

National Research University Higher School of Economics

Global competitiveness program

Strategic academic unit

CHALLENGES FOR SOCIAL DEVELOPMENT

Description

Moscow, 2016

## CONTENTS

1. STRATEGIC ACADEMIC UNIT “CHALLENGES IN SOCIAL DEVELOPMENT”	3
1.1 Project Summary .....	3
1.2 Project Fact-sheet .....	4
1.3 Performance Indicators of Strategic Academic Units .....	14
1.4 Quantitative Characteristics of the STRA-U’s Development .....	15
1.5 Financial Model .....	16
1.6 Schedule (Roadmap) for Managed Changes .....	18
2. TRANSFORMING THE UNIVERSITY BY ESTABLISHING THE BREAKTHROUGH AREAS ACROSS STRATEGIC ACADEMIC UNITS .....	20
2.1 Organizational Transformation of the University .....	20
2.2 Strategic Academic Units .....	21
2.3 Research and Innovation Activities .....	24
2.4 New Organizational Model for the Education Process .....	24
2.5 Development of Academic Personnel .....	25
2.6 Financial Sustainability and Resource Allocation for the Establishment and Development of Strategic Academic Units .....	26

# 1. STRATEGIC ACADEMIC UNIT “CHALLENGES FOR SOCIAL DEVELOPMENT”

## 1.1 Project summary

*Goal:* Creation and advancement of the clusters of cutting-edge interdisciplinary studies, educational programs and applied research in order to provide solutions to the challenges of global and national social development.

### *Main objectives:*

- To implement a program of studies on global issues that focuses on Russia's national priorities in the areas of social policy, demographic and migration policy, comparative analysis of transitional societies, social psychology, economic sociology, global and national risks of social and political destabilization, etc.;

- To participate in international comparative studies on global issues of social development and social policy;

- To implement an effective system of networking and management for interdisciplinary studies and educational projects on the issues of contemporary social development in order to raise the quality of research and in turn strengthen the quality of academic degree programs;

- To transfer the results of the cutting-edge studies on the issues of contemporary social development to the educational process, as well as expert support of modernization of programs of economic and social policy and public administration in the Russian Federation;

- To increase the research productivity of interdisciplinary clusters on STRA-U priority issues expressed in the increasing number of scientific publications in leading peer-reviewed journals indexed in the Web of Science and Scopus databases, as well as improvement of the position of the HSE in the QS Rankings by subject;

- To develop interdisciplinary educational programs, including master's programs in English in the areas of the STRA-U, to improve their competitiveness in the Russian and global educational markets, contribute to financial stability of the university and strengthen their research quality.

### *Main Anticipated Outcomes :*

- Advanced interdisciplinary comparative studies of global and national issues of social development, particularly in transitional societies, recognized by the international academic community, with the special focus on:

- Mechanisms of reproduction of elites in transitional societies;
- Models for measuring of political status and influence of states and their groups in the modern world;
- Patterns and risks of social and political destabilization at the global, regional and national levels;
- Factors of poverty and inequality conditioned by technological, demographic, geopolitical, and other changes in the modern world;
- Patterns of contemporary demographic and migration processes and their implications for global and national development;
- Social and psychological mechanisms of personal development in the times of crisis.

- Assuming the role of a leading Russian center of expertise and consultancy in the areas of social and economic policy and public administration based on the results of the cutting-edge interdisciplinary studies;
- Nationally and globally competitive educational programs in STRA-U areas, which actively use the results of the cutting-edge research from the STRA-U's interdisciplinary clusters in the educational process;
- System of professional training in the areas of the STRA-U based on the model of integrated educational track "Master – PhD" and awarding of own degrees by the HSE with the potential to replicate this model;
- HSE international academic reputation is confirmed by entering the Top 100 of the QS World University Rankings for "Social Sciences & Management", Top 100 of the QS World University Rankings for "Development Studies" and "Sociology", Top 150 of the QS World University Rankings for "Politics & International Studies", Top 150 of the QS World University Rankings for "Psychology".

*Brief description of the STRA-U's role and its contribution to the development of the university and the achievement of the goals, objectives and target indicators of the Global Competitiveness Program*

STRA-U is a major contributor to the scientific and educational activities of HSE in the field of social sciences. It ensures the university's leadership in Russia on such indicators as the quality of student enrollment, citation index and impact factor, and by creating conditions for its international competitiveness.

STRA-U employs professionals, including those hired on the international market, who possess competencies and have at their disposal databases on social and economic situation in Russia and other countries, all of which allows to address the issues of analysis, comparison and prediction of social, economic, political, and psychological state of society and institutions.

STRA-U educational programs provide high quality research and education training for professionals in in-demand areas of the social sciences in Russia.

STRA-U expert activities include the preparation and analytical support of reform programs in the areas of social policy, legislative control and regulation, public opinion and development of road maps for the implementation of social and political decisions.

In 2015, STRA-U has made a major contribution to the performance of the HSE in the QS World University Rankings for "Social Sciences & Management" (161<sup>st</sup> place, ranks second among Russian universities after Lomonosov State University), as well as in the QS World University Rankings for "Development Studies" (51-100, the only University in Russia) and "Sociology" (150-200, the only University in Russia).

## **1.2 Project Fact-sheet**

*Key subdivisions and partner subdivisions in the STRA-U:*

1. Faculty of Social Sciences (including major units) <http://social.hse.ru/en/>;
2. Laboratory for Comparative Social Research (R. Inglehart) <http://lcsr.hse.ru/en/>;
3. Institute for Industrial and Market Studies: International Center for the Study of Institutions and Development (T. Frye) <http://iims.hse.ru/en/csid/>;
4. Laboratory of Studies in Economic Sociology <http://ecsoclab.hse.ru/en/>;

5. International Laboratory for Applied Network Analysis (S. Wasserman) <http://anr.hse.ru/en>;
6. Institute of Demography <http://www.hse.ru/en/demo>;
7. International Laboratory for Nonprofit Sector Studies (L. Salamon) <https://npss.hse.ru/en/>;
8. International Laboratory of Positive Psychology of Personality and Motivation (K. Sheldon) <http://positivelab.hse.ru/en/>;
9. HSE Institute of Social Policy <https://csils.hse.ru/en/>;
10. International Scientific and Educational Laboratory for Social and Cultural Studies (S. Schwartz) <https://scr.hse.ru/en/>;
11. Institute for Public Administration and Municipal Management <http://ipamm.hse.ru/en/>.

*Research Advisor of the STRA-U:* Timothy Frye, Leading researcher at the International Center for the Study of Institutions and Development; <http://www.hse.ru/en/staff/Frye>

*Leader of the STRA-U:* Andrei Melville, Dean of the Faculty of Social Sciences, Higher School of Economics; <http://www.hse.ru/en/org/persons/10444822>

#### *Key educational programs and their development*

The STRA-U has four bachelor programs (1606 students, including 97 foreign students) and 17 master's programs (933 students, including 129 foreign students).

The STRA-U's educational programs provide fundamental training on the basic (bachelor) and advanced (master's) levels. Certain educational programs are key for the STRA-U due to their successful training of research personnel, internationalization and commercial success.

Major directions of the development of educational programs are related to:

- early academic and professional orientation of students, including engaging the most motivated students in the integrated "Master - PhD" track;
- social, professional and international accreditation of the programs;
- improvement of the structure of the program administration by engaging in the academic councils representatives from alumnus, employers-partners and professionals hired from the international market for the transfer of best educational practices;
- curriculum improvement by focusing on the development of competencies that are in demand by employers in the respective STRA-U's areas of training and introduction of relevant scientific knowledge and expertise, including the ones created within the activities of the STRA-U.

#### *Undergraduate Programs:*

Undergraduate programs in the areas of Sociology, Political Science, Psychology and Public Administration are popular among the best applicants from Russia and CIS, as evidenced by high Unified State Exam scores of the enrollees and a large number of Olympiad winners among them. Educational plans of the programs are built in accordance with the new educational model focused on high share of research work and project activities. Graduates of undergraduate programs are in demand both in the master's programs of the STRA-U and other universities, including foreign universities, as well as on the labor market (Chamber of Commerce of the

Russian Federation, Public Opinion Foundation, Russian Public Opinion Research Center , Levada Center, Center for Political Technologies, and others).

*Master's Programs:*

1. Population and Development, held in English: <http://www.hse.ru/en/ma/pd/>

This interdisciplinary master's program focuses on training of professionals in the field of social and demographic studies. Students of the program undertake internships in public authorities (Ministry of Labour and Social Protection of the Russian Federation), Russian and foreign universities, research institutes (Institute of Demographic Studies (France), Sapienza University of Rome (Italy)). Guest lecturers and lecturers-practitioners from the National Center for Public Opinion Research (USA), UNFPA offices in Eastern Europe and CIS take part in the educational process.

2. Political Analysis and Public Policy, held in English: <http://www.hse.ru/en/ma/politanaliz>

This program is aimed at acquiring the interdisciplinary knowledge in the field of research and the formation of public policy in Russia and abroad. Students of the program undertake internships with subsequent employment in public authorities (Government of Moscow, etc.), major companies (Lukoil, etc.). Program of exchange with the International University College of Turin (Italy), University of Sarajevo (Bosnia and Herzegovina), George Mason University (USA) is implemented as well as double-degree program with the University of Bologna (Italy).

3. Applied Social Psychology, held in English: <http://www.hse.ru/en/ma/socpsy/>

This interdisciplinary program is aimed at training of competitive experts in the field of social psychology that are in demand in global companies and research organizations focusing on cross-cultural value analysis. Guest lecturers from the Hebrew University of Jerusalem (Israel), Queens University (Canada) take part in the educational process. Double-degree program with the University of Tilburg (Netherlands) is implemented.

4. Politics, Economics, Philosophy, held in English: <http://www.hse.ru/en/ma/pep/>

The graduates of this type of interdisciplinary programs have a high level of recognition in the international labor market due to the fact that the model for this program was successfully set up in Oxford and is implemented in many European universities. This program is aimed at training scholars and practioners for national and international academic markets and public policy domain. Students of the program undertake internships in research centers (Center for Political Technologies, Russian Academy of Sciences ). Guest lecturers from Witten/Herdecke University (Germany), University of Helsinki (Finland), Free University of Berlin (Germany) take part in the educational process. Students have the opportunity to undergo training for two modules at the Paris Institute of Political Studies (Sciences Po, France) and the University of Passau (Germany).

5. Comparative Social Research, held in English: <http://www.hse.ru/en/ma/csr/>

This program is aimed at training researchers of social and economic issues in the comparative perspective based on unique empirical databases. Students of the program undertake internships in the leading Russian and foreign research institutes and centers, including University of Michigan (USA), Institute of Sociology of the Russian Academy of Sciences. Master's students have the opportunity to undergo training for two modules at the Free University of Berlin (Germany), University of Cologne (Germany).

6. Psychoanalysis and Psychoanalytic Business Consulting:  
<https://www.hse.ru/en/ma/psyan/>

This program brings together leading Russian and foreign lecturers and practitioners in the field of psychoanalytic psychotherapy and psychoanalysis, different schools of psychoanalysis (Anglo-Saxon and French models), profound theoretical training and intensive practice. The program is commercially successful. Master's students undertake internships in major European universities, research centers and international companies: INSEAD Business School (France), European School of Management (Germany) and London Institute of Management (UK), McKinsey&Company, Molten, Teva Pharmaceutical Industries Ltd.

7. Psychoanalysis and Psychoanalytic Psychotherapy, is scheduled to open in the Fall of 2016.

The program is designed for the effective integration of clinical, psychoanalytic and organizational psychology. Profound psychological knowledge combined with best practices in HR management form the basis for a new, innovative level of organizational business consulting. The program has a high commercial potential. The internships for students will be organized in the leading Russian and foreign research institutes and centers: Open Medical and Psychological University, Medical Rehabilitation Department of the Research Institute of Psychiatry, Lumiere University Lyon (France), Paris West University Nanterre La Defense (France), French University (France).

*Key Research Projects and their Development*

Research projects of the STRA-U focus on the challenges of the global agenda and Russian national priorities. . The results of the STRA-U research projects form the basis for the expert recommendations for efficient implementation of social programs and social reforms in the Russian Federation.

In each STRA-U project there are well-established research groups including academics in the international laboratories and international projects who develop fundamental and applied research, support and develop empirical databases, present their results in the leading international peer-reviewed journals, monographs, conference presentations, etc.

STRA-U develops the following research projects which are or have the potential to become internationally recognized and which fall into two main groups:

**1. Comparative interdisciplinary research with a focus on the global agenda and the analysis of big datasets**

*1. New Factors and Components of International Influence and Risks of Social and Political Destabilization.*

(Heads: Fuad Aleskerov, Andrey Korotaev, Askar Akaev).

The project has two main research directions:

- Political Atlas of the Modern World 2.0

(Heads: Fuad Aleskerov, Mikhail Ilyin, Andrei Melville). The project further develops results of previous research (see: Political Atlas of the Modern World (2010), Ed. Andrei Melville. Wiley-Blackwell). In this project an innovative system of empirical indicators and databases for validating new methods of measurement and comparative evaluation of the power and status of modern states will be developed on the basis of new indices which, in particular, take into account complex network interactions in the modern world. The main scientific result is

the use of new methods (like “big data” analysis, network analysis, etc.) for the development of new models of the national power and interaction of the states and groups of states and other participants in modern world politics, as well as the model of the dynamics of the statuses of great and "rising" powers in the world. Experts from the Russian International Affairs Council, Russian Political Science Association and the International Studies Association are involved in the project implementation.

- Patterns of social and political destabilization in the modern world. "Arab Spring" as a trigger of the global phase transition

(Heads: Andrey Korotaev, Askar Akaev, Sergei Malkov).

The aim of the study is to identify the causes and patterns of social and political destabilization in the modern world, particularly, in the world-system periphery states. New methods for social and political prediction, in particular, a new index of social and political destabilization in the global, national and regional contexts will be developed and validated. The practical significance of the study is the possibility to use the results to predict and prevent the risks of social and political destabilization in a variety of regions of the modern world. This research is being developed in collaboration with a number of the institutes of the Russian Academy of Sciences (Institute for Oriental Studies, Institute for African Studies, and others) and foreign universities (Yale University, as well as branch campus of New York University in Abu Dhabi). Joint publication of articles in leading international journals and collective monographs are expected with the colleagues from these institutions.

2. Comparative Analysis of the Systems of Management and Mechanisms of Decision Making in an Imperfect Institutional Environment

(Heads: Andrey Yakovlev, Thomas Remington).

This project is implemented in the following areas:

- Drivers of the management system and the mechanisms of reproduction of elites in transitional economies

(Heads: Andrey Yakovlev, Michael Rochlitz).

This project aims to study the institutional drivers which develop and produce changes in the management system of transitional economies. In line with the concept of Douglass North and his co-authors on the "limited access orders", the project examines the impact of the renovation of elites on economic development in the absence of democratic institutional mechanisms. The main result of the study is the model which explains the key drivers of the renovation of elites in an imperfect institutional environment. Experts from the University of Science and Technology of Hong Kong (China) are involved in the project. They will provide comparative empirical data on the Chinese elites and Chinese management economics system.

- Political representation, competition and decision-making at the subnational level

(Heads: Nikolai Petrov, Rostislav Turovsky).

This research direction studies the main institutional patterns of the key political processes in composite (federal and federalizing) states at the subnational level. The analysis of the institutional processes in composite states is based on the following cases: Russia, Ukraine, Brazil, Spain, Germany and others. Joint publications with researchers from the Free University of Berlin (Germany) and Kharkov State University (Ukraine) are expected. Practical recommendations for the Office of Domestic Policy of the Russian Presidential Administration,



as well as the Institute of Socio-Economic and Political Studies (ISEP) will be offered based on the study results .

### *3. Social Aspects of Personal Development in “Hard Times” in Cross-Cultural Context.*

(Heads: Dmitriy Leontev, Kennon Sheldon).

The project aims to study the social aspects of personal development and psychological consequences in the times of crisis caused by global financial crisis, as well as global political and religious conflicts. In the project the following research directions will be developed:

- Mechanisms of motivation and goal-orientation in a cross-cultural context in the times of crisis

(Heads: Dmitriy Leontev, Kennon Sheldon).

The aim of the project is to link motivation and goal-orientation in socio-cultural context in the times of crisis. The main result of the project is an integrated explanatory model of socio-cultural and psychological regulators of goal-oriented behavior. This model explains the effect of socio-cultural context on individual behavior and explores the possibilities of individual compensation to overcome such an effect. The University of Missouri (USA) and Tomsk State University are involved in the project for empirical data collection in the United States and Russia.

- Psychological consequences of socio-economic and cultural changes

(Heads: Nadezhda Lebedeva, Shalom Schwartz).

The aim of this interdisciplinary project is to identify the socio-psychological consequences of the economic and cultural changes in the modern world based on the cross-cultural value analysis. A comparative cross-country analysis of the values of Russians in a number of states has been conducted within this project (Russia, Germany, Latvia and others). The main result is the model which explains the universal cultural features of intergenerational transmission of the Russians' values in different states, and explores those features dependent on the socio-cultural context. The project methodology is developed in collaboration with colleagues from the University of Tilburg (Netherlands) and the Hebrew University of Jerusalem (Israel). Researches from the Jacobs University of Bremen (Germany) and the Baltic Institute of Psychology and Management (Latvia) are involved in the data collection and its analysis as international partners.

## **II. Comparative interdisciplinary research with a focus on applied studies and practical recommendations.**

### *1. Facilitating Legalization of Business in the Russian Markets.*

(Head: Vadim Radaev).

The project aims to study the relationship between legal and illegal markets of food and nonfood products, including “shadow” industry and household production and production and distribution of counterfeit goods with intellectual property rights infringement. The result of the study is to find the incentives for the actors to come out of the "shadow" and to transfer the economic activities in legal markets with tax accounting. The study offers practical recommendations for the Ministry of Industry and Trade and for a number of Russian business associations (Retail Companies Association (AKORT) - <http://www.acort.ru/en/> RusBrand - <http://www.rusbrand.com/site/lang/lang/eng>).

- The effectiveness of result-based management systems and government regulation

(Heads: Andrey Klimenko; Alexey Barabashev; Alexander Kalgin).

The purpose of this project is to develop the methodology for measuring an effective state - the system for assessment of public authorities - based on using both quantitative and qualitative methods. The system for assessment of a state as a whole, particular public authorities, their structural subdivisions and public officials will be developed based on the study findings. Practical results are used by the Office of Domestic Policy of the Russian Presidential Administration in the benchmarking systems for evaluating federal and regional public officials, as well as for evaluating the strategies for regional development.

## 2. Management of Social Development and Institutional Modernization in the Sphere of Social Policy.

(Head: Lev Yakobson).

The project has the following research directions:

- Trends and scenarios of transition to a mixed system of production of public goods based on the development of partnership between the state and civil society

(Heads: Lev Yakobson, Irina Mersiyanova).

The aim of the project is to identify the patterns, factors and ways of transition from the dominant role of state institutions in public sphere to a mixed system of public goods production with the participation of public and non-profit organizations, as well as commercial actors. Based on the study findings, a number of possible scenarios for this transition to a mixed system of public goods production will be developed. Experts from the Center for Civil Society Studies at Johns Hopkins University (USA) and the International NGO Training and Research Center (UK) are involved in the project. The main practical results of the project are recommendations for the Russian Presidential Administration which can increase the efficiency of social welfare programs' funding and management under budgetary constraints.

- Poverty and Inequality

(Head: Lilia Ovcharova)

The research aims to identify new global challenges and factors of inequality conditioned by technological, demographic and geopolitical changes in the modern world. The main result of the project is a new model of decomposition of social and economic inequality and poverty at the global and country level. The applied results of the project are recommendations for the Ministry of Labour and Social Protection and the Ministry of Economic Development of the Russian Federation to increase the efficiency of the social development management system and social policy towards regional and country inequality.

- Reproduction and migration of the population in Russia and the neighboring states

(Heads: Anatoly Vishnevsky; Mikhail Denisenko).

The aim of this research is to find the global patterns of contemporary demographic and migration processes and their causal relationships with other processes in society, and to predict regional and global demographic changes. Practical recommendations on the social development of the Russian Federation and other neighboring states will be developed and can be used in strategic responses to the global challenges of population reproduction and population migration. Recommendations are developed for the World Bank and the UN Population Fund. This research is implemented in collaboration with the Institute of Economic Forecasting of the Russian Academy of Sciences.

*Connections between research projects and educational programs*

Scientific research of the STRA-U provides students with knowledge in the fields of methodology and data analysis, access to relevant empirical databases on the social, political and economic issues, quantitative and qualitative data on social institutions, civil society and public opinion, demographics, the effectiveness of reforms and social policies, etc. Students at the STRA-U's educational programs are involved in ongoing research projects implemented by international research teams. In addition to the programs aimed at the global market, the STRA-U will develop a replicable model of the s integrated "Master - PhD " tracks in Sociology, Political Science and Psychology.

Empirical and methodological research results of the STRA-U are integrated into the curriculums of educational programs, and serve as the basis for the adjustment and modernization of the existing educational standards, development of modern approaches to education that allow the educational programs to become globally competitive.

There is a system of internal assessment of quality and relevance of the STRA-U's educational programs based on the integration of the results of the studies of the STRA-U's scientific subdivisions and engagement of the distinguished scholars in the educational programs management (at the level of academic councils).

#### *Key external parties who benefit from STRA-U's activities*

1. Public authorities on whose initiative and on whose behalf the STRA-U performs research and provides expert and analytical support of upcoming and ongoing state and departmental programs and public policies. In particular, the STRA-U provides advice and research support to the Ministry of Economic Development, Ministry of Labour and Social Protection, Ministry of Education and Science, Ministry of Finance of the Russian Federation on the matters of planning and evaluation of social policies; ROSSTAT - on statistical accounting and analysis; Analytical Center under the Government of the Russian Federation - on the data processing methodology, etc.

2. Russian and international companies, organizations and research centers, for which the STRA-U trains in-demand professionals in the fields of economic sociology, social policy, social psychology, political analysis, comparative analysis of transitional societies, demographic and migration policy, global, regional and national risks of social and political destabilization, etc. This type of beneficiaries includes Levada Center, GfK-Rus, VTsIOM, Public Opinion Foundation, UNFPA office in Eastern Europe and CIS, Center for Political Technologies, etc.;

3. Targeted public audiences and non-profit organizations that are the recipients of the results of the STRA-U's activities in the format of popular science and educational projects in the public space of the city, at public venues, in the media. Projects have been launched in the framework of the "University Open for the City" initiative in cooperation with the Department of Culture and the Department of Education of Moscow, projects with the Committee of Civil Initiatives , All-Russia People's Front , etc.;

4. Russian and foreign universities, with which the STRA-U carries out joint educational and scientific projects. Graduates of the STRA-U's educational programs successfully continue their studies in postgraduate programs (PhD) of foreign universities, including the New York University (USA), University of California in Los Angeles (USA), Columbia University (USA), University of Rochester (USA), etc.

#### *STRA-U Infrastructure*

#### Up-to-date databases:

- Joint Economic and Social Data Archive (<http://sophist.hse.ru/eng/>);
- Monitoring of the State of Civil Society;
- Global Entrepreneurship Monitor (<http://www.gemconsortium.org>);
- Monitoring of Public Opinion, Levada-Center (<http://www.levada.ru/eng/>);
- Monitoring the Economics of Education (<https://memo.hse.ru/en/>);

#### Longitudinal studies, including international comparative studies:

- Russia Longitudinal Monitoring Survey of HSE (RLMS-HSE) (<https://www.hse.ru/en/rlms/>);
- World Values Survey (<http://www.worldvaluessurvey.org>);
- European Social Survey (<http://www.europeansocialsurvey.org>);
- Eurobarometer (<http://www.gesis.org/en/eurobarometer-data-service/home/>);
- World Development Indicators (<http://data.worldbank.org/data-catalog/world-development-indicators>);
- Worldwide Governance Indicators (<http://info.worldbank.org/governance/wgi/index.aspx>).

#### *Current STRA-U personnel composition :*

Average number of academic personnel per year – 356, average age of academic personnel - 44, share of academic personnel holding an academic degree – 73% (Information on the key academic personnel is provided in the “Key R&D projects and their development” and the “STRA-U structure and system” sections of this Project Fact-sheet).

#### *Development of the academic personnel:*

1. Increase requirements for filling vacant positions of the teaching personnel in terms of their academic performance, professional development, and promote the development of research competencies;
2. Develop the "Teaching Assistant" and "Research Assistant" programs to identify and support the undergraduate and graduate students most motivated to pursue academic careers;
3. Establish a model of the integrated educational "Master – PhD" tracks with awarding of the HSE's own degrees, develop the system for selection and early engagement of the students motivated to pursue academic careers in research projects ;
4. Target recruitment of professionals from the international market for the specific educational and scientific objectives of the STRA-U.

For more information regarding development of the personnel, please see Section 2.5.

#### *Structure and management of The STRA-U*

The STRA-U "Challenges for Social Development" belongs to the first type of STRA-U's in the HSE. The information regarding structure of the STRA-U, planned organizational changes, level of the STRA-U's autonomy and functions of the STRA-U's management bodies is provided in Sections 2.1, 2.2 and 2.6.

Structure of the STRA-U's Management Committee (Heads of the STRA-U's major subdivisions):

1. Mikhail Denisenko (Deputy Director of the Institute of Demography, Head of the Department of Demography)

<https://www.hse.ru/en/org/persons/930240>

2. Andrey Klimenko (Head of the School of Public Administration, Faculty of Social Sciences, Director of the Institute of Public Administration and Municipal Management, Head of the Chair of Theory and Practice of Public Administration).

<https://www.hse.ru/en/org/persons/479737>

3. Vasily Klucharev (Head of the School of Psychology, Faculty of Social Sciences).

<https://www.hse.ru/en/org/persons/84236477>

4. Andrei Melville (Dean of the Faculty of Social Sciences, Head of the School of Political Science).

<https://www.hse.ru/en/org/persons/10444822>

5. Irina Mersianova (Director of the Center for Civil Society and Nonprofit Sector Studies, Head of the Scientific and Educational Laboratory for Interdisciplinary Studies of Nonprofit Sector)

<https://www.hse.ru/en/staff/mersianova>

6. Lilia Ovcharova (Director of the Institute for Social Policy).

<https://www.hse.ru/en/org/persons/319533>

7. Vadim Radaev (First Vice-Rector, Head of the Department of Economic Sociology, Head of the Laboratory of Economics and Social Research).

<https://www.hse.ru/en/org/persons/63968>

8. Alexander Chepurenskiy (Head of the School of Sociology, Faculty of Social Sciences, Head of the Scientific-Educational Laboratory of Business Studies).

<https://www.hse.ru/en/org/persons/63903>

9. Lev Yakobson (First Vice-Rector, Scientific Director of the Center for Civil and Nonprofit Sector Studies, Head of the International Laboratory for Nonprofit Sector Studies)

<https://www.hse.ru/en/staff/yakobson>

10. Andrei Yakovlev (Director of the Institute of Business and Market Analysis, Director of the International Center for the Study of Institutions and Development)

<https://www.hse.ru/en/staff/Yakovlev>

Composition of the International Advisory Council of the STRA-U:

1. Katharina Bluhm (Professor, Free University of Berlin, Germany)

[http://www.fu-berlin.de/en/sites/cas/ueber\\_uns/Vorstand/Katharina-Bluhm/index.html](http://www.fu-berlin.de/en/sites/cas/ueber_uns/Vorstand/Katharina-Bluhm/index.html)

2. Josep Colomer (Professor, Georgetown University, USA)

<http://www.josepcolomer.com/>

3. Timothy Colton (Professor, Head of the Department of Management, Harvard University, USA)

<https://www.hse.ru/en/org/persons/32299574#sci>

4. Thomas Remington (Professor, Emory College, United States)

<http://www.hse.ru/en/org/persons/36999262>

5. Stephen Hanson (Professor, University of William and Mary, USA)

[http://www.wm.edu/as/government/faculty/directory/hanson\\_s.php](http://www.wm.edu/as/government/faculty/directory/hanson_s.php)

<http://www.wm.edu/news/experts/name/sehanson.php>

### 1.3 Performance indicators of Strategic Academic Units

№	Indicator	2015 actual	2016 plan	2020 plan
1.	Position in broad field (specific subject) rankings (ARWU, THE, QS) as university KPI for which the STRA-U is valuable (according to the “roadmap” of the relevant university)			
1.1.	QS «Social Sciences & Management» by faculty	161		51-100
1.2.	QS «Development Studies » by subject	51-100		51-100
1.3.	QS «Sociology» by subject	151-200		51-100
1.4.	QS «Politics & International Studies» by subject	-		101-150
1.5.	QS «Psychology» by subject	-		101-150
2.	Number of publications in the Web of Science per one faculty member of the STRA-U	0,87	1,00	1,93
3.	Number of publications in Scopus per one faculty member of the STRA-U	0,98	1,44	2,29
4.	Average citation index per one faculty member of the STRA-U calculated on the basis of the total number of publications indexed by the Web of Science	4,49	5,59	15,67
5.	Average citation index per one faculty member of the STRA-U calculated on the basis of the total number of publications indexed by Scopus	5,27	6,55	15,03
6.	Percentage of international faculty in the STRA-U’s team including Russian citizens with PhDs from foreign universities	15,0%	16,7%	25,1%
7.	Percentage of international students enrolled in higher education degree programs provided by the STRA-U (including CIS students)	8,8%	8,9%	13,9%
8.	Average Unified State Examination (USE) grade for students enrolled in full-time federal funded Bachelor and Specialist-level programs delivered by the STRA-U <sup>1</sup>	86,9	no less than 85	no less than 85
9.	Percentage of the STRA-U’s income from non-budgetary (non-government) sources	27%	no less than 27%	no less than 36%

<sup>1</sup> The actual value of indicator could be adjusted depending on changes in the scaling system of Federal Education and Science Supervision Agency in the relevant year. Besides, HSE undertakes to remain in TOP-5 Russian Universities for the quality of admissions.

#### 1.4 Quantitative characteristics of the STRA-U's development

<b>№</b>	<b>Indicator</b>	<b>2015 actual</b>	<b>2016 plan</b>	<b>2020 plan</b>
1.	Number of higher education degree programs with international professional or public accreditation delivered by the STRA-U	0	0	2
2.	Number of higher education degree programs delivered by the STRA-U entirely in a foreign language	5	5	5
3.	Number of higher education dual degree programs delivered by the STRA-U	8	8	8
4.	Percentage of the STRA-U's students involved in R&D of this unit and enrolled in higher education degree programs provided by this unit, among the total number of students enrolled in the STRA-U's higher education degree programs	15,7%	16%	16%
5.	Percentage of the STRA-U's students enrolled in higher education degree programs among the total number of students enrolled in higher education degree programs of the relevant university	13%	12%	11%
5a.	Same for Bachelor-level programs (Specialist-level)	11%	10%	9%
5b.	Same for Master's programs	17%	16%	16%
5c.	Same for Ph.D. programs	13%	13%	13%
6.	Percentage of the STRA-U's faculty members who authored publications indexed by Scopus or the Web of Science among the total number of faculty of the STRA-U	50%	63%	78%
7.	Percentage of the STRA-U's employees among the total number of employees of the relevant university	10,7%	10,7%	10,7%
8.	Number of intellectual deliverables/intellectual products (IP) created by the STRA-U's employees	0,00	0,00	0,00
9.	Source-Normalized Impact per Paper (SNIP) of journals indexed in Scopus where the articles authored by the STRA-U's faculty members were published in the reporting year	1,418	1,41	1,40

## 1.5 Financial Model

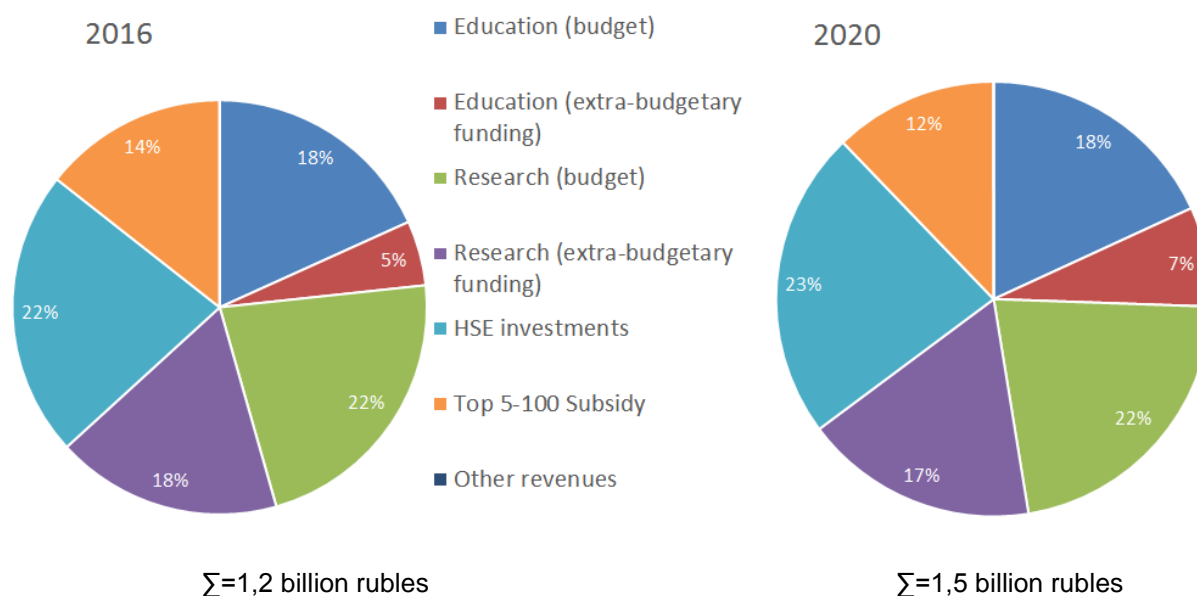
STRA-U budgets are managed by the university and heads of participating units; they are financed from the following three sources:

1. Government-funded education and research projects. STRA-U contribution to the government projects is expected to be about 15 % for educational services and 40 % for research. STRA-U units' KPIs include economic efficiency indicators of educational programs.

2. Funding from **external sources** (extra-budgetary revenues) derived from fee-based educational services, research and expert review projects in the interests of the government and corporate clients, donations and other special purpose contributions. The share of the STRA-U's extra-budgetary revenues is expected to be no less than 36 % in 2020. Funding from external sources is one of the KPIs of the STRA-U's units heads.

3. **HSE special purpose funds** provided to STRA-U units for development (academic development funds, centralized HSE programs such as Academic Fund, Fund of Educational Innovations, etc., acquisition of special research and laboratory equipment, inviting international faculty and researchers, etc., including funds of the subsidy under Global Competiveness Program).

Planned STRA-U's structure and revenues dynamics:



The growth in the STRA-U's revenues in the period of up to 2020 will be achieved due to the increase in the number of students in fee-based programs and the development of new continuing education programs, including special personnel training at the request by HSE partners, such as research agencies engaged in sociological, marketing and political studies (FOM, VTsIOM, GFK-Rus', Association of regional sociological centers "Group 7/89", Center of Political Technologies), as well federal and regional bodies of executive power.

In the next 3-5 years, the revenues from mass online-courses are expected to grow consistently both on international platforms and in Russia – in line with the development of the National Open Education Platform. The STRA-U is planning to launch online courses in such fields as sociology, psychology, political science, state and municipal government.

The growth of STRA-U revenues from R&D work will be based on expanding applied R&D and expert review projects, at the request of the government and individual clients, for



example, the Ministry of Economic Development, the Ministry of Labor, the Ministry of Science and Education, the Ministry of Finance – concerning the planning and evaluation of the social policy; Rosstat – concerning statistics and analysis; Analytical Center under the Government of the Russian Federation – concerning the methodology of data processing.

STRA-U's units will continue to actively participate in research grant programs of Russian funds, most notably in such fields as sociology, psychology, political science, state and municipal government. In case of improvements in the international market situation, the revenues from participation in international research grant programs are also expected to go up.

Total increase in the STRA-U revenues in 2020 versus 2016 will be no less than 250 mln rubles. As compared with the funds received by the STRA-U under Global Competiveness Program, the anticipated income growth will exceed 130 %.

STRA-U expenditures include personnel salaries (68-72%) and other operating expenses (teaching and research process, academic mobility, acquisition of information, etc.).

General and administrative expenses are centrally managed by HSE. All facilities, dormitories, IT infrastructure and administrative services are provided by the university.

The STRA-U's financial stability is achieved through the combination of revenues from all types of its operations and HSE investments – through centralized academic development instruments (programs and projects). HSE is ready to provide additional resources to the STRA-U by reallocating HSE's centralized funds if necessary.

### 1.6 Schedule (Roadmap) for managed changes

№	Objective	Years				
		2016	2017	2018	2019	2020
<b>1. Organizational changes</b>						
1.1	STRA-U organizational structure has been established, including the team, management, collegiate and executive management bodies	X				
1.2	Project teams have been set up, and required information and material resources for their operations have been defined	X	X	X	X	X
<b>2. Required changes and results of the educational activities</b>						
2.1	Launching and developing a new Master's program		X	X	X	X
2.2	Agreements with new international partners for double-degree programs for an English-taught Master's program				X	X
2.3	Student academic mobility programs, student exchange programs	X	X	X	X	X
2.4	Russian and English-taught online courses have been developed for undergraduate and the Master's programs	X	X	X	X	X
2.5	Promotion of the English-taught Master's programs on the global market, arranging international students' admission to undergraduate and Master's programs	X	X	X	X	X
2.6	Professors from the best centers in the field, experts from the real sector of economy have been invited to deliver courses in undergraduate and Master's programs	X	X	X	X	X
2.7	Lectures, seminars, training sessions in the STRA-U-specific fields, delivered by international teachers in the framework of the Master's programs	X	X	X	X	X
2.8	Faculty short-term outgoing mobility programs and continuing education and internships at international research centers and universities	X	X	X	X	X
2.9	Short-term professional courses for businesses and government authorities		X	X	X	X
2.10	Supporting international internships for students at research centers and universities in some English-taught Master's programs	X	X	X	X	X

2.11	Introducing integrated Master – PhD track in the STRA-U-specific fields of research			X	X	X
2.12	International faculty recruitment on a competitive basis	X	X	X	X	X
<b>3. Changes and outcomes of research and science and technology activities</b>						
3.1	Implementing applied projects in key academic fields	X	X	X	X	X
3.2	International recruitment of scholars on a competitive basis	X	X	X	X	X
3.3	Engaging students in research projects implemented by STRA-U	X	X	X	X	X
3.4	Supporting short-term outgoing academic mobility and continuing professional education for researchers hosted by international centers and universities	X	X	X	X	X
3.5	Special continuing education programs for researchers, including lectures, master classes and seminars with participation of leading international scholars	X	X	X	X	X
3.6	Hosting large international conferences with participation of international specialists and experts in the STRA-U-specific topical areas	X	X	X	X	X
3.7	Publication and promotion of foreign monographs in English, edited by the STRA-U personnel (Springer publishing house )		X	X	X	X
3.8	HSE Working Papers Series	X	X	X	X	X
3.9	Regular expert review of the STRA-U's research outcomes by the International Advisory Board	X	X	X	X	X
3.10	Development of the research infrastructure	X	X	X	X	X
<b>4. General changes and results, including at the University's level</b>						
4.1	Facilitating the HSE achievement of leading positions in education and research at the regional and global level, evidenced by the promotion in global rankings	X	X	X	X	X
4.2	Reducing HSE dependence on the state budget-based financing				X	X

## **2. TRANSFORMING THE UNIVERSITY BY ESTABLISHING THE BREAKTHROUGH AREAS ACROSS STRATEGIC ACADEMIC UNITS**

### **2.1 Organizational Transformation of the University**

HSE is in the process of systemic transformations, first launched by the university in 2010, and aims to create centers of excellence and to disseminate the experiences of these centers throughout the university.

In the first stage of transformation, the university established 10 international laboratories lead by the prominent foreign researchers. The development of international laboratories in economic, social, computer, and mathematical sciences has contributed to overcoming the long-term isolation of Russian social and economic sciences and enabled HSE to join the global network-based research market and strengthen the university's position as the center of advanced research in select areas of expertise. As a result of the university concentrating its resources on the development of those areas, the number of research publications in the international databases Web of Science and Scopus has grown five times over the last five years. Globally renowned scientists such as Nobel Laureate Eric Maskin, Fields Medal Winner Andrei Okounkov have joined the university. The number of international laboratories grew to 22 in 2015 and these research centers have enabled the university to integrate the new academic culture into more traditional forms through the creation of faculties and moving further to the next transformation stage.

The second stage in the transformation of the university's organizational model is the transition from highly specialized faculties and academic departments, designed with the primary purpose of teaching, to the model of mega-faculties, or large research and education units conducting research (including multidisciplinary research) and faculty training in broad areas of expertise: economic sciences, social sciences, business and management, humanities, computer and engineering sciences, mathematics, law, communications and design and urban studies. The integration process was completed in 2015 when 21 faculties and division networks were replaced with 10 mega-faculties. The former faculties and academic departments became departments and schools, and mega-faculties were merged with previously independent HSE research units to conduct basic and applied research and focus on expert analytical work and consulting. The new organizational model is currently finalizing its operating mechanisms.

The university merger of interrelated fields of expertise encourages the development of promising research areas at the intersection of sciences and ensures the principle of crossdisciplinary interaction in research and teaching. This contributes to the rapid development of the mega-faculties' educational programs built into the framework of new fast-growing areas of expertise that are implemented by research scientists, key employers, international experts; students become involved in real scientific research projects while still in the training. Such integration is provided by research units, departments and schools within the mega-faculties.

The conversion ensures an integrated approach to mega-faculties-based management and the development of all areas of the university's expertise, including higher education and continuing education, basic and applied research, innovation, expert analytical work and consulting. International laboratories still act as the drivers of research, set standards for other research teams and play an important role in graduate and postgraduate education. Regular evaluation of laboratories' performances by internationally recognized experts constitutes the basis for decision-making on the laboratories' existence. Mega-faculty management is based on the principles of academic self-governance, which is implemented at all levels of decision making.

In 2015, the right to managing independently financial resources and the responsibility for achieving planned results (KPIs for the mega-faculties' deans are set) were delegated to the mega-faculties. This significantly simplified the decision-making process, allowed more specific considerations on account of individual disciplines and enhanced their development. Currently, almost 50% of resources from the university-wide academic development fund (scholarships for

academic mobility of faculty members, researchers and students, conferences, etc.) are managed by the mega-faculties. The mega-faculties' academic development funds are competitively distributed in accordance with the decision of mega-faculties' governing bodies, composed of researchers and instructors. The mega-faculties' academic and financial autonomy will be further increased; resources will be managed and decisions made based on KPIs.

The university is currently in the third stage of its transformation: HSE continues to improve the mega-faculties and establish better conditions for their development through the individual research and education units under these new interdisciplinary centers of excellence. The centers use the mega-faculties' infrastructure, human and other resources and have become growth points for promising areas where the university intends to enter the global market. Successes have been achieved in some subject areas as evidenced by high quality publications in the leading journals (See sections below).

## **2.2 Strategic Academic Units**

The mega-faculties and research units (including international laboratories) are used to establish large areas of expertise with interdisciplinary connections: Strategic Academic Units (STRA-U). There are two types of STRA-U – international consortia and centers of excellence, which are currently being formed based on the following criteria:

- 1) Research must be consistent with the global research agenda and international research networks;
- 2) Research must be relevant to Russia's geopolitical interests and/or sectoral priorities;
- 3) STRA-U must serve as expert analytical centers for the development of public policy in the economic and social sectors, education, science and technology forecasting and state-building; each STRA-U should make a significant contribution to the development of Russian economy;
- 4) Educational programs are implemented at various levels (undergraduate, specialist, graduate and post-graduate programs).

The first type of STRA-U includes major consortia that address the university's existing core areas. They are recognized internationally (reflected in their international rankings), and have a high capacity for further dynamic development. These consortia are formed from one or more mega-faculties and academic units of the university, which implement educational programs at all levels and their research has been integrated or is capable of being integrated into the global research agenda:

- Economics and Management (QS Economics & Econometrics – 151-200, QS Development Studies – 51-100, QS Social Science & Management – 161<sup>2</sup>);
- Challenges for Social Development (QS Development Studies – 51-100; QS Sociology – 151-200; QS Social Sciences & Management – 161);
- Mathematics, Computer Science and Information Technology: scalable mathematical methods (QS Mathematics и QS Computer Science & Information Systems – 400+, ranks 6th in Russia);
- Humanities Consortium “Humanus” (QS Philosophy – 151-200, QS Arts & Humanities – 289).

The second type of STRA-U includes centers of excellence: individual structural units that have been created as new growth points in relatively narrow and promising interdisciplinary areas of research and education and are integrated into the global research agenda and implement

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<sup>2</sup> HSE position in QS World University Rankings 2015 (by subject and by industry) are given in brackets. This position has been secured thanks to the contribution of the respective STRA-U.

Master's and doctoral educational programs. In the long run, these units are capable of growing into new research and educational areas:

- Foresight and Science, Technology and Innovation Studies (QS Development Studies – 51-100; QS Social Sciences & Management – 161);
- Cognitive Neuroscience: from Computational Models to Neurotechnology (QS Economics & Econometrics – 151-200; QS Social Science & Management – 161);
- Education and Human Development in changing world (QS Sociology – 151-200; QS Social Science & Management – 161);
- Urban and Transportation policy: guiding urban transformation from industrial to digital age (QS Development Studies – 51-100; QS Social Sciences & Management – 161).

Not included in STRA-U's are key HSE faculties such as World Economy and International Affairs, Law, and Communications, Media and Design, as well as the Department of Foreign Languages, because these units are currently focused mainly on the Russian market.

#### *Strategic Academic Unit Management*

Each Strategic Academic Unit is managed by:

- the research adviser, a leading scholar in the STRA-U area, well known by the international academic community, whose main functions are to establish the STRA-U research and education agenda and strategies, help enhance STRA-U leadership within the international academic community and engage STRA-U leading experts in relevant fields;

- the leader, a famous academic and experienced research and/or education administrator whose main functions are to ensure achievement of STRA-U goals, coordinate research and education communication among the divisions within STRA-U and make personnel and financial decisions.

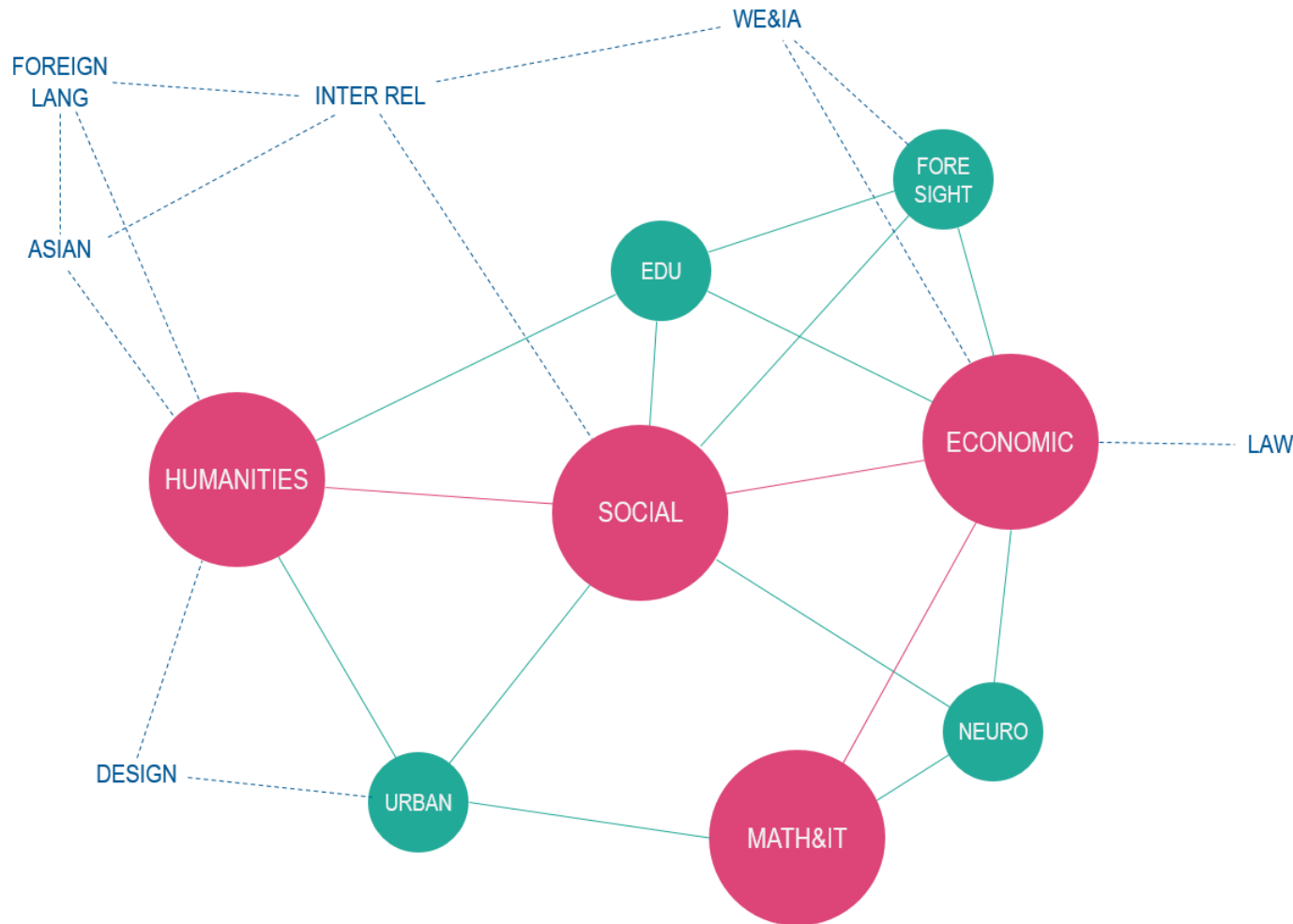
STRA-U is managed by the Management Board, which makes programmatic and resource decisions on each of the STRA-U's tasks delivery and ensures monitoring of STRA-U's tasks delivery.

Some STRA-U's have already established International Expert Committees and others will establish them by the end of 2016. International Expert Committees will conduct external evaluations of STRA-U research and educational activities and provide recommendations regarding STRA-U development strategy. They will also promote international partnerships and the integration of STRA-U researchers in international research networks.

The university's management practices have been tested within the mega-faculties model and have proved to be viable and effective. They will also be used in the next stage of the university development within STRA-U's framework (see more details in respective sections of each STRA-U fact-sheet).

The scheme of interaction between STRA-U's and other units that haven't been integrated as a STRA-U yet is defined in the following figure.

# STRATEGIC UNITS INTERACTIONS



## **StraU's of I type** **CONSORTIUMS**

- >**ECONOMIC**< ECONOMICS AND MANAGEMENT >
- >**SOCIAL**< CHALLENGES FOR SOCIAL DEVELOPMENT >
- >**MATH&IT**< MATHEMATICS, COMPUTER SCIENCE AND INFORMATION >
- >**HUMANITIES**< SCHOOLS AND INSTITUTES CONSORTIUM «HUMANUS» >

## **StraU's of II type** **CENTERS OF EXCELLENCE**

- >**FORESIGHT**< FORESIGHT AND SCIENCE, TECHNOLOGY AND INNOVATION STUDIES >
- >**NEURO**< COGNITIVE NEUROSCIENCE: FROM COMPUTATIONAL MODELS TO NEUROTECHNOLOGY >
- >**EDU**< EDUCATION AND HUMAN DEVELOPMENT >
- >**URBAN**< URBAN AND TRANSPORTATION POLICY: GUIDING URBAN >

## **OTHER UNITS**

### **2.3 Research and innovation activities**

*Research and science project areas are described in detail in each STRA-U Fact-sheet.*

HSE strategy for basic research sets rigorous requirements for research quality, and personnel incentives are aimed at facilitating research in the most cutting-edge areas and topical fields. This has caused a significant growth in the number of quality publications. Articles by HSE faculty and researchers are published in top international journals, including Review of Economics and Statistics, Acta Mathematica, Journal of Personality and Social Psychology, The Lancet, IEEE Transactions on Pattern Analysis and Machine Intelligence, Nature Genetics, Journal of Political Economy, Physical Review Letters, American Economic Review, Behavioral and Brain Sciences, Journal of Materials Processing Technology, Annals of Statistics, Communications in Mathematical Physics.

The university has robust research and innovation cooperation with major Russian and foreign companies and organizations which are not only customers of research and consulting projects but also partners in implementation of customized educational programs of mainstream and continuing education. The demand for the university's research is evidenced by steady growth in R&D total revenues, which is currently almost 40%. HSE has partnership relations with such major companies as Gazprom, Rosatom, Rosneft, Novatek, Gazprom Neft, Alrosa, Norilsk Nickel, Aeroflot, Rosgeologiya, Nissan, Sibur, Gazprombank, Lukoil, Transneft, Yandex and others. HSE is constantly expanding the network of joint departments (currently - 40) established in cooperation with leading research and science centers, global consulting companies, ICT companies, analytical centers, and others.

The university's innovative activities are designed to provide diverse forms of communication with project teams which include undergraduate, graduate and post-graduate students, professors and research scientists. Those activities range from annual competitions of business plans for innovative projects to supporting the start-ups at various stages of maturity. A prominent place in the Russian innovation ecosystem is taken by the HSE's Business Incubator which provides coaching and advisory services to student teams; the Innovation Center which provides organizational support to the spin-off companies, and Prototyping Center that provides an experimental platform for technological projects and boasts state-of-the-art equipment.

According to UBi Global rating, in 2015, HSE Business Incubator ranked 14 among global university business incubators (sole university business incubator in Russia to rank in global Top-25).

### **2.4 New organizational model for the education process**

Establishing mega-faculties through the merger of academic units has enabled the implementation of a university-wide organizational and management model for the education process on the basis of "academic adviser - academic council - student office". In spite of a wide variety of programs, the quality of the education process and outcomes is ensured by general principles incorporated in the unique educational standards aimed at a higher level of complexity.

The implementation of undergraduate programs is based on a model that provides for:

- a limited number of courses (no more than five) to be studied by a student in any given semester, at least half of which are electives;
- a fixed part of the program within which a student works on projects and research papers primarily in actual research departments at the university;
- select clusters of courses (minors) available to all students (20 ECTS in two years);
- independent assessment of students' knowledge of the English language at the end of the second year through the process of international exams, and mandatory study of at least two major courses in English;
- mandatory preliminary thesis defense in English.



The implementation of graduate programs is based on the following model:

- no more than 12 courses to be studied by students over two years;
- two professional “core” disciplines (the second disciplines is to be selected by the academic program management and by the students themselves);
- research and independent work must constitute at least 70% of the load;
- opportunity for first-year students to select courses from the general pool of disciplines with broad humanities, social science and economic focus (MagoLego).

HSE’s educational programs are focused on the international market: the share of foreign students is currently 7.5%; 18% of disciplines are taught in English; 15 programs in the current academical year and 20 programs in the new academic year will be fully focused on English-speaking students; 43 (29%) educational programs are implemented in partnership with leading foreign (41) and Russian universities (2). HSE is actively involved in the work of universities’ consortium representing massive on-line courses on Coursera international platform: in 2015, over half a million students from 195 countries, representing 5% of all Coursera students, signed up for 36 HSE’s online courses taught in Russian and English.

## **2.5 Development of Academic Personnel**

Academic personnel development within the new STRA-U framework will be provided by the instruments of academic development and through competitive procedures established in HSE in recent years and described in detail in the Roadmap of the Program for Enhancing HSE Competitiveness of the second stage.

The main instrument for attracting international experts is the international recruitment strategy, which has been in place at HSE since 2010. The ruble devaluation has significantly restricted Russian universities’ capacity to compete as employers in the global academic market; therefore, specialist recruitment on the international market in 2016 will change: most cited scientists in high demand by strategic academic units will be selected through the international recruitment procedure. Foreign researchers will be engaged in scientific projects under short-term contracts and remote work contracts. Particular emphasis will be placed on engaging talented young scientists in international research projects through the postdoctoral research fellow program, which will be enhanced starting from 2016.

Mandatory engagement of faculty members in research and involvement of researchers in the educational process is guaranteed by the single contract with academic personnel implemented by HSE in 2015. Faculty members’ teaching load is alleviated by teaching assistants, who are selected from among the best students and thus get a chance to start their academic career. Personnel rotation and academic faculty selection is performed through creating competitive academic environment - an open competition for academic faculty positions is held annually and attracts many external candidates. The competition procedure involves the multi-stage selection of candidates: evaluation of research, professional level, interviews, and open lectures. The selection is carried out by expert subject committees, mega-faculties’ personnel, and the personnel committee of the HSE Academic Council. The open procedure and similar evaluation criteria for HSE professors and external candidates provide conditions for the selection of the best specialists to be employed by the university on a full-time basis. They meet the university’s requirements focused on the global market: HSE academic faculty was renewed approximately by one third in 2013.

The merit-based personnel selection system is supported by a wide range of incentives that provide for professional development and the opportunity to select the optimum academic path for each faculty member. The instruments include stipends for publications at the international level, contributions to the university’s reputation, teaching courses in English, development of new teaching methods and training courses, individual and collective research and academic mobility scholarships, international partnership development scholarships, comprehensive professional development program which includes internships and PhD

education at foreign universities and academic English courses at Academic Writing Center. All of these procedures are carried out on a competitive basis.

HSE strives to create an English language-driven professional environment and to ensure the smooth integration of international students, faculty members and researchers into the university academic life. HSE has established special administrative units that provide guidance to international students and academic personnel in all aspects of the HSE experience (including medical insurance, social support, etc.). The university has created English language information resources and hires program coordinators with fluent English. In the coming years, the number of administrative personnel with English proficiency will be increased, and international faculty members will receive comprehensive information about what is occurring during their employment at HSE.

HSE's target personnel development model suggests that by 2020 at least 60% of academic personnel will be scientists (included in the global academic networks), about 20% will be the leaders of the Russian professional market, and the remaining 20% will be engaged only in teaching (mostly teaching foreign languages). It is also planned that 90% of full-time HSE faculty members will be able to teach and conduct research in foreign languages.

## **2.6 Financial sustainability and resource allocation for the establishment and development of Strategic Academic Units**

Resources for the Program of Enhancing Competitiveness and the university's financial sustainability in general are secured primarily through revenue from core activities (all types of educational services, research and expert and consulting activities). In aggregate, HSE revenues in 2016<sup>3</sup> will exceed 14 billion rubles (\$190M), which is higher than the revenue in 2012 by 44%. The university earns about 40% of the funds or 6 billion rubles per year (\$80M) in the open market: in terms of extra-budgetary revenue, HSE is among top three Russian universities. Global Competiveness Program program funding constitutes only 6.5% to the university's revenue.

In the years leading up to 2020, HSE will increase its overall revenue by 31% compared to 2015, mainly through extra-budgetary income, of which 70% will come from for-profit educational services, and 20% from applied R&D and consulting services. Overall, by the end of the period the share of extra-budgetary income will increase to up to 44%.

Resources for the implementation of the HSE Roadmap will be gathered by combining centralized incentive mechanisms and increasing the financial autonomy of the units. HSE makes target investments of more than a quarter of its income into the university's development projects. The share of funds managed at the level of research and educational units and their consortia is, on average, more than 50%.

The university's financial model is actually replicated within STRA-Us: the units' financial sustainability is achieved through a combination of revenues from all types of activities and diversification of sources of their financing. The tasks of resource allocation to the units within STRA-Us are reflected both in their budget structure, and in the KPI system of their leaders (see Section 2.1).

Key risks for the financial sustainability of the university and its units in the period of up to 2020 are mostly related to negative economic conditions:

- 1) the devaluation of the ruble caused a significant reduction in the competitiveness of Russian universities as employers in the international academic labor market; paying competitive salaries becomes increasingly difficult, especially when trying to maintain fair balance between Russian and foreign academics;

- 2) the devaluation has also resulted in the significant increase of other university costs that depend on currency exchange rates, such as international academic mobility, access to foreign sources of information, purchase of equipment, etc.

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<sup>3</sup> Excluding state capital investments

3) reduction of Federal Budget expenditures for 2015-2017 significantly restricts the university's income growth potential, both in education and in research.

The key measures taken by HSE to address those risks are:

- cutting operational and administrative costs (in 2016, operational costs were cut by 15%, administrative personnel costs were cut by 10%, etc.);
- reducing full-time employment of foreign personnel in favor of short-term and remote contracts, without compromising the requirements related to cooperation with Russian personnel and publication activity levels;
- stricter internal requirements related to the efficient utilization of resources: allocation of funds for research projects that foster academic personnel allowances; implementation of economic standards for educational programs and personnel schedule and workload; and introducing indicators for attracting external resources into managers' KPI systems;
- reducing (and closing) administrative and research units and educational programs that do not meet academic criteria of productive efficiency (in particular, in 2014-2015, the Master's programs portfolio was optimised, and a number of academic departments were reorganized).

Information on HSE-Moscow total revenues and expenses in 2015-2020 are given in the table below (mln rubles):

	mln rubles		
(excluding state capital investments)	2015	2016	2020
<b>REVENUES</b>	13150	13880	16197
<b>Educational services</b>	<b>7 127</b>	<b>8 228</b>	<b>10 375</b>
State assignment for educational services	4 703	5 352	6 176
Fee-based educational services – Higher education	1 331	1 652	2 311
Fee-based educational services – Continuing education	632	695	1 240
Pre-university education	168	301	386
Subsidy for the scholarship fund	293	228	262
<b>Research and Development</b>	<b>2 577</b>	<b>2 568</b>	<b>3 000</b>
State assignment for research	888	862	1 000
Applied research and development	1 690	1 705	2 000
<b>Other revenues</b> (special purpose subsidies, donations, other revenues)	<b>817</b>	<b>1 102</b>	<b>1 016</b>
<b>Funding under 5-100 Program</b> (special purpose subsidy)	<b>930</b>	<b>930</b>	<b>930</b>
<b>EXPENSES</b>	12 099	12 903	15 304
<b>Program and project expenses</b>	<b>3 109</b>	<b>3 364</b>	<b>3 969</b>
<b>Current operating expenses</b>	<b>7 961</b>	<b>7 920</b>	<b>9 960</b>
<b>Special purpose expenses</b> (scholarships, major repairs, taxes)	<b>1 029</b>	<b>1 293</b>	<b>961</b>
<b>Reserves</b>	<b>283</b>	<b>325</b>	<b>414</b>
<b>BALANCE (end of period)</b>	<b>1 052</b>	<b>977</b>	<b>893</b>