

# Investment in Online Learning in Russia from 2016 Through 2018

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**Abstract.** This study seeks to analyze public investment in education from 2016 through 2018. The paper outlines the ever greater role of online learning in the Russian education market, in particular that of the MOOCs. It further defines the role of further education and advanced training. The authors point out the need for private investment in online learning, for stronger public-private partnership. *Statement of Problem.* Prove that public investment in education, albeit rising, is insufficient, and private investment through public-private partnership is imperative.

*Research methods:* comparative analysis, budget statistics, analysis of agencies' websites.

1. Public investment in education does not suffice, which is why public-private partnerships are on the rise.
2. Russia has only retained its regional investment funds, whereas the Investment Fund of the Russian Federation has been disbanded. A federal-level fund was not worth it.
3. Russian education is increasingly appreciated worldwide, a trend that helps boost educational exports and affects Russian universities.

## 1. Introduction

This paper dwells upon investment in online learning. Online learning is an important part of digital learning. The concept is covered by a number of Russian and foreign scientists. Weidorf-Sysojewa tries to define what digital learning is [5]; Kind D covers the use of VR in medical training [3], Covas Lillia analyzes online business education [2], de la Rosa Shawna describes digital tools for teaching [1], Eidrus I. [4] and others [20] analyze the global market for education. This study deals with further education. For universities, further education is an opportunity to develop further and to raise additional money. For private entities, investment in education and learning creates an additional source of income while also improving the business reputation and given the status of a social partner [7].

Federal and Municipal Guarantees. The Guarantor (Russian Federation, a Russian region, or a municipality) issues a Letter of Obligation to bear responsibility for the grantee's obligations to third parties in whole or in part.

As of today, investment in further education is rather charitable. In most cases, it takes the form of a franchise.

Online learning is designed to provide inexpensive high-quality university courses, to give schoolchildren and pre-retirees an opportunity for further education. Governmental investment should make a return; the best return comes from investment in human capital. The policy for public funding (investment) in education is always a relevant matter, as human development is something an

economy cannot operate without. What exacerbates the situation is that Russia is still in a demographic decline, while the foreign competition in online learning remains strong [6,8].

## **2. Theory**

Government spending on education covers priority national projects, for instance, Cutting-Edge Digital Learning in Russia (CELD). The Government plans to spend 3,786.5 billion rubles under the program over 2013–2020: 447.8 billion in 2017, 456.7 billion in 2018, 458.9 billion in 2019, and 644.3 billion in 2020. Digital or online learning should provide Russians with further education opportunities [16, 17]. The priority audience comprises preschoolers, schoolchildren, and pre-retirees [19,22]. For instance, from 2019 through 2024 the federal budget will spend 5 billion rubles per annum to fund advanced training for retirees; regional spending is projected to reach 263.3 million rubles per annum.

Online learning opportunities depend on Internet access, which is why the Government's priority is to provide equal access to communications and the Internet.

The bulk of investment is to be covered by the federal budget. It has a subitem, Further Education Costs. The Government undertakes to subsidize non-governmental organizations on a competitive basis to provide extracurricular training. Further education will make use of public-private partnerships involving major companies and corporations.

Public-private partnerships in Russia take form of concession agreements, franchising, or social partnership [11].

Public-private partnership in education is a business cooperation on specific medium-term and long-term projects.

These further education projects combine public and private resources, distribute the income and/or intangible benefits, costs, and risks.

Public-private partnership in further education generates subsidies and grants the Government provides to commercial bodies [18,23].

Masterslavl is a theme park for children and a good example of public-private partnership in further education. The project seeks to promote specific professions with children.

Commercial organizations can benefit from franchising:

- (a) get support for ad campaigns and marketing.
- (b) get online access to a corporate database of marketing aids.
- (c) advisory services for business.

Educational institutions:

- (a) get an opportunity to arrange internships for their students;
- (b) provide advertising space.

## **3. Research findings**

Analysis of further education for schoolchildren reveals that social studies, teaching, and physical education are the best-developed fields of such education. STEM subjects are somewhat less popular.

Figure 1 shows the patterns in advanced training and retraining enrollment, which is apparently on the rise.

Online courses and programs have become a routine for many people [10,12]. Russia's online schools mainly focus on [13,14,15]:

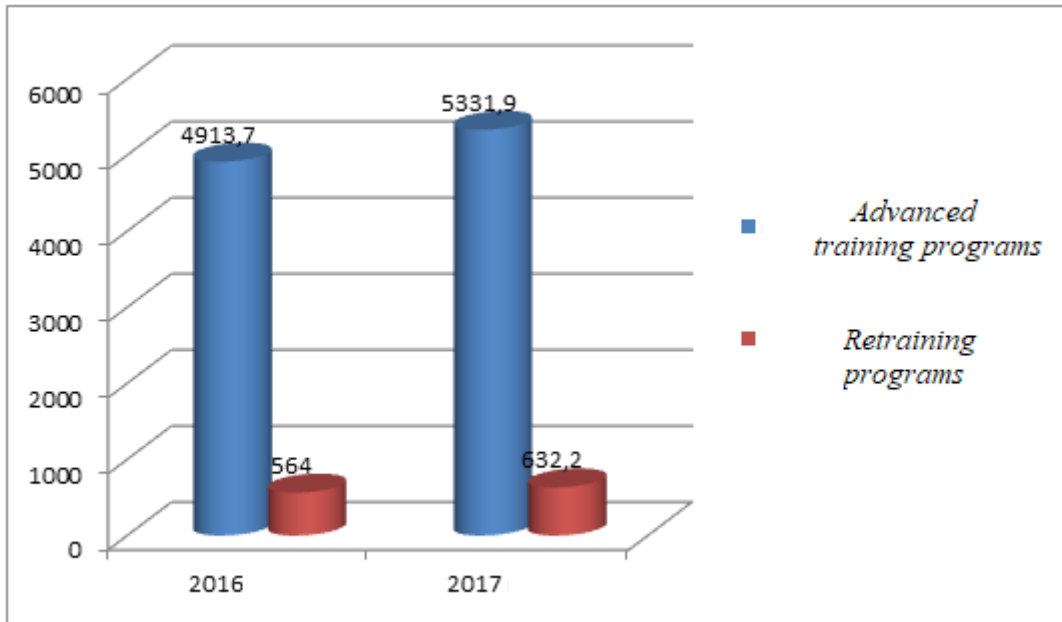
1. English as a foreign language.
2. Programming.
3. Business.
4. Arts.

Online learning boomed in 2012 when MOOCs hit the market. Coursera is the global leader in user base and number of courses on offer. Russia has its own learning platforms: Universarium, INTUIT, Businesslearning, Khan Academy Russia, Образование.РФ, Lectorium, Stepic, Hexlet (programming courses), UNIWEB, etc.

Businesses can try to do their own online-learning projects for inclusive learning.

1. Geneva Center for Autism’s MOOC platform. This platform offers courses on autism. In 2015, Amnesty International launched an edX course on the fundamentals of human rights.

2. MOOCs can provide training, simulation-based training, an endless source of information, see NGO Academy or Agora UNICEF. Many courses in Russian are available as part of the EU’s Eastern Partnership.



**Figure 1.** Advanced training and retraining enrollment, thousand persons.

Source: author-collected Rosstat data.

Trends in government spending on education lead to the following findings:

1. Spending in this category is on the rise. The federal budget for 2019, 2020–21 allocates funds for Development of R&D Cooperation, a federal project, and Science, a national project: 5.022 billion rubles in 2019, 11.429 billion in 2020, and 7.115 billion in 2021 [9].

2. Investment in civil science is in decline.

**Table 1.** Government spending on education.

	2016	2017	2018
Federal budget	856.6	1,549	1,781.6
Education spending	37,963.1	40,311.2	39,565.3
% of the total federal budget spending	2.25	3.84	4.5

**Table 2.** R&D spending.

	2016	2017
Spending on civil science from federal budget, million rubles	402,722.3	377,882.2
% of the total federal budget spending	2.45	2.30

Source: Federal State Statistics Service’s website.

Today's public policy for online learning seeks mainly to enroll more people in online courses. Thus, commercial organizations have a niche to occupy under public-private partnerships.

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