

MODERN CHALLENGES IN STATE REGULATION OF HIGHER EDUCATION SECTOR IN KAZAKHSTAN

Spartak Tulegenov - Libuše Macáková

Abstract

After the break-up of Soviet Union Kazakhstan suffered significant negative consequences of the collapse together with swift devastation of economy and education. This paper describes problems of Higher education in Kazakhstan concentrating on economic regulation and analyzes how these problems can intensify the threat of losing competitiveness of national education after the creation of the Customs Union.

Key words: High education sector, Mass education, Competitiveness

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Introduction

The Republic of Kazakhstan was born only 20 years ago as one of the sovereign states after the collapse of the Soviet Union. The process of voluntary ascension of Kazakhstan to Russian empire started in XVII century when Russian merchants and settlers moved to the territory of Kazakhstan founding first fortresses and strongholds which became future cities followed by mass migration of Russians to steppe lands for their development at the end of XVIII century. Being historically closely tied with Russia for centuries with Russian language still dominating in all spheres of life, Kazakhstan undoubtedly greatly benefited because of this fact. Unlike many other states established due to the break-up of the Soviet Union after gaining independence Kazakhstan supported and still supports all-embracing good-neighbor relations with Russia. Moreover, in recent years the policy of Kazakhstani government became directed at renewal of integration with Russia which is viewed as primal. The Customs Union which functions between Russia, Kazakhstan, and Belarus since 6th of July, 2010 is considered as a pathway for the further economic and political integration. The goal of this paper is to study problems of Higher education in Kazakhstan concentrating on economic regulation and analyze how these problems can intensify the threat of losing competitiveness of national education after the creation of the Customs Union.

1 Overview of Higher education sector in Kazakhstan

As it can be seen from previous paragraph Kazakhstan did not have its statehood prior to entering the Russian empire, thus, there could not exist the matter of Higher education system. After ascension of Kazakhstan to Russia only several representatives of Kazakh nation could obtain education in provincial Russian universities. The system of Higher education in Kazakhstan was formed during the Soviet period of its history. Starting from 1930s as a part of general soviet campaign for abolishing illiteracy education sector was built, including the first universities. The newly born system of Higher education was formed with a serious and valuable help of distinguished Russian scientists evacuated to Kazakhstan during World War II or directed to work in Kazakhstan by administrative power and in 1946 Kazakh National Academy of Sciences was formed. Political conjuncture of the USSR determined the differences in the development of the Centre and periphery. Kazakh SSR was far behind in technology, education and science resulting in constant running in raw materials appendage. For years “Moscow diplomas” were given priority and the specialists were far more qualified than domestic ones. As independence came, all spheres suffered crisis as well as education, this resulted in decrease of economic ratios, living standards, and devastation in social sector and economy. Numerous problems which rose in this period were a direct consequence of forced transition to market economy. The science which existed for 40-50 years was practically destroyed during first years of independence; the Academy of Sciences was disbanded. The problem of cultural stratification and polarization of society between supporters of “national revival” and adherents of returning to close cultural cooperation with Russia became crucial. This problem is very acute in Kazakhstan as the state language (Kazakh) is spoken by approximately 60% of population while Russian comprises 90%. Education in Kazakh language received powerful impulse since 1991; however, its level is far behind the level of education in Russian language obtained in the Republic. Finally, the main problem is hiding in “mass destitution of culture” of the population. Overwhelming freedom which captivated moral niches brought not only positive, but negative consequences, influencing the values. This, in turn, influenced the education system. At present new problems arose. On 11th of March, 2010 the committee of education ministers of the countries-participants of the Bologna process made decision about joining Kazakhstan to its body. The education reforms conducted prior to this joining was forced. At the same time governments of Russia, Kazakhstan and Belarus intend to create Eurasian Union (with

analogy to European) with full mobility of all factors of production including labor. Such a Union poses new tasks before national education system in terms of its competitiveness.

2 Problem of mass education

One of the main problems of national education is linked with inability of state to conduct necessary economic regulation of the sector and social policy as well.

Suffering limitations in budget after collapse of the USSR the state could not execute former social liabilities in full volume. As a result it rejected to be the only subject of financing of the national education without forming institutional conditions corresponding to the demands of transitional period. Imposing hard budget constraints typical for market economy did not allow the enterprises to participate in production of services in national education. In such new conditions the state took course on cutting down the budget expenses on education posing task to increase share of private investment. Households became subjects that should have taken part of investment expenditures in education and financing the High education. Universities began to orientate themselves on market conjuncture and their activity was commercialized (Sulima, 2008). This resulted in huge increase of number of universities and students, inversely proportional to quality of education. In 2004-2006 in Almaty for a population of about 1 million there were 66 universities. Back in 2001 the minister of education Bekturganov announced the necessity of cutting down the number of universities, however up to 2004 the number continued to increase reaching from 170 to 181 universities in a country. Minister Zhumagulov declared the decrease in number of the universities to 149 in 2011, pretending to suppose this as an effect of state regulation. However, it can be seen from statistical data that the number of universities begins to decrease only starting from 2006 as well as the number of students. Looking data for natural increase of population with 17 years difference (children born in 1990 will correspondingly enroll mostly in 2008/09) one can notice that decrease in number of students matches general decrease of population in that years, which was the result of natality decrease and mass migration during early years of independence. In the consequent years the trend of decrease is kept, thus, the number of students will continue to decrease. The decrease in number of universities strictly depends on total decrease of demand for education due to decrease in number of consumers, and not on effective state regulation.

In general, the phenomenon of mass preference for high education takes place. There is a strong belief that acquisition of high education diploma or document is mandatory for everyone. Moreover, growing part of employers interpret high education as a normal part of socialization not taking into consideration formal professional specialization (Astahova, 2008). High demand for High education provoked by conviction of young people and their parents in career value of the diploma provided sharp expansion of commercial enrollment in the universities resulted in significant decrease of requirements for students and quality of studying process. The fact of increase of demand over supply also cannot be seen; nearly all university entrants able to pay for the education do success in enrollment.

As a result of such rapid growth current programs and courses in the universities are designed for the “middle” student. The consequence of such design is a trend to facilitate the courses making programs more easy to be completed. In spite of the fact that progress of natural sciences and even some humanitarian disciplines to some extent depends on “mathematization” in modern world, core mathematical courses are reduced to minimum in order to obtain easy courses. Tutors, even exigent, in majority of the universities have no choice but to make students to pass, because the administration of the university does not want to lose money. Even understanding the situation governing bodies of the universities are powerless before the face of proprietors. In short-term perspective this leads to permissiveness for weak students, which inevitably develops into boorishness. In long-term perspective, universities more and more are graduated by those who can only poke the buttons and not those who should invent and construct these buttons. The education system is overloaded with old soviet system of standards and numerous committees created for prosperity of corruption. According to Arnold (2005), from the “western” system it almost copied a considerable problem of contradiction between modern education and consumer society. If a society becomes educated, the politicians forfeit “obedient herd”. As academician Arnold says: “If people start to prove the theorems, become clever and ask questions, they become bad consumers” (Arnold, 2005). Such situation takes place with the connivance of rectors, prominent businessmen, public figures, and even most workers of the sector. Ironic, but if a system is up to the abyss it is forced to jump there with the help of most educated citizens.

Main cause of such sad situation occurs mostly due to inability of the state to regulate the sector. In Kazakhstan and other former republics universities were forced to the market as state organs and agencies could not provide them with sufficient financing. Educational institutions were on their own and were obliged to work out and realize strategies of survival

on the underdeveloped and distorted market. The developed countries, for example, have a passive need in marketing of education, this sphere recently started to grow as a result of gradual evolution. In Kazakhstan active commercialization of education determined aggressive marketing between competitors, both state and non-state (Suzlima, 2008). Universities were working in new market conditions for a little time, so that their diplomas could obtain real value for employers. As such, wide possibilities for unfair competition are growing. Full dependency of private educational institutions and partially state ones on number of paying students led to mass enrollments, false advertising, corruption, overvalued grades, and finally – replacement of education by selling diplomas (Turchinova, 2002).

The failure of the state is tried to be justified by state officials seeking causes in difficulties of the transitional period. However, in terms of transformation modern history can provide some examples of the states which created education sector successfully, especially Germany and Japan after the World War, and particular Germany after the unification. The state considered system of education, training and retraining as a priority, thus, the investment policy had high ground. This special treatment of the state reduced the necessity in marketing to its acceptable minimum. In Kazakhstan, for example, even lecturers and tutors should visit schools and advertise the university where they are employed. In peripheral universities monetary compensation depends on number of students that employee had brought in. No need to say that the advertising does not match the reality. In order to fill the pockets of proprietors the employees are forced to lie; at the same time cities are festooned with posters with president's citations that society should resurrect prestige and dignity of the teaching professions. To conclude, mass education magnified by inability of state to regulate the sector led to catastrophic decline of education quality.

3 Problem of financing

In spite of the fact that one of the primary goals of education economy is balance between demand and supply, its achievements deals with effectiveness of spending lacking resources. The decrease of expenditure started during last years of USSR existence. Between 1979 and 1989 number of people got high education increased, and number of people with not fulfilled high or school education increased from 348 up to 483 per 1000 ("USSR in numbers in 1989", 1990). However, starting from 1970s education expenditures were cut, and number of students decreased from 3046 thousand in 1981 to 2861 thousand in 1990.

For solving the problem of lacking resources most countries use several channels of attracting additional financing. In general, this could be of two types: either partial or full payment via education credit or by stimulating private sector to invest. In highly developed countries the second one appears as an answer for demand on more complicated education. Often it becomes elitist, however in Kazakhstan such trend is wiped out by rapid growth of mass education. In American model principle of economic freedom and personal liability for consuming educational services is based on creation of institutional structures which provide accessibility of all levels of education with the government aid to households and credits for education. According to Astahova (2008) There are about 55 % of state high education institutions in USA, but the best as a rule are private. State universities were cheaper and were created to increase accessibility, they probably play role of the “supporting institutions”. Oppositely there are about 70 % of private universities in Japan, but most prestigious are state ones. The education price in state universities is higher than in private. However, model of market economy, liberal American or Swedish or Japan with implied high share of state regulation determines only degree of interference in business, it does not free the state of regulatory functions and linked liabilities (Asaliev, 2005).

Domestic and foreign experience of functioning and development of education system mark the importance and necessity of an economic mechanism which corresponds to modern conjuncture. Problems in this field constraints the development. Modern level of budget financing of state education institutions does not satisfy the need in financial resources. This problem becomes more severe as modernization necessity rises including information technologies application and acceleration of scientific progress. At present state possibilities for overall budget financing are limited. The goal is to create conditions with possible and rational preferences for private sector to be interested in education investment.

4 Problem of labour market

Modern development of labor market in Kazakhstan is determined by distortions left from soviet times. State monopoly for labor made impossible the freedom of choice in activity, limiting it with the needs of planned and highly centralized economy. In monetary motivation the wages did not execute the functions of economic regulators in proportional employment. Principle of universal employment and social fairness dominated over economic expedience. After the collapse, the state found itself in new system between labor market demands and

educational supply with only market regulators in power. Also, both markets developed spontaneously, and this, in turn, resulted in the growing misbalance at the labor market. An important vice of the education system is the discrepancy between high education personnel training and demands of the labor market. Increased number of opportunities to become enrolled together with corruption resulted in high outburst of graduates in “popular” specialties. The questions of demand in labor market were not considered by the universities in their wishes to become successful businesses, particularly, this is true for economic and juridical specialties. These two groups were often the only presented in majority of new universities. Economic and juridical departments were opened in most state institutions which did not deal with economics, management or jurisprudence (Bondyрева, 2011).

Another problem is comprised by unsatisfied labor market with the level of the graduates and acute shortage of qualified personnel. As it is mentioned by Astahova (Astahova, 2008), information asymmetry takes place, and the labor market structure at present and in near future is not able to find job places for the masses of graduates, and this can lead to the growth of social tensions.

The development of the labor market should be interfered by the state with economic mechanisms regulating wages, stimulating entrepreneurship, providing flexible budget, credit and tax policies, etc. However, the regulation should affect not only direct factors, but also the tasks which state raises before the society. In this matter, the decisive role should be played by professional and high education. Following growth of unclaimed graduates will most likely result in harmful impact on labor atmosphere in the society. The necessity for additional system of regulation is crucial. The infrastructure would help to create such in a form of informational provide which can realize functions of effective movement of labor force and financial flows, by balancing demand and supply (Sulima, 2008). Also in Russia, for example according to information about regional markets graduating jurists and economists in near future will be demanded by the market only for 10 - 15 % of its total number, while engineers for about 70 - 90 % (Bagautdinova, 2008). Informational asymmetry with its distortions for more than 10 years causes substantial damage to the labor market. The state policy is remarkably clumsy, for instance, the decrease of state education order for these specialties, unfortunately did not decrease the number of willing to study.

The state also does not fulfill its main task while taking in its hands regulation of education programs, education standards and partial supply of educational services. In modern educational revolution the character of high education should be outrunning and stimulating

in terms of economics, science and technology. State order should be directed at long-term and strategic national interests while in reality it serves today's current needs of budget enterprises. The financing should take into consideration those specialties which to some extent cannot adapt to market conjuncture, but are vital for society functioning.

5 Threat of losing competitiveness of national education within the Customs Union

Common Economic Space is supposed to start full functioning from July, 2012 on the territory of Customs Union having creation of an economic alliance as a perspective in 2015 with full mobility of all production factors. These conditions expand the threats of national education system competitiveness in Kazakhstan, where the level of education is traditionally lower than in Russia. The educational reforms copied Russian due to solidarity of problems; however, starting positions of Russia in scientific, methodological, technological, and personnel base were more advanced. The character of the dependency of Kazakhstan from Russia in all spheres resulted in rooted orientation on Russian universities and scientific centers.

Integration will be successful only in case of partner form of relationship, what will be very hard to obtain with such country as Russia. The problem of possible economic inclination without decreasing economic dependence remains unsolved, and presence of mentioned threats speaks in favor of impossibility to find such solution. The dependence is growing and it is not the dilemma of integration that stands on the agenda, it is the question of keeping balance between traditional domination taking form of mastery and real integration taking form of partnership.

Russia traditionally has powerful world-known huge academic centers situated in Moscow, Saint-Petersburg, Novosibirsk, or Tomsk where the program oriented study can be introduced with great care resulting in effective education. There are no equal centers in Kazakhstan. With expansion of integration processes the outflow of potential students and graduated specialists to Russia and Belarus may increase. If aggressive nationalism is working now as a constraining factor, successful union policy in this matter (which is certainly planned by the leaders) would mitigate the atmosphere and intellectual potential of Kazakhstan is under threat of dispersion across the union.

Russia is planning to direct 137 bln. of rubles for education development in 2011-2015 (http://ria.ru/edu_news/20101111/295073823.html). Even public speeches of Russian superior officials more often contain motives of increased attention to problems of education. Huge

scientific centers in Russia are traditionally given a number of preferences directly from Russian government, like partial excluding National Test results for enrollment to Moscow State University. Russia is seriously anxious about labor migration and “brain drain” as well as about attraction of highly qualified specialists. If exemptions are created for Kazakhstani and Belarusian citizens in context of integration, many of them can use the opportunity and increase the outflow. Kazakhstan and Russia are the only countries of CIS which accept more migrants than they lose. However, this labor migration is concentrated in cheap labor force from former southern republics of USSR, and not in highly qualified specialists as it may be wished. European Union experience shows that uncontrolled migration can result in local national conflicts. Social tensions between labor migrants and native population already take place across the Eurasian Union. The main threat for Kazakhstan is in substitution of unqualified labor by the migrants while qualified labor force will leave the country making direct participation of citizens in country’s fate minimal. A threat of social collapse also might be the one to be afraid of.

Conclusion

To conclude, it should be mentioned that numerous problems faced by the education system demand care analysis by the state in context of modern development. As it was showed national education in Kazakhstan has serious internal problems some of which are unsolved from soviet times, and some appeared due to forced market transition. The inabilities of state to solve them, especially, by absence of economic regulation views, led to crisis in science and degrade of education. The integration initiatives of Russia, Belarus and Kazakhstan mostly come from economic relations based on long common history, while effects on social, cultural and other spheres are likely to be undervalued. If integration plans are to become true the threat of losing national competitiveness in high education can become crucial in determining the long-term character of interdependence between union members.

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Contact

Spartak Tulegenov

University of Economics, Czech Republic

W. Churchill Sq. 4, 130 67 Prague 3, Czech Republic

Xtuls900@vse.cz

Libuše Macáková

University of Economics, Czech Republic

W. Churchill Sq. 4, 130 67 Prague 3, Czech Republic

macakova@vse.cz