*. Geneva: ILO.
- Vasikenko, K.**, 2001. To the village and to the City. *The Current Digest*, 53(7), 14, originally cited from Vremya Novostei, Feb. 12, 2001.
- Vechernii Novosibirsk** (a local news paper in Novosibirsk), March 1, 2000.