

## Economic mechanism of modernization of higher professional education system in the Republic of Kazakhstan

Aslan Tasmaganbetov<sup>1</sup>, Adiyetulla Shukurov<sup>2</sup>, Shynybek Bukharbayev<sup>3</sup>, Bibigaisha Shukurova<sup>4</sup>, Bakytgul

Zhumagaliyeva<sup>5</sup>, Zhanyngul Baimukasheva<sup>6</sup>, Samal Tasmaganbetova<sup>7</sup>, Manet Nurmaganbetova<sup>8</sup>

<sup>1,2,7</sup> Aktoke Regional State University named after K. Zhubanov, Kazakhstan

<sup>3,5,6</sup> Aktoke University named after S. Baishev, Kazakhstan

<sup>4</sup> Almaty Academy of Economics and Statistics, Kazakhstan

<sup>8</sup> Kazakh-Russian International University, Kazakhstan

**Abstract.** In a modern society education plays a bigger and bigger role, determining a condition of the nation human capital. In conditions of «economy of knowledge» economic growth and competitiveness of the country in many respects depend on intellectual capacity and technologies, effective institutes and education organization. In a globalization context the higher professional education as the system generator of knowledge and means of their distribution is the basic progressive motive power of human development. According to the World bank, the human capital is on average 66,4 % of national wealth worldwide. In the countries of the European Union (EU) its piece is especially high - 78,2 %, in Kazakhstan this size makes 50 % of national wealth. The increase in the State expenditure for higher education, stimulation of cumulative demand by means of attracting of investments into the given sphere with multiple effect influences on gross national product growth.

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### Introduction

The higher professional education forms quality, standard of living and consumer standards of the country population.

So, earnings of the persons having higher education according to the statistics 1,5-2,5 times higher, than those who has not received it. Thus the number of the persons having higher education is high enough, and the average size of household expenses on consumption is 58,4 % from the general structure of gross national product, it is possible to speak, that exactly the category of the persons having higher education, to a greater extent determines consumer priorities, vector and potential of development of the countries.

The system of the higher professional education is one of large «consumers» of public economic resources. Without attraction of financial, material, technical resources its functioning is impossible. Forms of such attraction are various: from the guaranteed state budgetary financing to private investments and different ways of attraction of financial resources: grants, donations to universities, commercialization of intellectual production and so forth.

National safety taking into account of the world civilization progress is determined by a level of development of manpower resources as basic

precondition of creation of its scientific, economic, social, cultural and spiritual potential.

In this direction in the 21-st century there is developed a rivalry of the developed countries and the whole regions for leadership, and, hence, for level of own safety, preservation of original development and, finally, for polycultural system of the world community.

The sphere of the higher professional education, system limited by objective conditions and available resources of a society, is reflexion of possibilities and requirements of factors development of manufacture and human potential.

According to objective necessity the integrated purposes and specific tasks of the given system change.

Achievement of the aims set the higher professional education occurs as a result of performance of system functions, realizing it shows and confirms itself as an active component of formation, development and perfection of forms of public evolution.

As a result of socially-market transformation the Kazakhstan system of the higher professional education goes through a period of reforms, modernization of the management mechanisms caused by both internal social and economic transformations, and global effects, necessity to be integrated into the world educational space.

The reforms, occurring in Kazakhstan and reforming sphere of the higher professional education, should not and cannot represent process in which result a certain perfect and static system will be generated. On the contrary, the policy of reformation and modernization of higher school becomes a state policy element; the education sphere is changing constantly and improving.

In a result, the main task is revealing in socioeconomic system of formed internal factors of reformation and modernization of the higher school and search of management ways, on the one hand; on the other hand, there can be the objective necessity of those or other transformations caused by exogenous factors, both new forms and ways of system functioning will be purposefully applied.

**The aim of the research** consists in theoretical base of the economic mechanism of modernization of the higher professional education and determination of tools which should be involved on macro-, meso- and microeconomic levels for increase of social and economic efficiency of its functioning.

**The methods of the research:** scientific methods and ways of abstraction, deduction, comparison and analogies, the economic analysis, qualitative assessment of parameters of the higher professional education system.

### **The main part**

Formation and use of the economic mechanism of modernization of the higher professional education in Kazakhstan takes on special significance as system of expediently integrated and aspect differentiated subjects and objects, methods and tools, structures and processes of management by reformation and modernization of the given sphere[1].

Ideas and conceptual interpretations of the economic mechanism as way of the higher professional education functioning and scientific category have a wide distribution in theory and practice in connection with duration of processes of reformation and modernization [2].

But the essence and structure, models and directions of actions, restrictions and efficiency of use of elements of the given mechanism are studied insufficiently, and in the process of modernization of the higher professional education system of Kazakhstan demand new special researches, working out of scientifically based recommendations for practice.

Research of reforming processes in system of the higher professional education can occur on the basis of use of the system analysis methodology.

Owing to the objective reasons, such as economic laws to which education system, developed practice and tendencies in the educational policy are subjected, economic relations in system of the higher professional education are determined to a great extent by market mechanisms. It allows investigating a system of higher education with use of methodology of the neoclassical economic theory. Processes of reformation and modernization represent unity of external and internal influence on sphere of the higher professional education which is shown during the transitive historical periods. These processes are caused by interaction of public, state, regional and corporate interests and carried out as a result of their concentration and purposeful realization in strategy of the given sphere subjects. It is necessary to consider reformation and modernization of the higher professional education from the point of view of the variation approach to evolution of the system, considering its ambiguity of institutional and organizational potential. Reformation and modernization of the higher professional education system should be considered as consecutive transformation and modification for the purpose of increase of social and economic efficiency of its functioning [3].

The general economic mechanism of modernization of the higher professional education represents multi-aspect and multilevel system of the resolution of internal and external contradictions of functioning in relations of its subjects, for the purpose of providing competitive, steady and safe development of its objects. In modernization of the higher professional education the macroeconomic mechanism which expresses perspective public and state interests plays the leading role. Corresponding mechanisms of managing of meso- and micro-levels co-operate with it as its addition and specification.

In functional structure of the economic mechanism it is expedient to differentiate two large blocks - transformational and transactional. The first block includes as the basic components: methods, tools, sources and channels, indicators and forms of the aim achievement. Methods determine tools, sources and channels of influences at various levels of the higher professional education and in certain functional environments: institutional, organizational, economic, and financial [4].

The transformational block purposefully changes institutional forms, organizational structures, financial communications and economic relations, therefore an initial condition of parameters of the higher professional education: subjects and objects, processes and projects, communications and relations, channels and streams of the goods and services, becomes wished.

In the second block in the process of strategy monitoring by means of criteria system at the set stage there is estimated degree of realization of the subject purpose concerning an initial condition and an ultimate objective, plan and norm, actual potential of the subject and changes in the environment.

The multidimensional estimation of the reached condition is carried out on the basis of creation of database, analysis, diagnostics, estimation of advancement and possible prospects for the general correction of strategy on the horizon.

The choice of a trajectory of reformation and modernization of the higher professional education depends on the status of its service as economic goods.

As purely public goods exist very little, the criteria border between the private and public goods appears blurred, that explains development in the compromise theory about existence of intermediate kinds of the goods[5].

Service of the higher professional education can be qualified as the mixed public goods that bring an attention to the question on forms of the given goods. High schools within the limits of a competition in the limited territory of region can function as oligopolists, or monopolists.

Within the limits of the mechanism of the centralized management in scales of the country and on behalf of the state for the higher professional education uniform educational and technical standards are established; systems of supervision, control and estimation of activity and quality; parameters of the state order, financing norm and form; system of localization, scales and statuses of microeconomic subjects.

It gives the basis to put forward a hypothesis of existence of natural monopoly in the given sphere and influences on theoretical comprehension of its goods nature.

Educational service is the specific goods, which price depends on structure of its qualitative characteristics realized by a concrete higher educational institution. As educational service with a set of certain properties can be received, only becoming the student of a higher educational institution who, in turn, can realize educational services only within the limits of the established financial and standard restrictions it is possible to assert, that in the market of educational services of the higher professional education there is a purchase and sale of "places on a student's bench" [6].

Buyers of educational services are individuals and families, enterprises and noncommercial organizations, state and society, and the transaction form, receiving of educational service is always personified [7].

The model of functioning of higher educational institution as natural monopoly allows realizing active state regulation in combination with an operating market mechanism of goods.

The institute of the higher professional education represents the organized set of the institutions uniting manufacturers and consumers that has found reflexion in functioning rules of the profile organizations giving knowledge and abilities, forming professional competences at micro level[8].

They correspond to state bodies of macro and meso levels which regulate functioning of all set of institutions, organizations and information of the higher professional education by means of the specified economic mechanism normatively and positively.

The institute of the higher professional education includes both forms of function performance, and forms of education organization in the form of co-operating target groups of subjects and objects that causes creation of hierarchical system of controls and statuses of establishments on macro, meso and micro economy levels, structuration of normative and positive mechanisms [9].

The system of the higher professional education in the Republic of Kazakhstan is reconstructed in conformity with institutional frameworks of the Bologna declaration, which does not meet to the full national specificity of differentiation and integration of programs of the higher professional education at two-level structure, and also real accreditation requirements.

National structures of the higher professional education of Bologna process other countries-participants are much wider, than is provided by the declaration. In Kazakhstan all system of higher education keeps within frameworks of Bologna process [10].

There is a tendency of inclusion of institutions of secondary professional education in system of the higher professional education.

In the Republic of Kazakhstan there is a great number of non-state high schools that deforms a supply and demand in the market of educational services, has a negative impact on public sector, and commercialization attracts narrow specialization, decrease in requirements to quality of the given services, realized and received competences [11].

The consolidated financing by a higher educational institution in Kazakhstan includes budgetary and off-budget sources, and its productivity depends on a choice of methods, tools, channels, norms, rhythms and volumes of allocated funds.

Now there is observed transition to resource system of the higher professional education

establishments on two principles: strengthening of an economic autonomy providing various possibilities of attraction and use of financial assets and normative financing per capita providing budgetary allocations in conformity with specificity of programs, structure and scale of the government mandate [12].

Basic distinction of state financing of the Kazakhstan and foreign high schools is that abroad funds are allocated counting for all students and in the Republic of Kazakhstan proceeding from the government mandate, providing only a part of a student's contingent[13].

New mechanisms of financing assume not full maintenance with financial assets of the higher professional education establishments, and expansion of their initiative, their stimulation to intensive type of the expanded reproduction on an innovative basis.

The problems and contradictions, occurring internal and external threats in the higher professional education system can be overcome through realization of strategy of the modernization, considered for the long-term period[14].

Strategy of reformation and modernization of the higher professional education is formed with consistently realized policy at stages of its socially-market transformation and steady innovative modification for the purpose of increase of global competitiveness and safety of the national human capital, creation and strengthening of bases of its expanded reproduction.

Transformation strategy assumes decision-making in rigid institutional macroeconomic restrictions that does not allow microeconomic subjects to make an alternative choice of ways of functioning taking into account their purposes and interests, involving them in the narrow frameworks of the basic conditions of a national educational field. The strategy of the modernization necessary for realization of prospect alternatively chosen by the microeconomic subject, assumes a choice of actions when distributing priorities and resources within the limits of enough wide institutional spectrum of the established rules and general national program of development.

Strategy of modernization of the higher professional education, including integrated mission and differentiated purposes, priorities and imperatives, horizons and reference points, on macro, meso and microeconomic levels, should be described by system of estimation indicators of movement on the planned trajectory to desirable results. Characteristics of length and form of trend, rhythm and rate of movement is determining for strategy of modernization of the higher professional education at cyclic development of Kazakhstan economy [15].

For an estimation of realization of modernization strategy of the higher professional education at a certain stage adequate indexes of factorial and productive indicators are necessary. Application of indexes system for measurement of resource and factorial maintenance of the higher professional education allows comparing the reached result with initial, planned, target, normative, potential and competitive position.

Integration of the Republic of Kazakhstan into the world educational space is carried out in a separation from the normative international classifications of the programs.

Specific problem in the Kazakhstan system of the higher professional education in comparison with other countries is the high share of non-state high schools. Difference of a private school from traditional type of the state educational institution for the country has negative influence on system of the higher professional education: commercial high schools have narrow specialization, are aimed at profit extraction.

## Conclusion

The macroeconomic mechanism of realization of modernization strategy is most complicated from the point of view of working out, organization, introduction and control as it is connected not only with subjects of the higher professional education system, but also with other managing subjects concerning process of educational services.

At the given level of modernization of the higher professional education system it is important accurately to adhere to positions of strategy, terms, to verify conformity of the declared priorities for dynamics of indicators.

The administrative method of the economic mechanism of realization of modernization strategy of the higher professional education is presented by following tools: formation or change of management structure, change of organizational forms, legal regulation, establishment of an order of licensing, certification, accreditation, statement of standards, techniques, instructions, administrative norms and specifications, establishment of administrative sanctions and encouragements.

## Resume

Whole industry of education on the scale of the country in the conditions of market economy can be considered as the large business organization making educational services. Proceeding from it, use of the concept «division structure» for the characteristic of organizational-administrative structure of education industry of the Republic of

Kazakhstan at the beginning of the 21-st century can be quite correct. The basic coordination mechanism in the division form is a standardization of issue, and the key design parameter is the monitoring system over execution.

In frameworks of division management structure functioning of both the state and non-state high schools, and high schools of branch submission is possible. Again created high schools with the special status, research universities, besides additional funding, get under the direct state control.

Activity of the given high schools, according to their appointment, should be directed on formation and rational placing of high qualified personnel staff, on creation of innovative technologies and their finishing to industrial sphere. Functions of universities, academies, institutes are still an educational and research activity, however their sphere of functioning with a high probability will be limited to regional tasks.

Thereupon the territorial structure is transformed. The macroeconomic mechanism of realization of modernization strategy is most complicated from the point of view of working out, organization, introduction and control as it is connected not only with subjects of the higher professional education system, but also with other managing subjects concerning process of educational services.

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The integrated multilevel establishments allow optimal use of available personnel, material and budgetary resources. They promote development of horizontal and vertical mobility of students, giving them possibility of transition from one educational level to another; allow changing an educational trajectory within one educational level.

Forecasts of requirements for experts are given for the short-term, medium-term and long-term periods. Depending on the forecasting period degree of detailed forecasting varies. Short-term forecasts consider requirements separately in each direction of

education. Medium-term is according to the groups of related directions. Long-term is according to the dynamics and proportions of economy development.

Optimization process of educational institutions can take place under condition of conformity of a share of branch specialties and a share of participation of region in a public division of labor.

The approach, the method and the models considered in the dissertation, and possibilities of their application when forecasting requirement for a labor in regions are quite effective and can give a positive effect. Regional education authorities should be engaged in labor market monitoring, combine various models of forecasting of requirement for a labor for perfection of a regional education system. More and more essential role in successful realization of program actions of modernization strategy of the higher professional education at regional level is got by monitoring of the institutions activity that is caused by growth of their independence. It is important to form information-analytical systems of modernization that assumes creation of databases, development of the centers of responsibility and communications in an information infrastructure of region.

Strategy of the higher professional education industry sets changes in organizational structure of education which determine the status of high schools, and, hence, possibilities and restrictions of strategy development at micro level.

Modernization strategy of high school cannot be determined by high school, however the high school accepts and realizes conceptual positions of state strategy of education development and strategy of the educational environment development.

The high school is the key subject of modernization policy of the higher school and from that, how professionally and in detail strategy of educational institution (high school) will be generated, how dynamically it will be realized, destiny of national strategy of education development depends.

Effective functioning of any structure of management depends on loyalty and readiness of collective for strategy realization. A condition of realization of the state strategy of higher education development is interaction of teachers and university administration, formalized in the academic convention.

#### **Corresponding Author:**

Dr.Tasmaganbetov Aslan  
Aktobe Regional State University named after K.  
Zhubanov



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