

Influence of Internalization to The Competitiveness of Higher Education in The Republic of Uzbekistan

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Abstract- After being independent the government of Uzbekistan has paid great attention to the development of tertiary education. Internalization plays a specific role in raising competitiveness of the sector, which will increase supply effecting to reduce price and raise the quality of the service. In this paper, comparison of tertiary education the Republic of Uzbekistan and the Russian Federation, reforms implemented in tertiary education in the Republic of Uzbekistan are also given.

Keywords: Competition, competitiveness of education, reforms, brand, HEI.

I. INTRODUCTION

In the economic theory, competition is explained to create a healthy and effective atmosphere to reach appointed goal, being ready to meet the challenges it poses, and become the winner. However, we should learn how to deal with disappointment, as it is natural consequence of competition and use every situation with benefits. Applying this term to the education is somehow unusual; however both of them were used to be the most important issues for human beings in every period of time, i.e.- in the past and nowadays. As in economic theory, it is stated that the higher competition is, the lower price is required from the consumer, in our case suppliers are educational establishments, and consumers are students and their parents.

II. LITERATURE REVIEW

In order to increase competitiveness of education in the global market processes like globalization and internalization should be crucial part of the system. As Knight J. [1;2] mentioned in his work, that higher education establishments had been changing due to the internationalization, Garrett, R. [3] and Arar, K., Kondakci, Y. & Streitwieser, B. [4] claimed that globalization was causing changes in the world of internationalization. Taking into consideration that internalization has been paid attention after gaining independence of the Republic of Uzbekistan it is becoming obvious the reason for scarcity of qualified personnel in the country.

According to the report of World Bank [5] compulsory education covers two cycles and it is free: 1. Grades from 1 to 4- primary school; 2. Grades from 5 to 9- general secondary; 3. Three years of vocational (colleges and academic lyceums) study. [9]

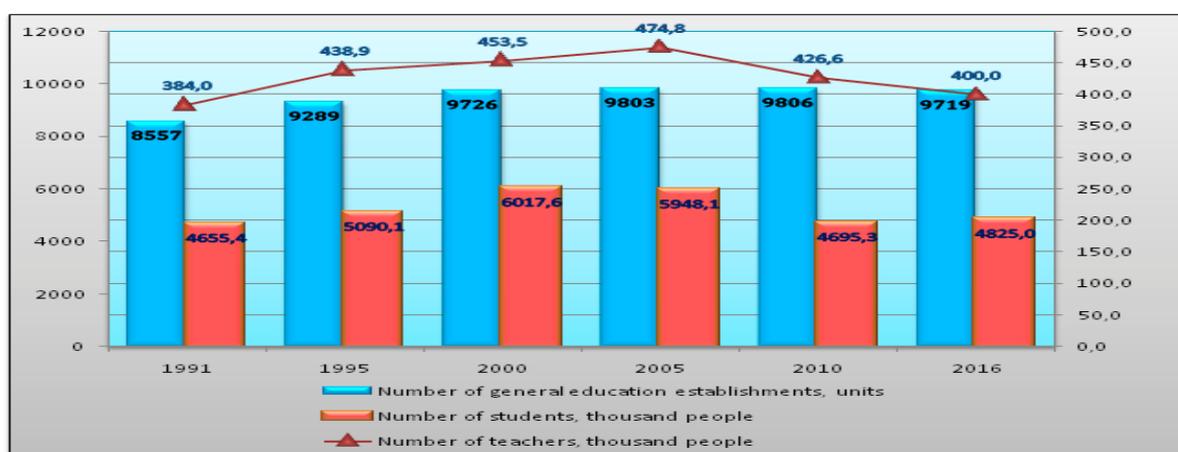


Fig.1.Main indicators of general secondary education (1991-2016) [10]

Source: <https://stat.uz/en/435-analiticheskie-materialy-en1/2065-education-statistics>

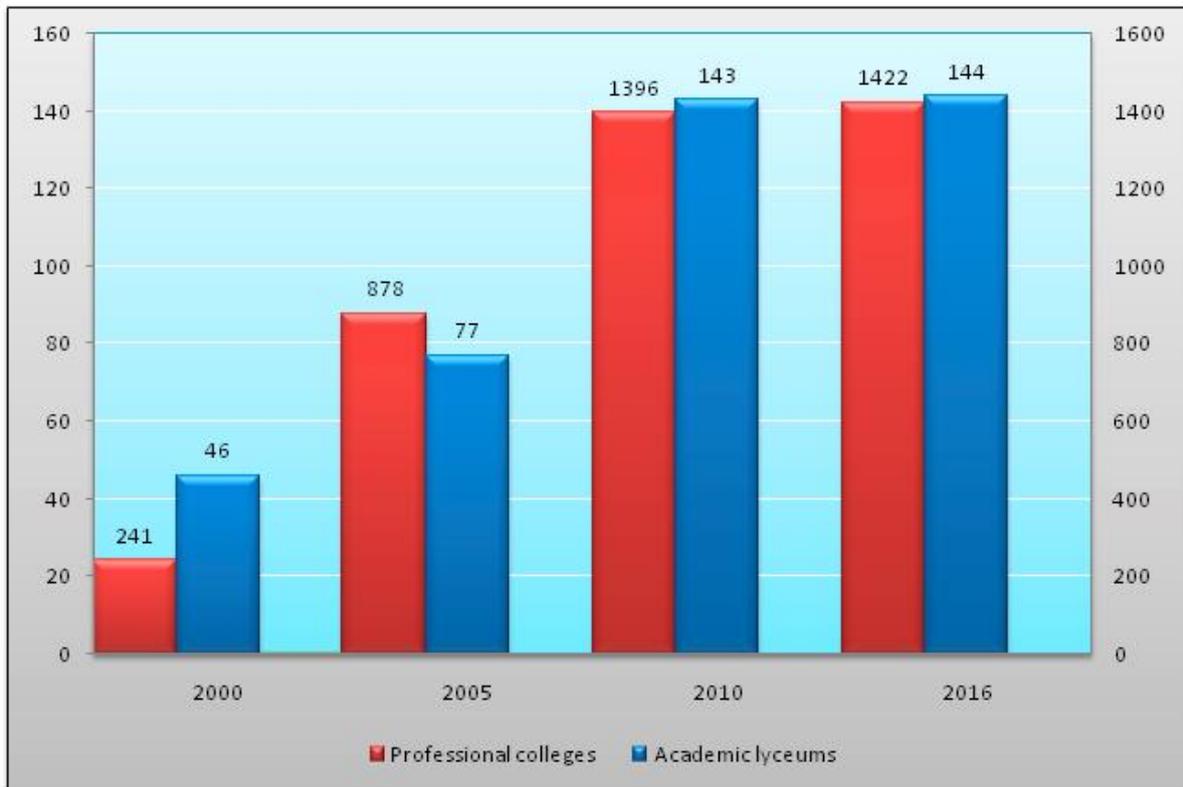


Fig.2. Number of academic lyceums and professional colleges (2000-2016) [10]
 Source: <https://stat.uz/en/435-analiticheskie-materialy-en1/2065-education-statistics>

Youth, who want to continue their study may continue entering higher education establishment, which consists of two levels (for state grant, i.e. free (grant) and on contract, which means a student should pay a tuition fee): Bachelor and Master’s degree. Increased number of gross enrolment at lower levels, however, starts to decrease in higher levels, i.e. in 2011, enrolment at the general level was 91.3 percent and vocational level was 86.2 percent, thus, enrolment to tertiary level was just 8.9 percent. High tuition fee and limited spaces might be influential causes of unwillingness youth to continue their study. These figures illustrate high demand of consumers to the sector. Moreover, admitting by test results highest number of students studied education, followed by industry and construction. Another side of the coin, to meet the requirements of consumers, what kind of supply the sector can offer?

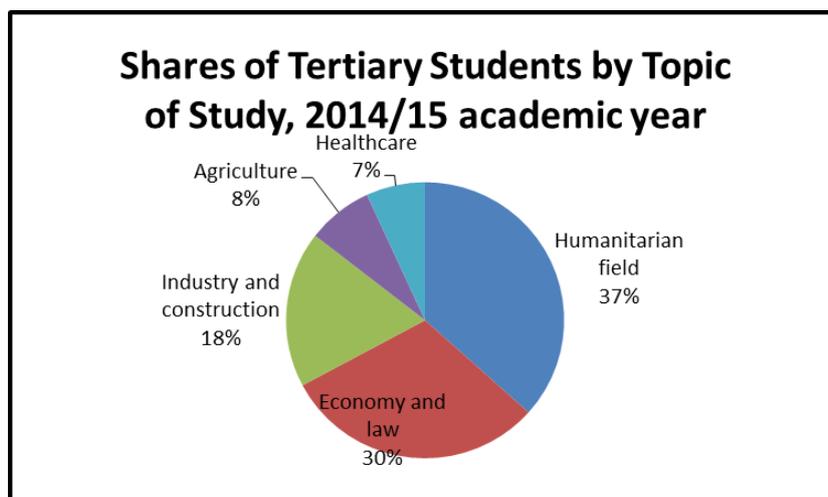


Fig.3. Shares of Tertiary Students by Topic of Study, 2011/12 academic year (Sources: MHSSE and Ministry of Finance data)

The number of higher educational establishments consisted of 64, which 58 of them were public and 6 public private institutions connected with foreign HEI that represent just one percent of complete enrolment, (Uzbekistan Modernizing Tertiary Education, Report No. 88606-UZ) in 2011, the situation changed with little difference in 2015, as mentioned in “Overview to the higher education system” by European Union six fields of knowledge were offered to students for economics and social sector, 48 HEI with humanitarian field, social sector, finance and economy, law is performed by 40 HEI, production and technical sector were taught by 24 HEI, water resources and agriculture -10, medicine and social security-9, service-26 higher education institutions [5]. There were 6 International Universities and one foreign Institute was performing their service, where English as a language of instruction universities:

1. The Westminster International University in Tashkent;
2. The Management Development Institute of Singapore in Tashkent;
3. The Turin Polytechnic University in Tashkent;
4. Inha University in Tashkent.

Russian as a language of instruction universities:

1. The Branch of Russian University of Oil and Gas in Tashkent;
2. The Branch of Moscow State University in Tashkent;
3. The Branch of Russian University of Economics in Tashkent.

As we can match that higher education in the country began to be internalized, however it could be a vivid example of oligopoly, where was no perfect competition. As we know from economic classes, oligopoly as one type of market structure with a few number of small companies, any of them cannot shield huge impact to others has some advantages and disadvantages [1]. One of advantages of oligopoly, consumers, here students and their parents may benefit from lower prices and better quality of service from this situation. The fee for a one year undergraduate education fluctuates from 17 to 22 minimum wages (634,880 sums) depending on a chosen direction in 2019/20 academic year [8], State Statistics Committee mentioned that, in January-December 2018, the average monthly nominal accrued wages in Uzbekistan was about 1,822,200, which were three folds higher than minimum wages. Second advantage of oligopoly is that extra funds may go into innovation and development of the sector, certainly a lot of innovative methods were used to improve HEI in Uzbekistan. However, the main disadvantage of oligopoly in the sector is reducing consumer choice and competition, which certainly hits to the quality of education and reduces youth’s chance to continue study by limiting space. Moreover, most of consumers are eager to have higher education paying little attention to the price fluctuation (tuition fee), which illustrates inelastic service.

Here should be mentioned that the government of Uzbekistan is considered to have one of the highest rates of public spending on education in the world and invests the highest share of its budget in education (Education spending as share of GDP (2017) 6.4 percent and Education spending as share of government budget (2017) 32.4 percent) among Commonwealth of Independent States (CIS) countries (Uzbekistan Education Sector Analysis Final Report). [8]

In order to compare let’s look through characteristics of higher education in The Russian Federation. Due to the adaption to the demands of international educational organizations considerable changes have happened in the education system of Russia, as well. As in our country it has been implementing similar system to European countries and the USA: 4 years for a Bachelor’s degree and 2 years for a Master’s degree. (Studyrus.com) (the same in Uzbekistan) [5].



Fig.4. Structure of tertiary education in the Russian Federation (Source: <http://www.studyinrus.com/system.php>)

The noticeable difference between two countries is a Uniform State Examination (USE,) was presented to provide equal rights to everybody after finishing general education, while before every HEI conducted its own entrance exams, from now on it depends on the consequences of the USE. Every HEI sets its own necessities for the USE score to be acquired by general school-leavers deciding on enrolment on their projects. Likewise HEIs can found extra determination techniques. The rundown of projects enrolment to which requires extra assessments is endorsed by the Ministry of Education and Science together with a rundown of subjects for these extra assessments. Just two HEI (Moscow State University and St. Petersburg State University) have been conceded the option to freely decide subjects for extra assessment. The number of private universities (called non-state) was about 885 for 2012-2013, while in 2014 their number reached to 1,029. Number of students finished vocational education in academic year 2014/2015 were 2, 10 3,100, 1,963,300 (Public college and 139,800 Private college leavers). Number of students in academic year 2014/2015 were 5,209,000 4,405,500 – (Public and 803,500 - Private (Russian Statistics for 2015).[7]

Every state higher education institution in medium gets up to 70- 80 % of its funding from the state budget, that is the federal budget for 2016 the planned share of expenses on higher education amounts to 0.8% of GDP and tuition fees at the public universities are usually 20-30% higher than at private universities.

Table 1. Information about government expenditure on education and government expenditure on education in Russian Federation

Government expenditure on education							
as % of GDP	3.79	3.76	4.01	3.83	3.74
as % of total government expenditure	11.15	10.86	11.49	10.87	10.99
Government expenditure per student (in PPP\$)							
Primary education
Secondary education
Tertiary education	3931.64	4317.57	...	4518.55	4771.39

Source: http://www.gks.ru/free_doc/doc_2015/rus15

Specific facts about higher education system of the Russian Federation:

- In 2018, more than six out of ten 25-34 year-olds (63%) in the Russian Federation gained higher education. The greater part of this age youth have selected either for short studies or more programs: 22% of youth have achieved a short-cycle tertiary level, while 34% achieved masters' degree
- The highest portion of new contestants is found in the science, innovation, building and arithmetic (STEM) fields (35%), which were followed by business, organization and law at the bachelor's degree, while at the masters' degree most chosen fields are medicine and welfare.
- The share in the fields as building, assembling and development degrees had been declining [9]

III. LATER CHANGES IN THE REPUBLIC OF UZBEKISTAN

In order to improve the situation the government of Uzbekistan started to do prospective changes in the instructive framework in expanding the education of the populace. In the structure of such changes, the internationalization of education in Uzbekistan reflects in such aspects as concentrating abroad, improvement of worldwide relations, wide utilization of global measures into higher education sector, improvement of mix in higher education, and so on. Like most of states, the Republic of Uzbekistan has additionally increased the endeavors to raise the movement of tertiary education foundations to the level that can meet universal necessities. Fruitful combination into world higher education has become a key zone of Uzbekistan's tertiary

education strategy. In the arrangement of the Republic of Uzbekistan on the internationalization of higher education, it is conceivable to see that expanding the quantity of remote establishments and branch grounds and organizations with created nations are underlined. Up to 2019 there were no competition among international HEI, as limited number of rivalry (there were only 6 in 2015), thus it did not influence the price of the tuition fee, it fluctuated between US \$ 2.500- 3.500. However, the advertisement was of high quality.

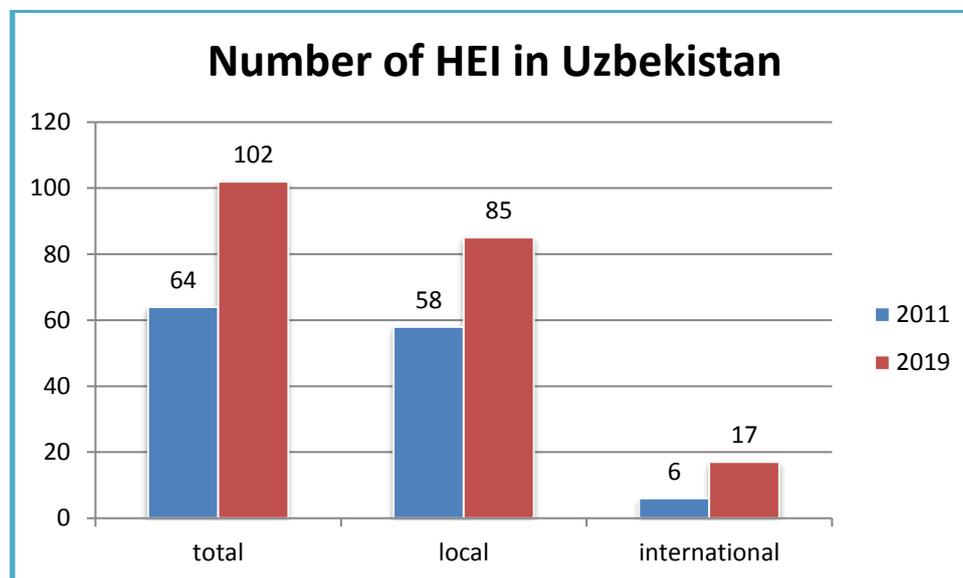


Fig.5.Number of HEI in Uzbekistan in 2011-2019 yy.

Source: <https://www.xabar.uz/uz/talim/ozbekistonda-otmlar-soni-102>

1. The Branch of Russian University of Oil and Gas in Tashkent
2. The Branch of Moscow State University in Tashkent
3. The Branch of Russian University of Economics in Tashkent
4. The Turin Polytechnic University in Tashkent
5. The Westminster International University in Tashkent;
6. The Management Development Institute of Singapore in Tashkent;
7. Inha University in Tashkent
8. The Branch of National Technological of Federal Autonomic HEI in Olmaliq
9. Puchon University in Tashkent
10. National research Nucleus University of Russian Federation in Tashkent
11. Management of Information Technology of Latvia in Fergana
12. Adju University in Tashkent
13. Amity University in Tashkent
14. Moscow State University of international relations under MFA of the Russian Federation
15. Sharda University
16. Webster University in Tashkent
17. Russian University of physical training, sport, youth and tourism in Samarqand
(<https://www.xabar.uz/uz/talim/ozbekistonda-otmlar-soni-102>)

The Presidential Decree of the Republic of Uzbekistan, which was approved on October 8, 2018 “Concept of Development of Higher Education of the Republic of Uzbekistan until 2030”, it was emphasized that in minimum 10 universities of the state should have an international rating (Presidential Decree of the Republic of Uzbekistan, 2019, August 8). Here, I would like to point another Presidential Decree of the Republic of Uzbekistan which was signed a year before in 2018 September 24 “On the organization of activities of the El-yurt UMIDI Foundation” is signed [6], which performs great chances for specialists and skillful youth of the country to study prestigious foreign universities to increase academic mobility. Most educational establishments of the Republic created a strategy to involve highly qualified professors and scientist from foreign educational institutions not only into the educational and pedagogical activities, but also to give master classes and qualification courses both for students and teaching staff. Another characteristic feature of this strategy is to

develop cooperation between higher education institutions of the Republic of Uzbekistan and higher educational institutions of foreign countries, as well as, open their branches in the country. These facts influence to raise competitiveness of tertiary education in the country, which causes to increase the supply for the service effecting to the price and quality of tertiary education.

IV. CONCLUSION

In order to provide perfect competition in the sector, which can be beneficial for both- consumers and suppliers, internalization may be one of the best options:

1. Provides HEI of the Republic of Uzbekistan to meet requirement of the world standards, which ensures recognition of the system in the world;
2. Provides high competitiveness of the sector which leads reducing prices and increasing spaces for youth;
3. Development of higher education personnel and programs provide international students study here, which brings foreign currency to the budget.

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