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**The ways to enhance the competitiveness of education services  
of Kazakhstan in the context of internationalization**

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## INTRODUCTION

**Relevance of the work.** The world education market caused the objective requirement of scientific understanding of the evolution of the education system, which defined the changing role of education in addressing the global challenges of economic development of countries. Internationalization has been very prominent at regional and international level. The Bologna Process in Europe are the clearest examples of international engagement at this level, with the first drawing more than 40 countries into a voluntary process of enabling a European Higher Education Area.

Governments have been using higher education to advance their own international strategies for decades. Most of these strategies involve the exporting of higher education to other nations.

Kazakhstan participates in the educational integration process and promotes bilateral cooperation in the field of education with the developed countries, newly industrialized countries and partners in integration associations. However, Kazakhstan's share in the world market of educational services is remaining low. Further development of the infrastructure required to attract the best students, teachers and researchers, the internationalization of the learning environment. Thus, thesis is devoted to the ways of enhance the competitiveness of educational services of Kazakhstan in the context of internationalization.

**Object of research.** The competitiveness of the educational services of Kazakhstan in the context of internationalization.

**Subject of research.** Combination of factors, conditions and ways of determining the competitiveness of educational services in the context of the internationalization

**Theoretical and methodological basis of research.** Scientific and applied proceedings on various aspects of internationalization management and competitiveness of higher education institutions' educational services, sources of different approaches, statistical database, online resources, legislative and regulations for internationalization of international organizations and the Ministry of Education and Science of RK.

**Research methods.** The thesis is developed on the basis of scientific methods of the system, comparative and retrospective analysis. Also methods of statistical, logical, normative and positive analysis have been used, the specific methods of management review. Within the research process the general scientific methods have been applied - analysis and synthesis methods of grouping, comparisons, expert evaluations, etc.

**Scientific novelty of research.** Systematic, integrated theoretical and practical analysis of issues related to the management challenges of internationalization of the educational market and increase of its competitiveness. Implementation of evidence-based suggestions for improving the management mechanism of Kazakhstani higher education sector through the development of export of educational services and recommendations for its improvement.

The study produced the following results, which determine the scientific novelty of the dissertation:

- on the basis of the classical scientific approach of the theoretical sources the concepts of “educational service”, “education market” have been developed, and defined the specificity of competitiveness in the education market have been defined;

- main impact trends internationalization processes have been researched and concretized in terms of increasing the competitiveness of educational services, structure of international governance of higher education internationalization processes at the global, national, regional and institutional levels have been systematized, and recommendations for a transfer of advanced models of this experience in the education of the Republic of Kazakhstan have been developed;

- author’s evaluation of the current state of higher education have been implemented, the positive and negative characteristics of functioning of the current system of internationalization have been formed and identified barriers to its further development;

- methodical and practical recommendations on ways to improve the mechanism and management strategies of internationalization of education services in Kazakhstan have been developed.

#### **Purpose and objectives of research.**

The aim of the dissertation research is a comprehensive analysis of the theory and practice of domestic and international experience in management of competitiveness of educational services and development of guidelines for the implementation of the competitive advantages of the university in the context of internationalization.

**Theoretical value of research.** Findings develop and complement the many aspects of the evaluation and management of competitiveness of higher education institutions. The obtained research results provide a basis for further scientific work in the field of competitiveness of educational services of the higher education institutions in internationalization context

**Practical value of research.** Theoretical positions and proposed practical recommendations can be applied in the process of improving the international activities of higher education institutions and enhance their competitive position. Also they can be applied by the government bodies in the decision making on education internationalization.

**Publications.** 10 works are published, including: 4 in journals recommended by the Committee for Control of Education and Science of MES RK, 1 in the journal indexed by the ISI Web of Knowledge, Thomson Reuters, 5 in the proceedings of international conferences:

1. Задачи стратегического развития высшего образования Казахстана Вестник КазНУ. Серия экономическая. – 2012. - № 3 (91). - С. 111-115.

2. Main Approaches of strategic management in higher education institutions // Экономический журнал «АльПари». – 2012. - № 1-2 (69-70). - С. 35-38.

3. Оценка конкурентоспособности вуза // Вестник Университета Международного Бизнеса. 2011. -№ 4 (22) 2011. С. 65-66.

4. Интернационализация высшего образования Казахстана // Известия НАН РК. 2012. – 6 (286) 2012. С. 9-13.

5. Мотивация профессорско-преподавательского состава высших учебных заведений как фактор повышения качества образования // Actual Problems of Economics. 2012. -№ 7 (133), National Academy of Management, Kiev, Ukraine, ISSN 1993-6788, p. 351-360. Impact factor 0,03 (ISE Web of Knowledge, Thompson Reuters)

6. Некоторые вопросы глобализации высшего образования // Сборник трудов IV Международной научно-практической конференции «Проблемы инновационного развития нефтегазовой индустрии». – Алматы, 2012 - С. 418-422.

7. Management Tools in Higher Education // Материалы IV Международной научно-практической конференции «Экономика и управление в XXI веке: тенденции развития». – Новосибирск, 2012. - С. 52-57.

8. Strategic Decisions, Implementation and Controlling Tools in Higher Education Institutions // Материалы XXI Международной научно-практической конференции «Модернизация научных исследований», Горловка. - 2012 г. - С. 5-10.

9. Образовательные услуги: понятие, характеристики и специфические особенности // Сборник трудов V Международной научно-практической конференции «Проблемы инновационного развития нефтегазовой индустрии». – Алматы. - 2013 г. - С. 465-470.

10. Модель инфраструктуры экспорта образовательных услуг с использованием европейского опыта // Сборник материалов Международного Симпозиума по высшему образованию «Современные тренды развития высшей школы: качество образования и глобальный контекст». – Алматы. - 2013 г. - С. 242-248.

**The structure and scope of the dissertation research.** Thesis consists of an introduction, three chapters, conclusion, list of references and appendix. In the introduction, the relevance and rationale of the work, the main aim and tasks are stated. The first chapter is devoted to the analysis of the characteristics of different theoretical approaches to the definitions of internationalization, educational service, competitiveness and market structure. The second chapter analyzes the current condition of higher education in Kazakhstan and the world market of educational services. The third chapter is practical. The author creates a model improving the competitiveness of educational services, identifies the main factors that summarizes international experience on internationalization process' management. In the conclusion the main findings of research are carried out.

# 1 THEORETICAL ASPECTS OF COMPETITIVENESS AND MARKET OF EDUCATIONAL SERVICES IN THE CONTEXT OF INTERNATIONALIZATION

## 1.1 Educational services: definition, characteristics and specific peculiarities

Modern world is characterized by dynamically changing reality, fast-paced development of human civilization, which results in technological and cultural diversity surpass the abilities of a human to process the events happening especially in case of no preparation in advance, no risk calculation and no forecast of perspectives. One of the most important targets for a state and society stated in “Kazakhstan’s strategy of joining the world’s 50 most competitive countries” [1] is placing a key emphasis on the development of modern education, and thus claiming for new approach to satisfy the state educational order, that will allow the country to reach high level of competitiveness and the society to maintain the required level of living. The targets reaching are only possible in case of effective and up-to-date development of educational system and providing necessary educational services.

The emerging importance of education in society, high growth rates of educational industry development transform the task of theoretical comprehension of current situation in the development of social-economical educational sphere and the task of the provision of approach needed for the development of educational services institution into the most important ones. In Kazakhstani education industry the term “educational service” has been used widely since the time of independence acquisition. Nevertheless, the absence of an integral conception regarding the development of educational services sphere resulted into the wide range of its definitions.

To define the term “an educational service” we need to scrutinize the sense of such concepts as “service” and “education”.

Phillip Kotler in his work “Principles of Marketing” defines the term as following: “Service – is any activity or benefit which can be offered by a party to another party, which is basically intangible and can not affect any ownership” [2].

Educational services are services of a specific kind. Their specification is characterized by the combination of traditional service characteristics such as:

- intangibility;
- inseparability of the source of action;
- inconsistency of quality;
- impossibility to conserve.

These characteristics exactly are the main ones for understanding the concept of “service”.

According to the definition, adopted by the UNESCO XX Session of General Conference, education is a process and a result of the improvement of human abilities and behavior, with assistance of which a person can reach the higher level of social maturity and individual development.

In article 13 of the Law on Education of Kazakhstan [3] the following definition is used for the term “content of education is a (complex) system of knowledge related to each separate level of education, every of which is a base for the competitiveness formation and all-round personality development. The content of education is defined by educational programs, which are elaborated on the basis of state compulsory educational standards”.

In the field of global and European trends vary not only global, regional and national systems of higher education. Also changes the university, its mission, roles and functions.

W. John Morgan professor of UNESCO Comparative Education Research Centre said about the need for rethinking the purpose of universities, as well as the systems of higher education in view of the economic, political and social characteristics of the beginning of the XXI century [4]. Morgan states the fact of the existence of the educational market knowledge and intellectual property, and that today is justified to consider the modern role of higher education as a whole, taking into account the three interrelated aspects: the knowledge society and education, enterprise communication and higher education, and social development of higher education. Professor interprets “Knowledge society” (a term introduced by Peter Drucker in 1969 [5]) as a society, which is cultivated its freedom to diversity and ability (the last position received its conceptual movement in the theory of evolution of Amartya Sen [6]. And higher education is a key foundation for this.

For the analysis of the nature and purpose of the modern university is also required to address the concepts of “Learning Society” developed by Robert Hutchins in 1968 [7] and “Lifelong learning” by Torsten Husén in 1974 [8] and in 1986 [9].

Currently, there are many opportunities for higher education to become an integral part of the implementation of the lifelong learning concept. In this respect, it can be argued that there is no longer a single organizational model, but this fact raises questions of quality, relevance and diversity of opportunities.

One way is to strengthen cooperation with the business. “This part of the function of higher education regarding human capital increasing importance of knowledge and the transfer of knowledge for economic growth, innovation and new forms of partnership networks, increased competition for resources, especially given the budget constraints”.

The other way - considering the needs of social development (part of the function higher education related to social capital). All these and other circumstances raise questions about the fundamental cultural mission of the modern university, as for higher education goal should be to be an intellectual forum for debate and dialogue on human and social development. In short, the university provides an international forum for the development and exchange of knowledge in support of human development.

At the meantime education sphere is “sub collection of enterprises, organizations and establishments executing educational provision aimed to the achievement of diverse society satisfaction of needs related to education, to reproduce and to develop human recourses potential of a society” [10].

Specifically higher education must satisfy society need in preparation of qualified labor force and maximum use of scientific and technical potential. We would like to emphasize that by the modern economical situation educational services are exploited by all age categories of citizens, and what is the most interesting is that the students already possessing some experience now become the more regular customers in the sphere of education.

Analysis of the literature has shown that most scholars agree on the view that the main direction of the higher education institution is a provision of the educational services, which are reflected in the educating of potential (future) and current employees [11] and that such employees are viewed as a product of their business.

In particular, B. Davis and L. Ellipton believe that “product in this case is the educational service provided to students” [12]. The same opinion share N.P. Litvinova, V.V. Sheremetova, V.I. Pilipenko and V.I. Andreyev stating that “in the educational sphere the main product is a service which ... is offered to consumers for them to satisfy their needs and desires. And consequently the wellbeing of the establishment is wholly dependable how new, interesting and competitive the service is” [13].

Multiple-aspect usage of category “educational service” in different spheres of knowledge led to the wide diversity of its definitions. Let’s look closer to the main ones and let’s try to mark only the main approaches, which can be divided as follows:

1).definitions that reflect the special characteristics of production process and consummation of educational service, in which the active role of the subject is remarkable;

2) definitions that define the essence of educational service through the isolation of the results of the educational actions;

3).definitions that are characterized by the dual nature of educational good, which contains the features of public and private good.

For example, E. V. Burdenko defines educational service not only as a useful type of labor that directly satisfies human’s need in education, but also as a material product that satisfies the need of a human to be educated (in the form of textbooks, teaching programs, additional literature etc.) [14].

Educational service in the opinion of T. V. Danilova is a totality of all the results of educational process and the processes that run along with it that is provided by the institution of higher education represented on the market of educational service and that is aimed to the direct satisfaction the needs known and supposed of every consumer [15].

U. G. Zinnurov notes that educational service is a value of educational and scientific information in terms of the sum of knowledge of compulsory and specific character and practical skills taught to a person with the help of certain program [16].

V. M. Kozhukhar supposes the following definition of educational service - the work of a separate instructor or pedagogical collective aimed to reasonable (programmed in advance) change of socio-psychological (in particular cases - professional, qualification etc.) structure of student personality [17].



V. P. Kolesov defines educational service as an economical category that comprises complex economical relationships in the sphere of education [18].

The term educational service is understood by A. M. Strizhov as target aimed activity, characterized by the co-activity of the participants of educational process and aiming on satisfaction of educational needs of a personal [19].

When defining the essence of educational service, N. N. Terechshenko notes that it is a whole complex of actions of educational character aimed on satisfaction of needs of an individual, in the result of which the improvement of current and recently skills occurs [20].

T. A. Son believes that “educational service is a result of educational, managerial and financial activity of an educational institution aimed on satisfaction of production demand for training, retraining and professional development of labor force and for satisfaction of individual desire to be trained, retrained and to develop professionally...” [21].

Educational service, as D. Shevchenko notes should be viewed in a complex of different consumer characteristics which accompany educational service - they include not only the process of education, but also inner atmosphere of higher education institution, equipment, architecture, library service, computer, computer engineering, lab equipment and books provision [22].

In the definition of A.O. Chentsova the following notion is reflected: “Educational service is created in the process of scientific and pedagogical labor, which is a type of scientific labor itself. Result of the scientific and pedagogical labor can be called educational product. Educational product - is a part of intellectual product adapted to the appropriate segment of educational service” [23]. It is clear from the definition that educational service is closely connected with scientific activity.

A.P. Pankrukhin suggests the following definition of educational service: “complex of such services, which are connected directly with the realization of main targets of education and its mission completion” [24].

According to the opinion of E.N. Popov service of education in the process of consuming transforms into labor force the quality of which is not depended only on the totality of educational service consumed, but also on the quantity and quality of the personal labor used in the process of consuming of this service, personal abilities, level of their realization and other subjective factors. Therefore in the frames of the approach one should differentiate totality of knowledge, skills, abilities, which is a product of joint labor of an instructor and a student from the educational service, consumed by a student and that is totally the result of the labor of an instructor. Thus said, the educational service itself (in other words totality of the labor of instructors), and not the knowledge, skills, abilities that is often mentioned in the professional literature can be viewed as a goods’ production of an educational institution” [25].

O.V. Saginova deepens even more the definition below [26], that actually uses the definition of product in marketing theory that is - everything that can satisfy a need and is offered on the market aiming to be sold or bought, be consumed, used to attract attention [27]. Thus the product of any educational institution according to

Saginova O.V. is an educational program, which is developed by a higher education institution with the purpose of satisfying need in education, professional training, education or re-training, – in other words in the achievement of certain social effect (changing of educational or professional level).

The author explains their opinion as follows: “Higher education institution, which does not possess the specialist in IT sphere and equipped computer labs, cannot offer educational programs in the sphere. Nevertheless even in case of the possession of the resources mentioned higher education institution does not provide random lectures and practical lessons to its clients, but enters the market with educational program corresponding the certain major that contains certain organization of educational process, management system of the process and the system of its methodical, material and human resources provision”.

In such a way the author concludes that an educational program is a complex of educational services, aimed on the altering of educational level or professional training of a consumer and a provision of corresponding resources by educational organization [28].

The same meaning has S.G. Borisova, who differentiates two notions - “educational product” and “product of education”, and who puts educational program on the first place as the most important educational product (that contains certain elements, organization of educational process, management system of the process and the system of its methodical, material and human resources provision, educational and methodical complexes etc.). Educational program is developed for the satisfaction of need in education, professional training, education or re-training, in other words the achievement of certain social effect, the final aims of which is the improvement of compulsory educational or professional level [29].

Product of education, in the opinion of S.G. Borisova is an individual possessing their own characterizing features (different level of education, social, psychological and cultural features etc.). It is a fact that being taught under the same program in the same higher education institution, alumni graduated with different regarding the substance and especially the quality of the “product of education”. Moreover, there is something that connects them all - the totality of qualifications, which they acquired in the result of education in the higher education institution. Of course, the level of professionalism differs. Nevertheless, all alumni must possess minimal set of qualifications that are set by a professional standard. Moreover, she regards the following notions to educational products: inventions of higher education institution, patents, programs and results of experiments, as well as symbols of educational institutions - title, logo etc.

The similar point of view can also be seen in the works of S. Z. Valiyev, who states that “educational product - is a systemized, specialized and summarized by educational institution sum of knowledge, skills, abilities and qualifications in the frames of certain educational program (specialties)” [30].

The final educational product is defined by M. A. Lukashenko as a the level of education of an individual, and the interim educational product as a result of interim stages of educational production defined in educational products and service [31].

L.V. Zakharova defines educational service as an activity of an educational institution aimed on satisfaction of needs of entities and individuals to acquire the needed knowledge, skills, abilities to provide one or another type of professional activity on the basis of modern science and technical development achievements [32].

Educational service, in the opinion of D.V. Maslov and A. V. Morozov is a process of formation of diverse abilities to a labor, in other words an investment of human capital taking form of complex good [33; 34].

There is also a different view on an educational service where the cooperation between producer and consumer is emphasized. For example, R. Dzhaparova understands the term of educational service as “active sharing of system knowledge and the development of the tried and tested practical skills for a specific type of work though the direct communication with a student”. This definition reflects the interaction between a producer and a consumer in the processe of educational service acquirement [35].

In most works educational service is viewed like a process of sharing specific information for its acquirement in order to achieve a specific result. From this point of view educational service is viewed by lots of the authors. E.D. Lipkina defines the term educational service as “a totality of knowledge, skills, abilities and specific volume of information, which are used for the satisfaction of specific needs of a human and a society in an intellectual development and professional skills and abilities acquisition” [36]. Such scholars as V.A. Dolyatovsky and O.A. Mazur define educational service as “an untouchable activities aiming on the consciousness of an individual guaranteeing the realization of the needs of a human in the acquisition of a specific type of knowledge, skills, abilities, in the acquisition of a specialty or qualifications; that provide the satisfaction of the demand on labor market” [37]. S.A. Zaichikova and I.N. Mayatskaya stick to the same pint of view, according to which educational service is “a system of knowledge, skills and abilities, which are used in order to satisfy needs of an individual, society and state and that are aimed to increase human capital” [38]. S.G. Borisova agrees with the opinion defining the educational service as “a process of provision of knowledge and formation skills and abilities in a specific professional sphere” [29, p. 23-68]. In the meantime the result of educational service in comparison with all the other types of results has more unspecific character, since it is conditional on the abilities, previous training, and intellectual capabilities of their definite consumeres.

Some authors believe that educational service is a process of sharing the specific set of knowledge, skills, and abilities, qualifications, stated in the educational programe. S.Z. Valiyev defines educational service as “target-aimed, organized by educational institution creative process of sharing and keeping of the specific sum of knowledge, skills and qualifications in the frames of separate educational program (major) with a consumer and that is transforming the consumer” [30, p. 8-12]. The same opinion has V. N. Zotov giving the following definition: “educational service is volume of educational and scientific information, given to a citizen in a form of knowledge of social and specific character, as well as practical abilities, sharing with a citizen through a specific program” [39].

The disposition of E.I. Skripak is definitely interesting - she states that economical category “educational service” which includes condition, desire, basis and responsibility for their production and consuming by economical subjects (such as households, company and state) is changed for the narrower notion of “chargeable educational service”. Such an opinion she explains as a specific of modern conditions: absence of existing rigorous investment subjects into human capital, mechanisms of economical responsibility realization for its formation and maintain, budget cuts in the sphere of education without any changes regarding the social obligations of a state, absence of rigorous financial market and loan mechanisms etc [40].

I.B. Romanova understands the term educational service as “labor activity of an economical unit, aimed on satisfaction of needs of certain subject in education (in other words in acquisition of systemized knowledge, skills and abilities), that is executed upon this subject agreement” [41]. It is important to notice that in the process of consuming educational service is included in labor force, the quality of which depends on labor used by instructors and students in the process of consuming of educational service.

The special emphasis on consumer educational service is placed by V.P. Shchetinin. He understands the term educational service as “a system of knowledge, information, skills and abilities, which are used to achieve the satisfaction of diverse needs of a human, society and a state” [11, p. 12-35]. In the opinion of S.A. Belyakov “educational service is a good, since it brings certain benefit to the consumer. And this makes basis for the definition of price of service, in other words some monetary equivalent with the good, acquired by consumer” [42].

Educational service, in the opinion of L.V. Ivanyutina is “a complex process, aimed on sharing knowledge, skills, and abilities of general educational, professional character for consumer in the process of realization of educational program in order to achieve the satisfaction of personal, group and social needs of consumers in the process of acquisition of professional education, development of their intellectual potential” [43].

O.I. Chubarova and coauthors describe educational service as “totality of all the types of activities of the participants of an educational process aimed on the acquisition and improvement of educational capital, all-round development and self-development of personality” [44].

These definitions reflect the contents of educational service and define the important character of their aiming on the satisfaction of needs of a personality, society, state.

In the analysis the many-sided approach is used to define the category of “educational service”. On the one hand, educational service is viewed as a process of knowledge sharing, process of improvement of personality, and on the other hand - as a result of educational, managerial and financial and economical activity of educational institution, result of scientific and pedagogical labor, that is highly valued in both of cases.

The diversity of the definitions of the category can be explained by the multi-aspect contents of the term “education”, since education is not only a social institute, but also a complex system, a formal organization, a special kind of activity, a social value for personality and society [45].

Such scholars as U. Peti, A. Smith, F. List, A. Marshall, T. Shulz believe that education has a large social and economic efficiency, since it is complex good that possess both spiritual and material character [46].

B. Wulfson notes that personality has the highest value; its development, flourishing, wellbeing represent the most important goals for society, and the first mission of education is above all to encourage this positive development with maximum efficiency [47].

In the opinion of B. Saimon education plays a big role for the development not only of one particular individual, but for society as a whole, in other words it is a powerful determinant of social changes [48].

According to E. Durham the system of a higher education is still a reflection of society: it is responsible for the satisfaction of society needs and strengthens collective values. Society and collective norms and values undergo specific transformation on the level of individual acquisition of every human and further affects on the social life of society. The main purpose of higher education - is to connect individuals with society and make them to respect the society [49].

Since educational service possess the peculiarities characterizing all types of service (intangibility, inseparability from the source, inconsistency of quality, impossibility to conserve) and also the characteristics that are possessed by them only it is very useful to scrutinize the characteristics mentioned.

First of all, services are *intangible*. This intangibility is clearly seen in the impossibility of quality and result rating till the end of the process of consuming. The level of uncertainty of consumers while choosing educational service is higher, than while choosing among other types of services. Consumers of educational service that deals with higher education institution cannot know in advance the result of their education. They only have a possibility to rate approximately quality of service judging by their past experience and by other consumers’ opinion or relying on advertisement of the product. It is hard to potential consumer to rate the contents of service before using it, they have to rely on reputation, image of higher education institution.

The usefulness of service is rated by consumer in the process or at the final stage of their production that considerably hardens consumer choice. In order to attract consumer and for him to purchase educational service and in order to improve the level of tangibility of educational service, higher education institutions are recommended to formalize the most important for potential consumer characteristics of service and present them as clearly as possible. In the sphere to achieve this goal institutions use educational standards, educational plans and programs, information about methods, forms and conditions of education, certificates, licenses, diplomas, design of educational space, educational facilities, dormitories etc.

Second, service is *inseparable* from producer. Educational service cannot exist separately from higher education institution and its academic staff. This is the educational service of higher education institution that consumers associate with the result, which they expect to acquire. Every higher education institution represents unique, constantly changing educational program, which cannot be duplicated: set of subjects, level of teaching and of methodical provision, complex of in- and out- of class lessons etc. Educational service is characterized by the involvement of the consumer themselves into process of educational service acquisition, which is the basis for creation and development of long-term partner relationships. In such a way, the process of provision of educational service is impossible without active interaction of a producer and a consumer, the actual communication of student with instructor in the process of which the transfer of information takes place (specific knowledge, skills and abilities) and student acquires necessary set of competencies.

Thirdly, inseparability of service from its source leads to *inconsistency of its quality*. Depending on state of instructor or student the quality of educational service can vary considerably. The result of the consuming of educational service consequently will depend on personality and professional traits of instructor [50]. Active engagement is also needed at consumer's part. There are special methods to avoid instability of the quality of educational service: educational standards and higher education institution component that dictates the norms and requirements towards the contents and quality of educational service provision.

Inconsistency of quality in terms of educational service apart from inseparability and dependence on the executive person and impossibility of imposing of strict standards on the process and on the result of service provision has one more reason - "changeability of "basic material" [51].

The forth aspect is that service is characterized by *impossibility to conserve*, which is ambiguous in terms of the category of educational service. On the one hand, "it is impossible to prepare service fully in advance and store it like a material good till the time of demand rising" [52], in other words educational service (like any other non-material goods) cannot be stored either by a salesperson (instructor), or by a consumer (student), and they cannot be solved for the second time as well. However, for educational service this characteristic softens a little bit since educational information can be saved on material information sources (educational and methodological literature, software etc.).

Another specific peculiarity is impossibility to conserve educational service that is natural for human forgetting of information acquired, as well as outdating of information in the terms of knowledge economy, which is supported by scientific, technical, and social progress [53]. All of this creates objective need during the training of specialist to pay attention not only to acquisition of massive volume of formal knowledge, but also to development of inner desire of constant self-development, constant renewal of knowledge and skills, in other words of non-stop education for a life.

Human consuming educational service, stores knowledge, skills, abilities, but all of these is result of human's work, not activities themselves [54], in other words

educational service cannot be redistributed or re-sold by buyer. Consequently, the abilities of market towards distribution of educational service are limited (as long as we are talking about activity itself, not knowledge and skills).

Apart from the general characteristics of educational service mentioned, they also possess the specific ones that distinguish them from all other types of service.

For example there is a long-term character of visible result of educational service. The most important for consumer - is result of educational service. But the result will be visible after the completion of education in higher education institution, in other words the result is only seen in long-term. Moreover, result of educational service depends on the conditions of future work, possibility of revision of knowledge acquired (self-education, courses of further training, and re-training) and the lifestyle of consumer. Only in the process of their professional activity alumna can understand the value of all the advantages and disadvantages of profession acquired and of quality of education (educational service) acquired in educational institution.

It is hard for the consumer of educational service to rate and understand the value of higher education institution educational service. The value of education lies in the human development. Human who acquired education has a certain value for society as a whole and for state in particular, as well as for labor market. More alumnae is literate, more their unique abilities are developed, more valuable they are, and consequently more encouraging education is, better it is.

Education is always rated by quality. Quality of educational service is defined by the level of demand of alumna on the labor market and by the level of alumna's professional qualification. Education is needed by human for the improvement of his "price" on labor market. Decently educated alumna is a well-educated human not one with the ability to perform only repeated action. Every alumna must possess individual values formed in the process of education, in other words clearer knowledge of the advantages, which alumna can acquire in the result of education acquisition. In whole, education acquisition is characterized by self-realization of personality, and aimed to guarantee professional success and as a tool for social security to avoid the problems of labor market difficulties.

The important enough trait of educational service is active participation of consumer, their engagement into the educational process. It can be explained by the combination of the two most important elements - process and result. A lot of scholars agree on the existence of these two elements of service, they call them technical and functional aspects [55], inner and outside [56], principle and peripheral [57].

For example, in the opinion of O.V. Saginova [28, p. 19.] in case of educational service result depends on the aim of service, and the notion of process is the way it is delivered. Process - is education, that is organized and delivered on purpose and provided with necessary resources, and result - is increase or change of educational level or professional qualification, which are the aims of service receiver. The result is very important, but competition among producers of service in most of cases happens on the level of process.

It is widely believed that educational service is characterized by compulsory state control of quality of its production (consuming). The control is stipulated by the fact that alumna that got through governmental certification receives standard diploma in specific field (major) mentioning certain qualification.

The specific feature of educational service is that in the opinion of many scholars the service can be referred to the category of “social good”. Social goods are products, some amount of work, services aimed to satisfy collective needs, which do not have monetary equivalent and that cannot be obtained on the market [58]. The provision of social good, and consequently, payment and responsibility for their production are taken by state. However, many specialists refer this service to the category “quasi-social good” [59]. For example, S. Fisher pays the special attention to the care of state for consuming of vital good does not exclude connection with business sphere [60]. G. Stiglitz refers part of educational service (elementary and secondary education) to social, and the other part (graduate and post-graduate education and professional training) to quasi-social goods [61].

In other words, the structure of products of modern educational system is not homogeneous and includes, at least, two unequal regarding volume parts:

- 1) social product that is provided by the most part of educational establishments;
- 2) unsocial, individually oriented product/service, the existence of which is legitimized by the article 63 of Law on Education - provision of paid education products (works, services) by organizations [3].

In such a way, educational service possesses features that are characteristic to both social and private services, and can be referred to intervening type of service.

The unique characteristic of educational service is impossibility of direct monetary measurement. Price mechanism is often unable to show all costs for the production of educational service. If in material sphere it is comparatively easy to measure something in terms of number on unit of product, it turns to be almost impossible in terms of educational service. The useful result of such service can become visible only in long term and it is almost impossible to measure it only with the help of non-direct indicators.

One more specific peculiarity of educational service is multi meaning of aims of service producers. As a rule, activity of educational establishment is not aimed on revenue generation. On the other hand, interest mentioned are connected with the wellbeing increase, which is supposed to generate some revenue, which is needed for the provision of broadened reproduction. In such a way, the revenue generation desire is not a prohibited one for the establishment of education, but, of course, such desire should be not only the only one purpose.

In the sphere of education, where the personality of client transforms, one, not being a professional plays the most active role in the process of production and execution of educational service. It is also important that educational service that is supposed to have obvious openness of the sphere for informational, human resources and other type of exchange tends to possess the priority to collaboration and the efficiency of producer competition of educational service.



It is also important to mention some more specific traits of educational service that distinguish them from other types of service:

- need of further maintenance of service;
- dependence of service results on future job conditions and life of a student;
- need for licensing (article 57. Licensing of educational activity of Law on Education [3]).

Two more important characteristics can be also added to the list:

- competition character (this characteristic is mainly visible in most of state higher education institutions);
- comparatively young age of consumers of educational service etc.

Specialists also note some more traits of educational service, which are not so important from our point of view. For example, the following can be referred to the traits of educational service: dependence of service availability on place of the provision and place of living of potential students. Consumers of educational service are usually inhabitants of certain city and neighboring regions. For education in another country or city one needs at least money that is not possessed by every consumer. It is also noticeable how rapidly online education is developing in our country.

V.A. Dolyatovsky and O.A. Mazur believe that peculiarities of educational service is visible in that as a rule that it is provided in combination of intellectual values, transformation of the personality of student. This service guarantees the realization of informative interests of students, makes contribution to conditions creation for their self-definition and self-realization, provides increase of diverse abilities of a human towards labor, in other words in formation of human capital [37, p. 14].

A.V. Alferov and A.G. Bezdudnaya notes the following among peculiarities of educational service: the complexity of centralization of production, uniting of students in big lecture halls with the help of one educational program; fair knowledge measurements, which should be integral part of life of not only students, but also instructors; diversity of educational service; participation in consuming and production of service by several persons simultaneously, and often by large number of people.

S.G. Borisova refers obvious openness of the sphere for informational, human resources and other type of exchange as to an important trait of educational service (that makes the collaboration of producers of educational service). The following can be referred to the main areas of such collaboration: conducting of scientific and practical conferences, round tables, higher education institutions workshops and contests etc.

S.A. Zaichikova and I.N. Mayatskaya refer the following to the traits of educational service: duration (continuity) of its production and consuming. We agree with the statement, since the whole cycle of educational process can last for 20 and even more years: 4 years - elementary school, 5 years - secondary compulsory education; 2 years – secondary (general) education; 4-6 - Bachelor, Master's; 3 years - PhD), also in the process of labor activity worker can attend further training

courses, acquire the second higher education, in other words the consuming of educational service can be executed for a life.

R. Dzhaparova, O.V. Saginova believe that educational services are accompanied by related services (dormitory, medical service, sport and health centers, nutrition process organization, etc.), which are accompanied and better the process of education, satisfy every day and cultural needs of consumers that adds certain additional value to higher education institution.

M. A. Lukashenko refers the following to the specific characteristic of educational services: the consumer must possess specific additional set of knowledge. In case other services are provided to the individual who desires and has possibility to acquire it, that in order to receive educational services in the sphere of higher professional education, consumer must possess at least secondary education and specific volume of knowledge to pass successfully graduation or enrollment exams at higher education institution.

There is a point of view that educational services are characterized as a rule by high cost. We do not agree that educational service is expensive, since, for example, scientific service, especially in the basic sciences, is considerably more expensive. Another example of expensiveness is consulting service.

Some researchers refer the following to the features of educational service: dependence on season, which is connected with the trait of organization of educational process and dependence on educational plan, which is limited by the time period from September through June. Seasonal character is also possessed by preliminary courses, which are organized before enrollment and final examinations. But we would like to attract you attention to the interesting fact that system of additional education and re-training can function all year round. Moreover, for some target groups of students this time could be more convenient.

There is a wide range of educational services and the tool used to classify the bulk of educational service is *International Standard Classification of Education (ISCED)*. ISCED belongs to the United Nations International Family of Economic and Social Classifications, which are applied in statistics worldwide with the purpose of assembling, compiling and analyzing cross-nationally comparable data. ISCED is the reference classification for organizing education programs and related qualifications by education levels and fields. ISCED is a product of international agreement and adopted formally by the General Conference of UNESCO Member States ISCED is designed to serve as a framework to classify educational activities as defined in programs and the resulting qualifications into internationally agreed categories. The basic concepts and definitions of ISCED are therefore intended to be internationally valid and comprehensive of the full range of education systems. ISCED classifies education programs by their content using two main cross-classification variables: levels of education and fields of education (Appendix A). Information compiled according to ISCED can be used for assembling statistics on many different aspects of education of interest to policymakers and other users of international education statistics. These aspects include enrolment and attendance,

human or financial resources invested in education, and the educational attainment of the population [62].

In our country main types of educational programs are divided in accordance with the Law on Education into general education and professional education, every of which can possess not only main, but also additional program.

The educational services themselves are often accompanied by related services, sharing of material and materialized products, consumers or providers of which are educational institutions. These are information, consulting, expert, engineering service, and leasing services (rent of technical equipment, connection channels, as well as office space and land, which are also could be used for scientific parks). The realization of intellectual property of educational institutions staff takes place at the same time of separately from educational service - inventions, patents, research, educational and practical programs papers, other innovation services and products, as well as trademarks of such service producers - titles, logos, product signs etc.

In conclusion we would like to summarize that educational services as no other type of activity are always in the spotlight and under outside-market pressure. This rule is very visible in the frames of political campaigns, during which the issue of society education is usually viewed as the element to provide national security and development of nation.

The main aims of education system to be found in the Law on Education [3] (article 11):

1) creation appropriate conditions for quality education aimed at the development and professional growth of a person based on national and universal human values, achievements in science and practice;

2) development of creative, spiritual and physical capacities of a person, solid basis for morality and a healthy lifestyle, enrichment of mental power by creating conditions to develop a person's individuality;

3) development of civic consciousness and patriotism and love for their mother land, the Republic of Kazakhstan, respect for national symbols and the national language, and traditions, intolerance to any anti-constitutional and anti-social manifestations;

4) development of the person with active citizenship; generation of the need to participate in the political, economic and cultural life of the country, the conscious attitude of an individual to his/her rights and responsibilities;

5) introduction to the achievements of the national and world culture; study of history, customs and traditions of the Kazakhs and other peoples of the Republic; master the national, Russian, and foreign languages;

6) improvement of social status of teachers;

7) extension of autonomy and independence of educational institutions, democratization of education management;

8) operation of the national education quality assessment system that meets demands of the society and economy;

9) implementation and effective use of new education technologies including credit, distance, information and communication technologies, facilitating fast

adaptation of the vocational education to the changing needs of the society and the labor market;

10) development of lifelong training systems to ensure interconnection between learning, on-the-job training and labor market demands, and to help every person make the best of one's own capacities in the society based on knowledge and competence;

11) integration of education, science and industry;

12) provision of professional motivation of students;

13) provision of advanced development of technical and vocational education through active collaboration with employers and other social partners;

14) creation of special conditions for persons with disabilities enabling them to receive education.

In general, for the understanding of the category "educational service" is necessary to determine whose needs are being met, how and in what organizational and pedagogical models shaped relationship between the participants in the educational process.

The study found that in most cases the educational services are used to prepare for future career, re-training, but at the same time allow us to meet and industrial, social, and intellectual needs. Summarizing the opinion of mentioned above authors, one can generalize the definition that takes into consideration three aspects: educational service must satisfy personal (consumer), group (employers) and social (state) needs.

Thus, *the educational service, in our opinion* is the socio-economic benefit, expressed in gaining knowledge, skills and competencies within a particular educational program and aimed at meeting the needs of consumers, employers and the state.

## **1.2 Theoretical basis of educational services competitiveness**

The concept of competitiveness is multifaceted and covers all components of institutions of higher education and has been actively researched by representatives of various scientific fields.

So O.Y. Paluba notes that "the question of the nature and the concept of the educational services competitiveness improvement process is one of the leaders in addressing the challenges of effective functioning of the educational institutions education quality improvement and the Bologna Declaration implementation" [63, p. 8]. As shown by analysis held, despite the fact today there are a number of different approaches addressing the competitiveness terminological nature, there is still no widely accepted definition, no developed common point of view on this issue.

So, before moving on to the study of the educational services competitiveness the existing approaches to the definition of the competitiveness category, which is based on an extensive analysis of the scientific and conceptual apparatus should be reviewed.

The European Forum on Governance on the management problems subject in Geneva has given following definition: "Competitiveness is a real and potential

ability of companies, as well as available to them for this opportunities to design, produce and sell while operating goods that are under price and non-price characteristics of the complex are more attractive to consumers than the products of their competitors” [64].

Among a number of experts there is a point of view on the mandatory binding services to a particular market. In this context, the concept of competitiveness indicates compliance services market requirements, consumer and certain technical and quality standards, economic, aesthetic and emotional characteristics.

According to the R.A. Fatkhutdinov: “Competitiveness is a property of an object, characterized by the degree of satisfaction on certain needs compared to similar objects represented in this market. The competitiveness of the object determines the ability to compete in comparison with other similar properties on the market. The object can be competitive or not depending on market. Competitiveness can be considered in relation to such objects as regulations, scientific and methodological papers, design documentation, technology, manufacturing, manufactured products (runtime service), real estate, employee information, organization, region, industry, any macro sphere, the country as a whole” [65, p. 606]. T.G. Filosofotova and V.A. Bykov believe that competitiveness is a property of a services to appear in the market with the presence there of similar competing services [66, p. 8]. In this context, H.A. Faskhiev and E.V. Popova believe that “competitiveness means evaluated by consumer object property to exceed a certain point in time in terms of quality and price characteristics counterparts in a particular segment of the market, without prejudice to the producer” [67, p. 54].

Complementing this terminological approach, S.G. Svetunkov proposes the following: “Competitiveness- is a property of an object having a certain proportion of the appropriate relevant market, which characterizes the degree of compliance with the technical and functional, economic, organizational and other characteristics of the object to the consumers requirements and determines the market share held by this object preventing the redistribution of the market in favor of other objects” [68, p. 15]. According to some authors, competitiveness is connected not with the distinctive characteristics of the services but with their attractiveness to customers. In particular, M.I. Knysh describes competitiveness as “the degree of attractiveness of the product to make real purchasing consumer” [69, p. 49].

As amended by D.V. Chernilovsky “competitive services - is relative and generalized description expressing its differences from competing services on the degree of satisfaction of needs and costs for its satisfaction” [70]. In turn, I.M. Lifits [71] considers competitiveness as a set of properties consumer services defining its difference from other peers on the extent and the level of satisfaction of customer needs and costs for its purchase and use. In definition of A.I. Kredisov [72] and O.D. Andreeva [73], the main condition for competitiveness is contrast to the competitive analogue on the extent to the specific needs and necessary for the achievement of cost. According to the A.A.Voronov “all modern scholars agree that the competitiveness is inherent for products, enterprise, industry country, but at the same

time they do not have a unified methodological framework to identify, resulting in a fragmented and fragmentary” [74, p. 16-24].

Some authors propose to merge into a single concept “competitive service” and “competitiveness of the organization” which can be seen in particular in papers of G.N. Igolnikova and E.A. Patrushev [75], B.E. Hruts koy and I.V.Korneeva [76] as well as in the works of authors [77]. We believe that these categories should be considered taking into account both the relationship and differences in approaches. Since N.S. Yashin believes that any product “is the result of a particular manufacturer with certain inner potential ...” the company's competitiveness and the competitiveness of the product “related as whole and part” [78]. In particular, M.N. Gelmanovsky offers a whole variety of competitive relations emerging in the economy, with certain reservations divided into three levels: the micro level (the specific types of products, production, enterprise), the mezzo-level (industry, corporate associations) the macro-level (countries and their groupings) [79, p. 32-37].

Porter's opinion is valid about “when you try to answer the question of competitiveness at the national level it is needed to focus not on the economy as a whole and on specific industries and industry segments. Necessary to understand how and why there are commercially viable skills and technology, and understanding it fully enough can be possible at the review level of specific industries” [80, p. 169].

In the context of the higher education sector analysis of the works of several researchers has identified a variety of definitions of competitiveness of the university as a producer of educational services [81- 83; 84, p. 94; 85, p. 71-72; 86, p. 61; 87, p. 96; 88, p. 93; 89, p. 72; 90, p. 184; 91, p. 53]. Since the most important component of any competitiveness of educational organization is a competitive educational services one should focus on the content side of the concept of educational service competitiveness. The study found the competitiveness of educational services appropriately reflected in the writings of many specialists [92-106].

In particular, T.V. Danilova concludes that “the idea of educational services in the format market economy inevitably leads to the notion of competitiveness of educational services” [15, p. 57].

The author states: “In a market model of university education stands as a manufacturer of mixed blessings, so the approaches to the concept of” competitive educational services “are similar to those used in determining the competitiveness of goods and services operating in the sphere of material production. The differences appear in the specific factors determining competitiveness” [15, p. 58].

The competitiveness of the educational services can be determined from the point of view of the majority of researchers as a relative measure of the differences in the degree of competitor services for particular needs and costs for its satisfaction.

In this context, I.M. Lifits comes to the conclusion that: “Competitiveness of services of educational activities is comparative characteristic of their consumption and cost parameters with respect to the services of educational institutions competing” [107, p. 63].

A.G. Bezdudnaya notes that the University is entering the market not with individual educational services but with their complex, i.e. educational program:

“The competitiveness of the educational program of the university is described as the ability of the university, with the available input parameters and available resources, to achieve a certain level of innovation advantages in the market of educational services to other universities offering similar in purpose, scope and content of the educational program the entire spectrum of educational services provided by or on certain part” [92, p. 28].

From the viewpoint of O.P. Kovaleva “competitiveness is the ability of educational services offered by the university to be sold in the education market in the presence of peers determined primarily by characteristics of educational services and products (price, quality, service)” [99, p. 5].

V.M. Zuyev, V.V. Vertil and G.E. Germaidze consider the competitiveness of the educational services as “a set of consumer and cost characteristics of the services produced by a certain institution that determine their preference for the consumer (including the timing, location nature of service, and other related factors), compared with the same intended services other producers” [108, p. 58].

At constant quality characteristics of services to its competitiveness can vary quite widely in response to various factors determined by a competitive market environment. As pointed out by a number of specialists, including A.I. Baranowski [109] and A.P. Pankrukhin existence of the education market with a definite competitive environment are undeniable.

The main criterion for assessing the competitiveness of educational services is matching consumer expectations and the level of competitiveness can be identified by comparing the services and study the response of consumers.

Thus, according to O.P. Kovaleva “the main task of a competitive university is to determine needs, wants and interests of consumers to adapt the organization to ensure that fully meet them so as to maintain or increase the well-being of both individual consumers and society as a whole and to provide long-term benefits” [99, p. 6].

This view is supported by A.G. Bezdudnaya who believes that “educational service is to meet the needs of consumers: to meet their intellectual needs and reflect the specific positioning on the labor market, promote the development of personality and moral qualities of the students” [92, p. 21], concludes that competitiveness is possible “through the improvement of different consumer characteristics and improve customer value of educational services” [92, p. 12]. Thus in this part of the specific areas of competitive action to achieve the necessary level of competitiveness of educational services , according to the author , you should enable differentiated services with a focus on current , unmet demand outlook and perspective in educational services , i.e. the introduction of new types of services; differentiation of consumer characteristics existing services ; service differentiation distribution channels to attract new categories of students; enhance learning opportunities through the addition of new types of certificates or diplomas and specializations.

According to E. Pesotskaya, “indicators of educational services, reflecting its effect on the manufacturer often have no value to the consumer. Consumer interest driven by consumer characteristics available in any way” [110, p. 99]. Likewise T.V.

Danilova notes: “All the indicators of educational services that go beyond these limits should not be treated as a non-value of educational services in a particular” [15, p. 58]. The same opinion is shared by the A.I. Baranowski and according his views “educational services that are and will be in demand in the market are mainly produced; range of educational services is quite broad and intensive updated to meet the requirements of society”; range of educational services is quite broad and intensive updated to reflect the demands of society” [109, p. 12]. Thus, the emphasis in the study of the competitiveness of educational services should be on identifying existing and potential needs of the target segment of the market, ways and means of meeting them.

In turn, O. Deck “is based on the concepts, according to which the essence of competitiveness is the ability of institutions for a long time period to answer customer requests for educational services and win the competition at the local or global markets” [63, p. 8]. In this definition, the author emphasizes that the educational services to meet the demands of consumers are competitive only in a particular market. As to factors influencing the formation of the educational services competitiveness, they include the author highlights external (compliance needs of consumers - the students and the labor market) and internal (competitiveness as a result of quality) - the content of the programs, the development of new programs, the level and quality of the teaching staff, the quality of students, quality of service and the form of students, [63, p. 10]. In this case, the focus is on the need to justify the system of connections between the constituent elements of the competitiveness of educational services and maintain consistency of its achievement.

Based on the definition that the main purpose of the service is to meet the demands of consumers, it can be that the competitiveness of the educational services *is the degree to which a particular need to improve the level of education compared to the best similar objects represented in the education market*. Accordingly, in order to service this species of interest to the buyer and was suitable to meet this need, he must also have the relevant set of parameters describing the scope of its existence and content of the required benefits. Can be regarded as an ideal case where the set of the needs parameters and service parameters match.

Hence to determine the level of competitiveness, as well as to increase it is necessary to specify the parameters of competitive services and to identify the conditions (factors) capable of meeting these needs. In particular, S.G. Svetunkov believes that the set of parameters can be classified and presented in the form of aggregated following groups: consumer property services, marketing support services, the characteristics of the target markets in which the competition is held, the properties of the consumers for which competes [67]. The author emphasizes that each of these groups contains a number of sub-groups and therefore the problem of choosing the most significant factors in determining the competitiveness of services appears. This position is developed by P.S. Zavyalov: “Competitiveness is concentrated expressions of economic, scientific, technical, industrial, organizational, managerial, marketing and other features that are implemented in the services successfully resist competing peers, both in the domestic and foreign markets” [111,



p. 211]. Proposed by V.M. Zuyev, V.V. Vertil and G.E. Germaidze classification, with some adjustments can be considered as a methodological basis for the grouping of parameters that characterize the competitiveness of educational services in the following context:

1. regulatory parameters characterize the properties of the services governed by mandatory rules of the standards in the segment of the market;
2. functional properties of the service parameters include defining the scope and functions that it is designed to perform;
3. economic parameters related to the cost to the customer service;
4. organizational parameters [108, p. 67].

Indeed, the competitiveness can be considered as a complex property that characterizes the ability of services to have a certain preference for consumption from various perspectives, including social, functional and economic. Schematically, the life cycle of educational services in a competitive environment can be represented as follows (figure 1):

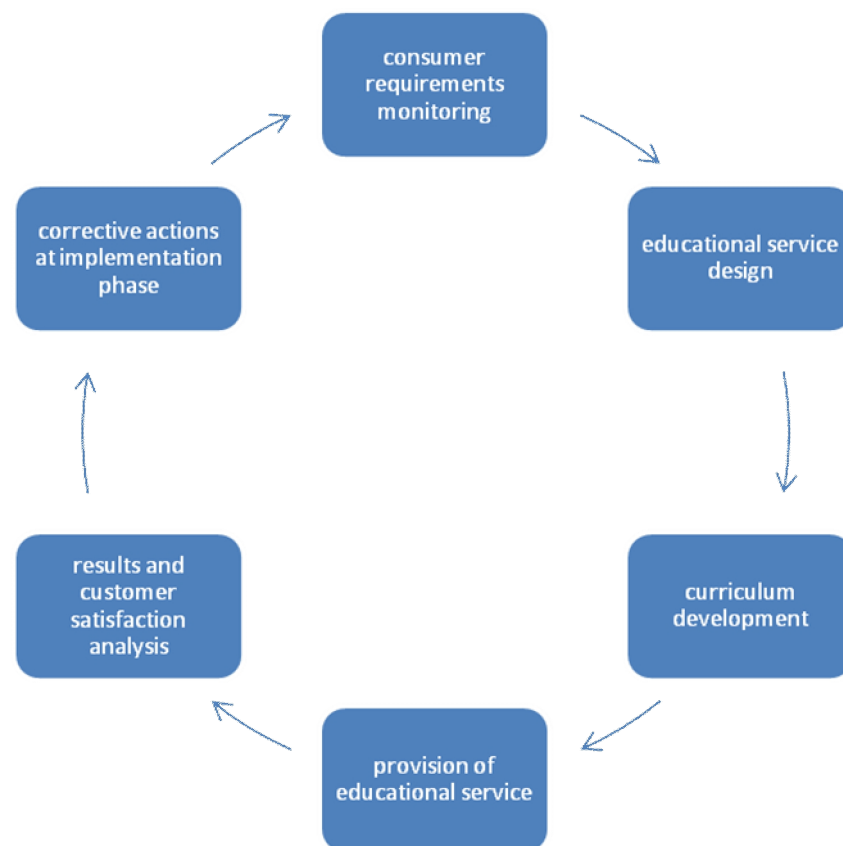


Figure 1 – Life-cycle model of educational service in competitive environment

In the following structure we have tried to include indicators of educational services competitiveness which are divided into external indicators, quality indicators, and economic indicators. For instance within the external indicators there is long term, short-term ones; within quality indicators - regulatory indicators and quality of services; economic indicators include terms of services, indicators of efficiency and price factor (figure 2).

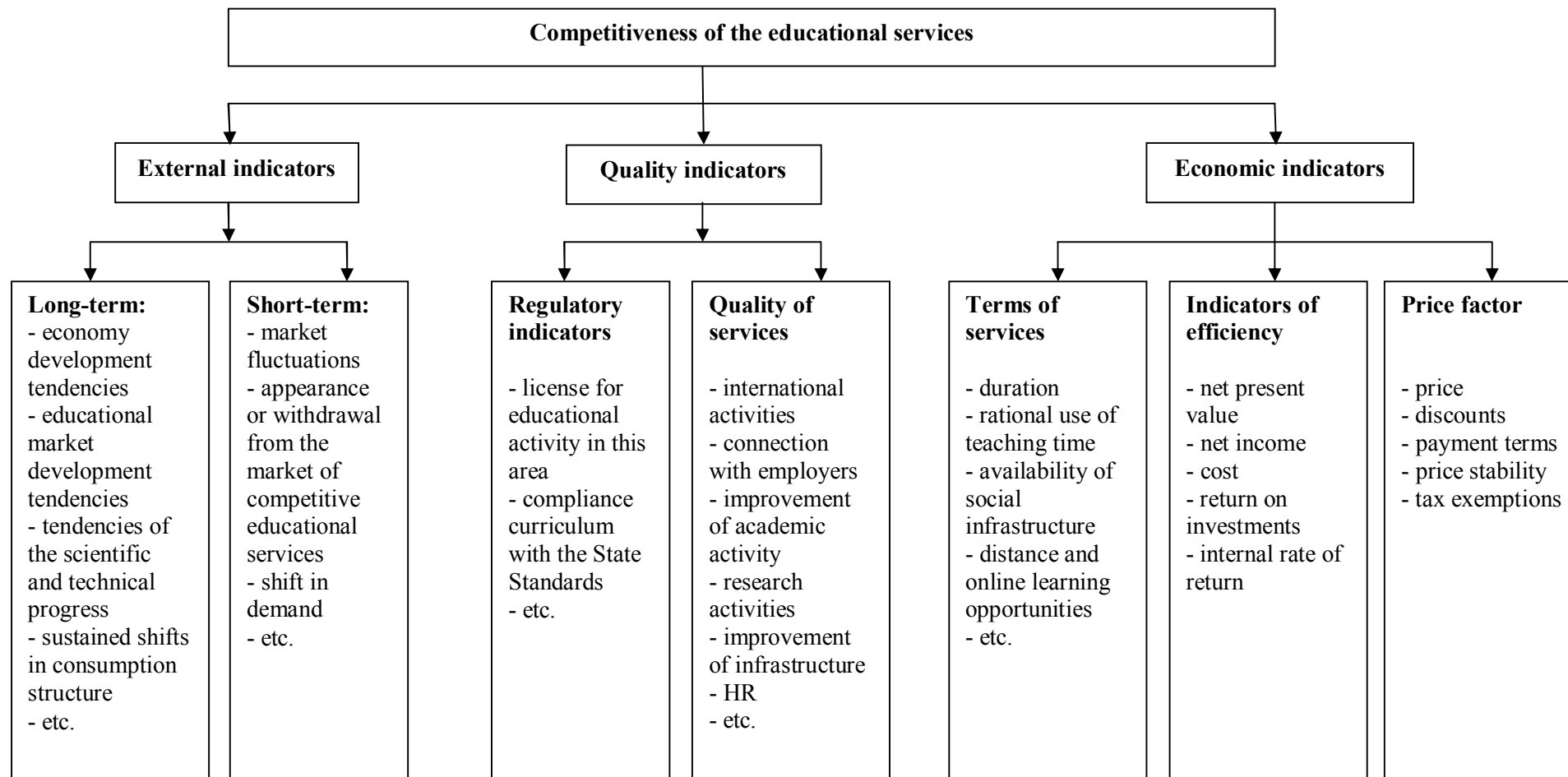


Figure 2 – Indicators of educational services competitiveness

In this context A.S. Yuhmanov believes that competitiveness depends on the following groups of parameters:

- “internal competencies (know-how and technologies, the ability to implement a quality product, efficient business processes and skilled personnel);
- external reference (communication with customers and distributors, government relations, communications, and effective communication with investors and banks);
- dynamic capabilities (the ability to quickly and effectively respond to changes in the market, the ability to create new products, the ability to learn)” [112, p. 338].

As part of the competitiveness of the components characterizing a number of author’s priority of quality is noted.

In particular, M. Porter [113] and A.S. Yuhmanov argue that the competitiveness of the comparison is expressed in terms of quality of service and in terms of its implementation.

According to T.L. Azoev, P.S. Zavyalova, L.S. Lazouski A.G. Piston and B.A. Raizberg, competitiveness is achieved by providing a high quality service, affordable prices, creating convenience for consumers [114].

Thus, the analysis of the competitiveness of services as an integrated category must take into account many parameters that affect the competitiveness and determination of their relationship.

Since virtually impossible to identify the totality of characteristics of competitiveness, it is advisable not to associate this category with the fullness of competitive properties, and identifying the most promising of its components. In this regard special attention should be given to the allocation of competitive advantages as an immediate source of competitiveness of the educational services of the university.

According to J.-J. Lamben: “competitive advantages are those service characteristics, properties that create certain superiority over direct competitors. These characteristics can be very different and can be treated as a basic service, as well as additional services that accompany the base” [115, p. 277-278]. Depending on the scope of the relative superiority of the author differentiates between internal competitive advantages that create value for the customer, and external, which form the value for the manufacturer.

The most common is the competitive advantage concept of M. Porter, which is classical in nature and been adopted by the majority of scientists. It defines competitive advantage as a “superiority over its competitors in the market (segment), and highlights the benefits of two groups - the external associated with increased customer value services to ensure the marketing power of the enterprise and the domestic-related advantage in cost and higher performance than the competition, and generating value for the enterprise. The author also notes that some of the competitive advantages are expressed in the fact that their speakers' occupy a unique competitive position” [80, p. 318]. In addition, they showed that the “competitive

advantage depends on the competitive position and are the result of differences between the company and its competitors” [116, p. 50].

Porter divides competitive advantage in the two main types: lower costs and product differentiation. Low costs reflect a firm's ability to develop, manufacture and sell a comparable product at a lower cost than its competitor. Differentiation is the ability to provide the buyer with a unique and more valuable as a new quality of the goods, the consumer specific properties or after-sales service.

Porter identified five main sources of competitive advantage:

1) new technology. Technology change may create additional opportunities for product development, new production methods, marketing or improving related services;

2) new or changing demands of customers. Most competitive advantage arises when the consumer has completely new requests or their views are changing dramatically;

3) emergence of a new segment of the industry. Here it is possible to find a new, more efficient way to produce certain types of products or create new approaches to a particular group of consumers;

4) change in value of production components. Competitive advantage may be due to changes in absolute or relative cost of labor, raw materials, energy, transport, communications, equipment, and means of communication. This situation corresponds to the condition changes from suppliers and the emergence of new opportunities or other in quality components;

5) change in government regulations. The transformation of state policy in areas such as standards, environmental protection, trade restrictions - another common incentive for innovations that result in a competitive advantage.

Gain a competitive advantage according to M. Porter, can be simultaneously solving at least three problems:

- improving the quality and consumer properties of the product;
- reducing costs and saving the maximum acceptable level of prices;
- orientation of their products to the target market segments where competition due to the high degree of heterogeneity of the market weakened.

Thus the competitive advantage is achieved by providing a valuable difference for consumers who can then save at a lower cost. In turn, John Barney [117] defines competitive advantage as a complex phenomenon involving the sum of many parts. He emphasizes that the full definition should describe not only the state benefits, but also how this advantage can be achieved. Moreover, it is stable in the case where competitor must spend a significant amount of resources.

At present, as shown by our analysis, there are various approaches to determine the sources of competitive advantage of educational services, and there is no sufficiently clear and evidence-based evaluation system.

As applied to educational services O.P. Kovaleva concludes: “In order to survive and grow steadily, to the university to create a competitive advantage offered services and provide a strong competitive position. In turn, competitive advantage

can be obtained stably in a higher position than other institutions of higher education” [99, p. 3].

Moreover, as noted O.Y. Paluba, “The creation and maintenance of strategic competitive advantage in a common educational space remains essentially unsolved” [64, p. 9]. As a result, it can be argued that the development of market relations and the establishment of a unified educational space require universities to intensify efforts to search for and realization of competitive advantages they provide educational services.

According to N.N. Sayapina “each particular institution may have a number of competitive advantages” [106, p. 11]. This classification of the competitive advantage factors concept determines the role of each of them in the management of the educational services competitiveness.

O.P. Kovaleva, focuses on the importance and the necessity of a comprehensive loyalty in higher education, considering the different features that could give a competitive advantage: “being an intangible asset, integrated loyalty of producers and consumers of educational services is becoming a real source of competitive advantage that can be stored for long term” [99, p. 3].

S.V. Volgin concludes that “competitive advantage is transformed into the concept of core competencies” [94, p. 8]. And their justification is determined by the peculiarities of the production process of educational services provided by the university and the quality characteristics of the final product of this production - a graduate of the university. In addition, the author concludes: “The competitive advantages are achieved only when the institution has positioned itself well to a particular segment; the parameters are set by the individual preferences of educational services consumers. Therefore, if the university can thus form an educational service to its technology takes into account the individual characteristics of the student on the assimilation the educational program, thereby achieving the task of determining the core competencies of a particular institution based on the core competence of the graduate” [94, p. 9].

In this context, competitiveness should be considered as a result of the implementation of existing competitive advantages and competitive advantage as the characteristics and properties of the services that create a market for certain superiority over the subject's direct competitors. Since competitive advantage is a comparative, relative, not absolute, it can only be assessed by comparing the characteristics that influence the effectiveness of sales in relation to the specific circumstances and reasons. To enhance the benefits available to continuously improve the performance indicators, set to expand the sources of competitive advantage, move on to the benefits of a higher order, which persist longer.

Also, necessary to consider that long-term profitability and sustainable development must be achieved not only by providing the parameters of superiority over the competition in the area of consumer product characteristics, but also by the parameters characterizing the pursuit of full satisfaction of customers and providing improvement of the quality of this meet.

Since one of the main goals of education is the need for consumer education service for the practical work, this competitiveness is determined by external estimates based on an analysis of the efficiency of work and careers of graduates, their employability, the views of employers

N.N. Sayapina said: “The educational services are a typical benefit of the trust, as the level of knowledge and skills acquired by the student in the learning process; their quality can be assessed only in the labor market” [106, p. 9].

In the same context, L.G. Bezdudnaya concludes that “the competitiveness of educational services is expressed by the degree of orientation to the future state of the labor market” [92, p. 14].

A similar view is shared by the S.A. Mamontov: “an educational service is a specific product, the value and the quality is evident and actually already assessed in the post-marketing period in the labor market. But the important point is the evaluation of the quality of educational services by the graduates of the university, as they are the most effective source of information for potential customers” [118, p. 10]. Talking about the competitiveness of educational services O.P. Kovaleva believes that “the main challenge facing the universities in the context of globalization of education is to prepare a generation of competitive specialists” [99, p. 9].

From our point of view, the main parameters of the competitiveness of the graduate professional competence is based on knowledge and skills, as well as a set of psychological and moral characteristics that make it a sought-after in the labor market. Thus, we have found that the competitiveness of educational services affects a number of interrelated parameters reflecting the state and dynamics of development as external socio-economic environment and internal environment of the school.

To summarize our analysis on the existing points of view of the native and foreign scholars come to the conclusion that unconditional, it is almost impossible to fix the entire set of properties of the competitiveness of educational services. In general, all the above approaches are not fully disclose the nature and characteristics of the category, and only reveal certain aspects of the competitiveness of educational services. We identified approaches are grouped with the position of the fundamental features that characterize the competitiveness of educational services institutions: the degree of deviation from the educational services of a competitor, the ability to meet customer requirements, and excellence in a number of defining parameters.

Since the concept of competitiveness is multidimensional and multifaceted, our proposed architectural approach can more fully reveal the essence, give a comprehensive response and objective assessment of the competitiveness of the educational services of the university.

We propose to consider *the competitiveness of educational services as a set of competitive advantages*, allowing up to interaction with customers, ensuring maximum satisfaction of their needs and preferences, and determines the level of competitiveness of graduates in the labor market. Competitive advantages are those distinctive qualities that make the most preferred educational services to consumers. In the proposed definition includes part of the consumers of those who are the direct

beneficiaries of educational services, which include all categories of students: students, undergraduates, doctoral students' refresher courses and advanced training.

In this context, maintaining the competitiveness of educational services to achieve, including on the basis of, the application of marketing tools aimed at meeting the demand of actual and potential customers. It should be taken into account that the distinctive quality of the educational are always based on the basic qualities that define their standard, required to perform a set, or guaranteed by an external evaluation by the licensing, certification and accreditation of higher education.

To summarize, we note that the entire set of competitive advantages, allows determining the direction of improving the competitiveness of the educational service and focus on the absence or insufficient development of some of them.

We concluded that the leading role in maintaining the competitiveness of renewable belongs to constantly search process, the formation, maintenance and development of sustainable competitive advantages for a fairly long-term ability to meet consumer preferences. This approach is crucial for further development of conceptual views on the development of the competitiveness of educational services.

### **1.3 Particularities of educational services market**

Educational services market is one of the most prospective and rapidly growing economic spheres. In terms of economy structure educational services market refers to the non-manufacturing sector, whose share in developed countries exceeds 50% [119]. By expert estimations worldwide demand and supply of educational services are growing quite substantially and in the most dynamically developing countries the annual growth rate is up to 10-15%. On the bottom line profitability of investments and development capacity education sector is very attractive for investors. Payback of investment in education is between 3 and 6 US dollars for every dollar invested. However, such a return is not achieved immediately and delayed in time. This caused the need of a modern concept elaboration, strategy and operational tactics developed by managing entities in this area.

The educational services market in our country has formed during the grafting of economy market principles to socioeconomic relations. Consequently the formation of market itself occurs while education system reform process. In the education market different forms and types of ownership educational institutions, which provide a wide spectrum of educational services, have appeared. This leads to intensification of competition between them. The formation of market relations in the sphere of education reveals the following key factors that condition the process that somehow took place in the majority of countries [120]:

- change the role of government in the of educational field;
- sources diversification in education funding;
- definition of knowledge as core capital in society;
- development of new information technologies.

The changing role of the state, which was manifested in the reduction of public financing of the education system in almost all countries of the world, is one of the main factors of market relations in the higher education field. The priority of state

influence has shifted toward promoting a system of education in the competitive market relations, that is: increase the supply of high-quality educational services and products, increase consumer demand for them on the part of businesses, students and their families, increased competition in the emerging market.

In modern society, the changing role of knowledge has also identified the transition to a market system of education. Knowledge is turning into a critical factor in economic development and becoming the main source of value in the post-industrial information society. Thereby because of new knowledge, information, skills acquisition and constant renewal becoming basic characteristics of workers in the post-industrial economy the role of education in public life structure changes. For the moment the main increase in employment is accounted for intellectual labor (85%- in USA, 89%- in Germany, 90%- in Japan).

The development of market relations stimulate new information technology in education contributing to the rapid growth of educational services consumers number in relation to significantly increased access to education and improving its equality, expansion and globalization of educational space by providing training on the job; provide a significant increase in the supply of educational services while development of new forms of learning; stimulate the competition between different types of institutions [120, p. 177-180]. On the basis of particular features narrowly considered in previous paragraph deem it necessary to take into account market, organizational, technological, economic, social, political and psychological factors that influence the education market formation. It is well known that the essence of any phenomenon is recognized in his concept. Definition of the education market is ambiguous and has different approaches.

According to V.G. Kinelev the market is defined as a system of industrial relations in the sphere of exchanging results and production conditions or factors.

V.N. Fokina describes the education market as the economic relations in product sales of “educational service” that occur between producers and consumers within exchange process [121].

The education market in the opinion of O.A. Khashirov is an integral component of the market economy which serves as the control of supply and demand for educational services [119, p. 31-45].

However, in our opinion, impossibility to conserve the service is not considered in the given definition and therefore the market is unable to fully perform supply and demand regulation.

From the education market understanding widening point of view the notion of V.D. Ostapchenko is the matter of interest. He defines the market of educational services “as a set of economic relationships that develop in the commodity educational production between its subjects on the production, exchange, consumption goods “educational service” [122].

From the V.P. Shchetinin position education market is a market in which the demand for educational services from the major managing entities (individuals, enterprises, organizations and the state) and the supply from variety of educational institutions are interacting. For example G.A. Bagiyev understands the education



market as a system of economic relations on the sale and purchase of educational services directly demanded by both collective and individual consumers [123].

According to Y.M. Bortnik, education market comprises all material interaction between the participants of the educational process: students, organizations providing educational services, individuals who pay for these services [124].

Y. Shahrmanyanyan gives the following definition: “Education market is the material relationships between those involved in the educational process: students, organizations providing educational services, individuals and organizations paying for these services” [125]. Based on the above concepts a definition of the educational services market that best fit to the selected problem of dissertation can be formulated:

*Education market is a set of economic relations and communications between private and legal individuals while the production, delivery and consumption of educational services.*

Features of the education development and the very essence of education determine the fact that the education market provides many specifics. First of all, these specifics are observed through the combination of market and non-market mechanisms of functioning. Such a dualism of the market is consequently going out from the educational service specifics as an activity which satisfies private needs as well as public.

However it is inexpedient to challenge the applicability of market mechanisms to the construction, operation and development of the education market because such closely related to the economic sphere of education simply cannot avoid the influence of the forces shaping the market economy as a whole and its individual segments.

At the same time it is definitely that the effects and mechanisms of market forces on the education services can be different from effects on other markets. Non-market mechanisms that shape the market of educational services are generally reduced to a set of methods, tools and instruments of state policy in the field of education and the management of public educational institutions. Foresaid allows the individual economists refer the market of educational services to the so called “quasi markets” [126; 127].

The process of rendering and educational services typically involves the following factors:

- 1) educational environment;
- 2) subjects of the market that is service providers and consumers receiving education;
- 3) equipment and materials used in the provision of services and (or) facilitating the process of services delivery (education process and support processes);
- 4) in view of the high social and public importance, the impact of national and public interests.

Educational environment is the environment in which providers of educational services operate. This is such a space of public relations that provides producers knowledge and information cultivation through the service delivery process. Being cultivated they are transformed into some definite information set which again is transformed into knowledge after being presented to consumer. If view this process

from building human capital position professional competence of the consumer as a specialist is formed. Being considered from the service management position, educational or the market environment appears as complex feature. Its structural analysis serve as a start point for the formation of competitive supplier position in the market image and getting an idea of the factors possibly affecting this position. The structural analysis can be used for further market model formation as long as it as an instrument for educational services producer affecting forces representation.

Thus, despite the impugment of education commercialization feasibility market mechanisms operating in the economy anyway affect the sphere of education. Now and state universities forced to reckon with these mechanisms and also re-evaluate its strategy with regard to the competitive advantages formation need.

Different types of environment impact on the marketing strategy of market analysis reveal the following highlights:

- with more complex and dynamic competitive environment comes more difficult problem of prediction, the greater the need for correlation of market strategy and the monitoring of changes in the market;
- namely the complexity of the environment and the level of variation (dynamism) will have a decisive influence on the choice of strategy type;
- more complex and dynamic environment, the higher the degree of risk in determining the market strategy.

The difficulty of assessing the educational space as the market environment is that the number of factors impacting the status of the education market subjects is large and the extent of their exposure to these subjects can vary significantly. In the education sector this multiplicity of factors is also complicated because of state activity and the fact that market relations for the education sector represents a relatively new phenomenon. Overcoming this difficulty is possible through the use of valuation models that allow to identify the most significant factors affecting the provider and to assess the intensity of their impact. One of the most famous models of the structural analysis has been proposed by M. Porter and was named “Porter's Five Forces of Competition framework” [116, p. 245].

This concept is based on the following assumptions:

- structural analysis recognizes that competition in the market goes beyond direct competitors;
- during the structural analysis it is essential to determine the competitive intensity and therefore potential exposure levels in the organization of five key forces. The method allows to determine the most powerful key forces for strategy formulation;

In the framework of this concept 5 forces are allocated (figure 3):

1. *The threat of entry of new participants* - competitors (Entry of competitors) - how easy or difficult new entrants to enter the market, what are the barriers?
2. *Threat of substitute products or services substitute* (Threat of substitutes) - how easy it is to replace the product or service, in particular to reduce the price?
3. *Bargaining power of buyers* (Bargaining power of buyers) - how much the position of buyers, can they co-ordering large volumes?

4. *Bargaining power of suppliers* (Bargaining power of suppliers) - how much the position of sellers. Are there many potential suppliers, or only a few, the monopoly?

5. *Rivalry among the existing players* in the market (Rivalry among the existing players) - how strong is the competition between the existing players? Is there a dominant (-ing), or they are all equal in strength and size?

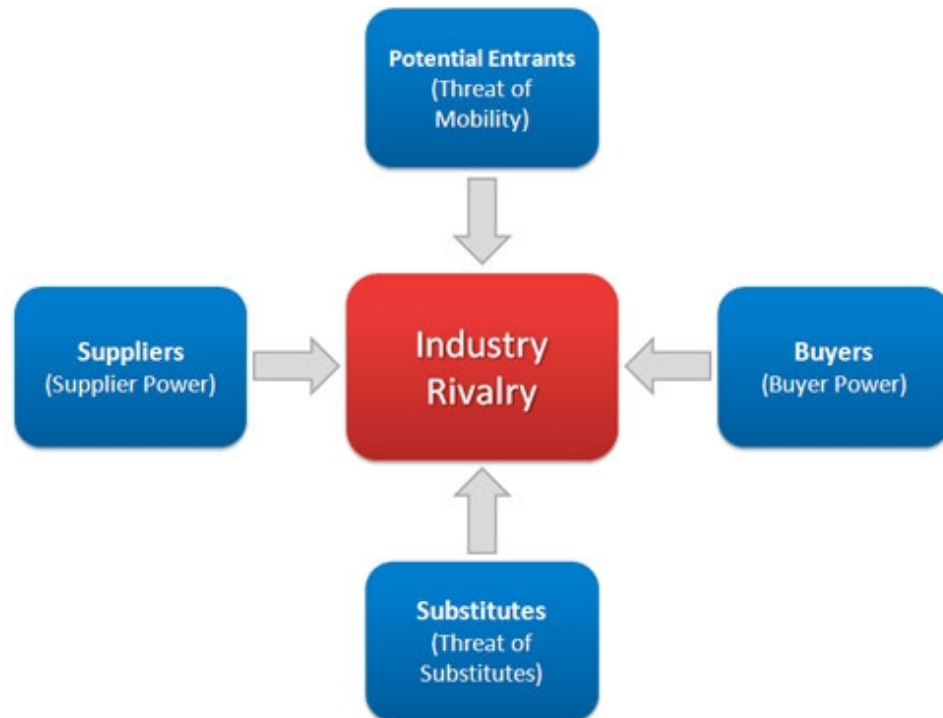


Figure 3 – Porter's Five Forces of Competition

Moreover, the attractiveness of the market will be higher, the weaker the impact these five forces. The traditional set of market research, which under control of the company and at the same time forms the company's image in the consumers' minds and the impact on customers' satisfaction, with respect to trade in services is reduced to the following seven elements:

- services as products supplied to the market
- price
- place of service
- service promotion

- the human factor – all those involved in the provision of services and some way affect the perception of the services by consumer, including the staff of the service provider, the consumer himself and other consumers in an services supply environment. In the case of educational services the human factor is of particular importance, it is the feature including the extent and impact of other users in service consumption. The concern is that the process of consumption of educational services is directly and largely influenced by other students. That makes a particularly

important not only to control the audience, but also to determine the optimal number of students in the group.

- material reinforcements: an environment in which there is a provision (delivery) services and contact of the provider of services and the customer, all the material, tangible components that contribute to the provision of services. In case of educational service, educational materials and products are also included.

- process of rendering services is the actual procedure, service delivery mechanism.

In terms of identification between the good or products in the education market, it is necessary to distinguish between educational service as such from related services and goods, which are implemented in a functioning educational system.

Besides, educational products are exactly the very material reinforcement of providing educational services process that underpins the virtual transfer of knowledge and information by something more tangible, in other words, increases the digestibility of educational material, the quality of the educational services. The essential feature of the education market is the large number of subjects of market relations:

- *producers* of educational services (educational institutions at all levels and individual producers);

- *consumers* of educational services (individuals, businesses and organizations, organs of state, regional and local government);

- *intermediaries* (employment services, registration authorities, licensing and accreditation of educational institutions, educational foundations, associations, educational institutions and businesses, specialized training center, etc.);

- *providers* who ensure the production process of educational services necessary for this resource;

- public institutions involved in the promotion of educational services in the market.

In general, the market for educational services segment consists of many interconnected markets. The formation and functioning of the educational services are subject to the general laws of the market economy, but has a number of features:

- high dynamism;

- territorial segmentation and local character;

- significant rate of capital turnover;

- greater sensitivity to the educational services market conditions;

- individualized production [128].

Educational environment even within the country, within the framework of the national market of educational services is patchy. The market of educational services may be segmented and each segment of the market has considerable features.

Education market can be regarded as an economic space that obeys the laws of the market and is running the market categories such as: “demand”, “supply”, “cost”, “price”, “profit”, etc. However, all of these market categories have some specific features in term of educational services (figure 4).

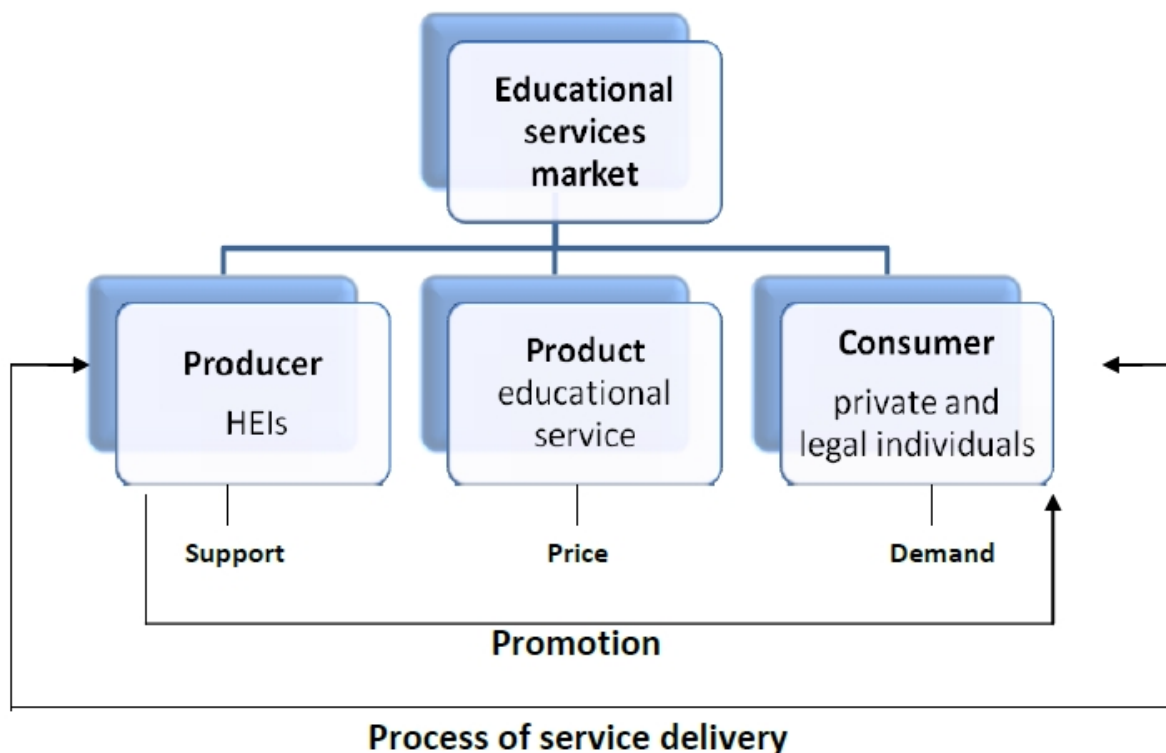


Figure 4 – Scheme of the educational services market

Despite the fact that the service is an activity or activities related to the transfer of information and knowledge the consumer is interested ultimately in the results he will receive in the course of consumption of educational services, that is in a certain range of knowledge and skills that he has formed or at least must be formed in the service consumption. And here, from the author point of view, to build proper marketing strategy higher education institutions and also engaged in research activities, it is necessary to clearly distinguish between two types of market knowledge:

- Market of allocation and transfer of existing knowledge including the market for educational services, in which already existing knowledge in the society are transformed and transmitted to others.
- Market for new knowledge: this is an area in which new scientific knowledge and technology in the scientific and development work are created.

The mechanisms of these markets functioning differ significantly and consequently different approaches, their evaluation, the choice of the market strategy of the institution in each of these markets are needed.

What influences the choice of the consumer in the education market? The individual chooses the profession based on his interests, formed under the influence of various factors, including parents, friends, media, ratings, and even to some extent fashion. This choice is very subjective by very this extreme subjectivity of choice and different consumer behavior in the educational market.

In addition to the subjectivity of the consumer when choosing educational services is complicated by the positioning of these characteristics, which are common to all services. However, to some extent this problem can be neutralized by using the various tools of management and marketing. We illustrate the example of the specific characteristics of the educational services as a product.

Due to the inherent properties of such a service as its intangibility, the consumer is able to evaluate the quality of training programs supplied on the educational services market only after receiving them or even later - when trying to implement what was obtained in the course of educational services on practice.

In this regard, the consumer is faced with high uncertainty that defines a number of factors affecting the choice of services. In an effort to reduce risks, clients analyze the external signs of the quality of services, namely: the behavior of the teacher and even the staff of the educational institution, the location of campuses and hostels etc.

How to overcome the intangibility? This can be done using instruments such as:

- development of a peculiar brand of educational institutions, that is the creation of the name that will be associated with the quality of taught material and a high level of knowledge acquired through learning in the educational setting in the eyes of potential service consumers;

- development of image policy;

- spread of information on previous experience, that is bringing to the general public and potential consumers information as the number of graduates admitted to a prestigious university, the number of students who study at university after high-paid job, etc.;

- emphasizing the specific benefits that educational services consumers of the given educational institution can obtain;

- comments of consumers and the service itself, and the knowledge gained as a result including reviews of the students themselves, their parents, employers, etc.

Direct provider of educational services is a teacher, even if the legal structure of the agreement for the provision of educational services is the implementing institution. It goes without saying that the quality of the teacher, such as its intellectual level, experience, skills in presenting the material, mental attitude, etc. are directly connected to the quality of educational services. Just because of this an educational service can only be appreciated in communicating directly with the teachers, not the administrative staff of the educational institution.

In addition to the above, the problem of inseparability of educational services from direct suppliers can be partially addressed by a certain formality and the materialization of the educational material in the form of textbooks, teaching aids, etc. for assessing possible quality supplied in the course of providing educational services to the knowledge and skills.

The same formalization and the materialization of knowledge can help overcome such a property as impossibility to conserve of educational service. Moreover, these techniques are the basis of the very possibility of the educational services of a particular kind, especially services of distance learning, etc.

Finally, the variability in the quality can be overcome by constructing a system of quality control services, improving the professional skills and qualifications of the teaching staff, maintaining the motivation of teachers and students.

One of the most effective tools in overcoming the problem of variability in the quality is the constant monitoring of customer satisfaction with the quality of services. The toolkit there is really wide. For example the following can be used:

- surveys of students, parents, employers;
- exchange of views on specialized educational websites;
- exchange of ideas and feedback from students / parents on the sites of educational institutions themselves, etc.

Such a way from the perspective providers of educational service to ensure the quality of services is:

- correct assessment of the needs of potential students and other consumers;
- selecting a target segment of the education market;
- creation of the services that can provide the appropriate quality;
- bringing information about the quality of services to potential customers;
- constant monitoring of the rapidly changing needs of the education market as well as the ability offered by the supplier or service provider.

Value chain of educational services with the use of marketing tools for leveling the drawbacks associated with individual characteristics (properties) services as a commodity is shown in the scheme (figure 5):

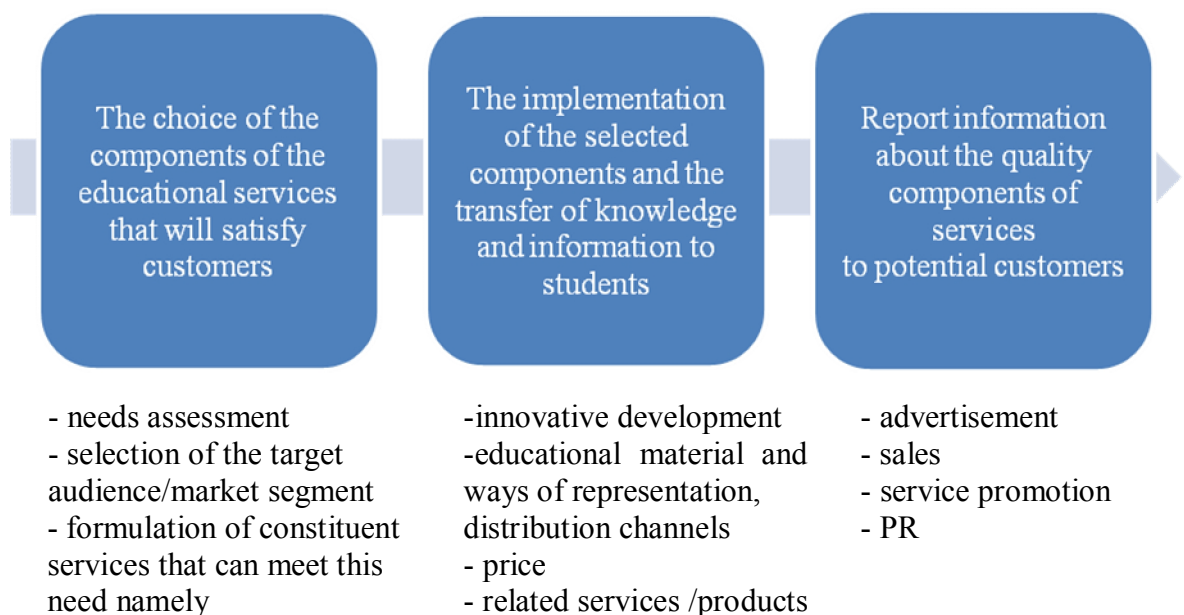


Figure 5 – Value chains of educational services

In connection with the above features of educational services and the specifics of its consumption and production of the standard model of the education market does not exist. In economics, attempts were made to introduce such a model of the market.

According to the “public choice theory” (public choice) of J. Buchanan and G. Tulloch in the state market as well as in the private appears the interaction of supply and demand of individuals, but in a peculiar way. The fundamental feature of this interaction is that it takes place within the political system. In the opinion of the same economists, policy is “a complex exchange process which is similar to the market” [129]. The demand for these goods presents people through their official representatives in the legislature, paying for it through taxes but offering these products state bodies within the financial capabilities of the state. The government determines the amount of goods, their types and quality, as well as specific taxpayers that are making money for their consumption. Martin Carnoy offers a model of demand and supply of educational services [130]. The benefits of education are divided into public and individual for each user, and represent the sum of the benefits of society and consumers. The economic meaning of the model Carnoy is the following: there is a number of educational services, the implementation of which on the level of resource utilization is optimal. Costs of the education services supply will meet the benefits of receiving this education. Such a way there are different approaches to the evaluation model for the interaction of educational services demand and supply. The importance is that this mechanism is regulated by both the market laws and the state. Education market, which is characterized by competition and the fight for the consumer, needs the calculation of the demand.

In our view demand for the education market is inelastic. Reasons for this are in a variety of factors. Educational service is not the product that is bought irrespective of the price on it as essential commodities. The range of possibilities of using product “educational service” is narrow specific alternative targets are not available. The market is dominated by short-term and medium-term programs. The share of education costs in the total budget of the consumer is low. Most of paying for expensive training programs have income well above the average while enrolled in retraining programs usually does not spend on education their own funds. Their study covered by the state (e.g., the unemployed) or the enterprises concerned.

Although there is a factor, somewhat elasticity of demand for educational services is increasing. This is the availability of substitute products. But it should be noted that it is not always the same name of curricula means their equivalence.

In developed market economies indicators of demand elasticity are widely used and consumer preferences are studied. Studies on this issue are held on a large scale for the markets of different products for different periods of time, in the context of individual regions and population groups. In our country work in this direction is also underway. The analysis makes it possible to optimize the performance state policy in the field of education and educational services and for producers to determine the strategy in this market. Yet, a fundamental element of the market mechanism is competition. In economics primarily perfect and imperfect competition are highlighted.

Considering the education market, it should be noted that it is not a market of perfect competition because the important conditions of pure competition, such as the existence of a standard nature of the product, the absence of barriers to entry and exit



from the market, the availability of economic information, the lack of control over the prices of the state are not met. The market is characterized by heterogeneity of both producers of educational services (from major universities to individual tutors) and educational services themselves. Price factor is not always leading. There is an information asymmetry.

Based on J. Robinson [131] and E. Chamberlin [132] study of market competition forms it is possible to conclude about the monopolistic competition (monopolistic competitive) in the educational market so as: the number of organizations offering educational services is significant; the type of services is differentiated; control over the price may be the case, but in a fairly narrow range; the conditions of entry into the industry are relatively light; non-price competition is presented in the form of advertising the status of an educational institution, a sample diploma and so on. Characteristics of the specific economic relations in the education market would be incomplete without consideration of competition form in the education market of higher education.

The author believes that this market is not characterized by monopolistic competition both for the whole of the education market as a whole, but as an oligopoly. The majority of economists such as P. Samuelson [133], R. Dorfman [134], determine “influence” or “rule of the limited number of firms in a given market” which identify the oligopoly as one of the main parameters. As can be seen, the situation at the regional education market fits this definition. Only regional universities may have an impact on a given both price and non-price market of educational services. Confirmation of our hypothesis can be found from E. Chamberlin. The main factor of monopolistic competition by E. Chamberlin, is a monopoly product, not the monopoly of the form. In the education market oligopoly is focused on type of educational services as higher education. By E. Chamberlin, quality competition is more effective than price competition and oligopoly uses non-price competition: the introduction of new learning technologies and new specializations, improving the quality of education, improving the learning environment and other techniques.

In conclusion, it is essential to highlight that forming and functioning of the education services market obey the main market economics rules. Though it has a number of specific features as: high dynamism; territorial segmentation and local character; a significant rate of capital turnover; the high sensitivity of educational services to the market conditions because of the impossibility of their warehousing and transportation; individuality of production, etc. Market relations of educational services production have the specifics related to government intervention and regulation of the most important services, as well as restrictions on private sector activities.

#### **1.4 Internationalization: definitions, rationales, key elements and models**

Higher education has become a real part of the globalization process [135]. Successfully embracing strategies and tactics that will allow a higher education institution to fully incorporate and infuse internationalization strategies across the

curriculum and campus is imperative. Three decades of limited research suggested that institutions of higher education could no longer afford to focus merely on a single dimension of internationalization. This paragraph is dedicated to the review of relevant literature on internationalization and includes pertinent theories and strategies used to internationalize higher education institutions.

Friedman's [136] work focused on real-world events and outlined the effects of the twentieth century on the twenty-first century. In particular the author highlighted what he called the "flattening" of the globe. Friedman explained how the technology revolution, wedded with a heightened dependence on globalization, caused the flattening of the globe. The focus of the author's work outlined how countries, companies, communities, individuals, and governments and societies can, and must, adapt. The ability for firms in the twenty-first century to be agile and resilient to an ever-changing global landscape became the mantra of the work. The connections and relevance to the internationalization of higher education institutions throughout the globe was of particular interest.

As late as the 1980's, internationalization as a term and as a concept referred simply to sending students overseas through study abroad programs to expose them other cultures [137]. Earlier, in the 1960's international education took on a public-service and research dimension. Today internationalization refers to a complex set of actions, synergies, and partnerships. These tactics cover curricular redesigns and collaboration, student exchanges, foreign language study, joint research and publishing partnerships, public diplomacy fostered by the institutional leadership, and the pursuit of profit through fundraising and recruiting overseas students [138].

Internationalization and interculturality, as terms to describe specific efforts within education, have also been used interchangeably throughout much of the research and literature [139].

Defining internationalization is a complex task, as multiple definitions of internationalization exist. Depending on the interpretation HEIs adopt, it influences their approach to internationalization.

Early definitions describe internationalization in regards to the international activities universities engage in, and do not necessarily call for a university wide internationalization plan. For Harari [140] and Arun and van de Water [141] internationalization refers to the multiple activities, programs and services that fall within international studies, international education exchanges and technical cooperation. This definition focuses on three elements: (a) international content of the curriculum, (b) international movement of scholars and students concerned with training and research, and (c) international assistance and cooperation.

European Association for International Education moved away from an activity-oriented definition by stating: "internationalization being the whole range of processes by which higher education becomes less national and more international oriented" [142]. This definition highlights the growing interest on internationalization as a process within HEIs and the emphasis on international cooperation rather than as a set of individual activities.

Van der Wende [143] revised his previous definition on internationalization based on international activities and presented a new one following an outcomes-oriented approach. For him internationalization is “any systematic effort aimed at making higher education (more) responsive to the requirements and challenges related to the globalization of societies, economy, and labor”. According to van der Wende, this definition describes the internationalization of HEIs as a response to the global interaction of cultural, political and economic processes that transcend national borders [144]. However, as Knight [145] argues, this definition neglects to acknowledge the education sector’s context where HEIs function.

Rudzki [146] defines internationalization as a “process of organizational change, curriculum innovation, staff development and student mobility for the purpose of attaining excellence in teaching, research, and the other activities which universities undertake as part of their function”. Soderqvist also presents a definition of internationalization focusing on institutional change. According to Soderqvist [147], internationalization is defined as a change process from a national higher education institution to an international higher education institution leading to the inclusion of an international dimension in all aspects of its holistic management in order to enhance the quality of teaching and learning and to achieve the desired competencies.

Mestenhauser [148] explains internationalization as, “the internationalization of education is a program of change aiming to make international education a super-ordinate field of knowledge, inquiry and application, which is interdisciplinary, multi-dimensional and multi-cultural”.

Three individuals have had a significant impact on the ways in which we use, understand, and define the term internationalization. They are Jane Knight, Hans de Wit, and, more contemporarily, Peter G. Altbach. The three authors have been active and engaged in the internationalization conversation for some time and have on a number of occasions collaborated on works and argued with one another about best practices and nuanced definitions [149; 150].

All three researchers have made their mark on the semantics of the term and the collective operationalization of putting rhetoric into reality and thoughts into action; and in one instance Hans de Wit decrying that internationalization had officially come to an end [151].

The term, internationalization, has been used for centuries in political science and governmental relations, but its popularity in the education sector has really only soared since the 1980’s [152]. Knight’s [142, p. 3] definition of internationalization is as follows: “*Internationalization of higher education is the process of integrating an international dimension into the teaching/learning, research and service functions of a university or college. An international dimension means a perspective, activity or service which introduces or integrates an international/intercultural/global outlook into the major functions of an institution of higher education*”.

Knight cautioned readers that internationalization meant different things to different people and warned that internationalization was often used interchangeably with the term globalization. Other synonyms were also highlighted, such as international, global, intercultural and multicultural education. De Wit’s definition of

internationalization was indeed more direct and concise: “Internationalization is defined as the process by which education is developed into a more international direction”. However, something seemed to be missing from de Wit’s definition and that was clarity. Knight’s definition gave further meaning to internationalization as a term and allowed for a more comprehensive understanding of what was meant by a higher education institution having an international dimension, something that remained ambiguous in de Wit’s articulation.

In 2003 Knight revisited the definition proposed in 1994 and introduced new language that would allow for internationalization to relate to all aspects of education within the context of the greater society. Knight [145, p. 3] further argued for a focus on the dichotomy between the institutional level and the national level: “Internationalization at the national, sector, and institutional levels is defined as the process of integrating an international, intercultural, or global dimension into the purpose, functions or delivery of postsecondary education”.

Altbach’s [153] seminal work was beneficial because it outlined potential downsides to internationalizing a higher education institution; this being one of the few voices dedicated to discussing barriers and obstacles to the process of internationalization. Altbach outlined a number of key challenges that included the ambiguity surrounding the standardization of programs and accreditations for international programs. The author also dedicates research to the “unpacking” of the realities of internationalization and the effects these efforts have had on developing nations and the free market [154]. These considerable disadvantages were in stark contrast to the majority of the literature that praised internationalization efforts. Altbach argued that operationalizing and implementing internationalization efforts successfully at most higher education institutions was difficult but necessary. Higher education executives have to fully comprehend the limitations of their institutions, resources, and overall abilities before crafting a strategic plan or undertaking specific strategies.

Svensson and Wihlborg [155] presented a multidimensional argument for the importance of a collaborative approach between internationalization of a higher education institution and the globalization of a country as a whole. Here the distinction between the two terms became paramount. The authors argued that at both the national and institutional levels it was critical that there be an alignment of policies and principles for a higher education institution to successfully internationalize.

The research also further explored how internationalization strategies being undertaken at an institution were often directly influenced by political, economic and organizational restrictions; the result was often a constriction on pedagogical considerations and academic freedom. Svensson and Wihlborg’s work was in many ways connected with Senge’s [156] work with the importance placed on aligning systemic operations towards common goals and outcomes.

Finally, the Institute of International Education’s [157] “Open Doors Report” allowed for a longitudinal exploration of the trend-lines of internationalization within US higher education. The report, which has been collecting data since 1954, has

received support from the Bureau of Educational and Cultural Affairs and the US Department of State since 1972.

The study gave quantitative data on a far reaching range of topic areas. This includes data for both the US and various other key stakeholders around the world. Data sets specific to the US outlined top states hosting international students, top higher education institutions hosting international students, study abroad trends, leading study abroad destinations of students, and international student trends. The report was referenced by both the US government and by many scholars working in the field of internationalization and globalization.

Study abroad programs and international student recruitment and retention (i.e. student mobility) are occurring at various degrees throughout higher education institutions and these two strategies were pointed to by much of the literature as key indicators of internationalization efforts [158; 159]. However, higher education institutions and their executives have a wide array of tactics and strategies to select from to effectively tap into the global intellectual commons and reap benefits. *Strategies for internationalizing a higher education institution* vary depending on the institutional design and structure, geographical location, and the overall mission of the academic institution.

De Wit [160] detailed the internationalization process by way of an anthology of key works. De Wit summarized the conceptual and regional aspects of strategies of internationalization resulting from workshops and discussions held by leading researchers who authored works detailing internationalization efforts across the globe. The focus of much of the research and findings dealt directly with study abroad programs and international student recruitment; the emphasis on student mobility was a major highlight of the work. De Wit [161] once again focused on one specific factor of internationalization and that was student mobility.

The American Council on Education's "Mapping Internationalization on US Campuses" 2008 and 2012 editions acted as roadmaps for higher education executives. These studies prepared a comparative analysis between findings collected in 2001 with a more recent 2006 study. Linkages were made between the two data sets and a number of key findings were highlighted and presented in the report. Takeaways from the 2008 edition included specific indicators of internationalization at a higher education institution that ranged from subtle to extreme [162]. The strategies presented were taken directly from the 2008 edition. The indicators of internationalization according to the report were:

- *Institutional Support*: including stated institutional commitment, organizational structure and staffing, and external funding;

- *Academic Requirements, Programs, and Extracurricular Activities*: including foreign-language requirements and offerings, international/global course requirements, education abroad, use of technology for internationalization, joint degrees, and campus activities;

- *Faculty Policies and Opportunities*: including funding for faculty opportunities and criteria for promotion, tenure, and hiring;

- *International Students*: including enrollments, recruiting targets and strategies, financial support for international students and programs and support services.

The list was neither ranked nor exhaustive. Moreover, the four categories presented are broad and each encapsulates a number of strategies introduced to capture the complexities of effective internationalization. The 2012 edition [163] expanded on these four categories and presented six key focus areas that allowed for “comprehensive internationalization” by way of interconnected targets for introducing policies and programs. The six target areas were as follows:

- *Articulated Institutional Commitment*: Mission statements, strategic plans, and formal assessment mechanisms;

- *Administrative Structure and Staffing*: Reporting structures and staff office configurations;

- *Curriculum, Co-curriculum, and Learning Outcomes*: General education and language requirements, co-curricular activities and programs, and specified student learning outcomes;

- *Faculty Policies and Practices*: Hiring guidelines, tenure and promotion policies, and faculty development opportunities;

- *Student Mobility*: Study abroad programs, and international student recruitment and support;

- *Collaboration and Partnerships*: Joint-degree or dual/double-degree programs, branch campuses, and other offshore programs.

According to Childress [164] little is known about institutional plans for internationalization. Moreover, a unified approach to crafting, assessing and implementing a strategic plan specific for internationalization had not yet been widely accepted. Childress’ article presented the results of a study conducted with the American Council on Education’s “Center for International Initiatives” on the “types, prevalence, development, implementation, and monitoring of internationalization plans at member higher education institutions”.

The work highlighted the importance of academic institutions crafting a strategic plan in order to design, drive and evaluate internationalization at a higher education institution. Coordination of a guiding document was vital, it was argued, to the success of internationalizing a higher education institution. Childress’ findings were startling in that many member institutions did not have a comprehensive strategic plan to address specific institutional needs.

The study did, however, identify five overarching benefits and functions of internationalization plans: an internationalization plan serves as a (a) roadmap for internationalization, (b) vehicle to develop buy-in, (c) mechanism for explaining the meaning and goals of internationalization, (d) medium for interdisciplinary collaboration, and (e) tool for fund-raising. The use of a strategic plan focused solely on internationalization was an important concept that was a constant theme throughout the literature.

Bruce [165] constructed, through his research, another onramp for higher education executives to drive towards implementing internationalization within their higher education institutions. Grounded in the literature, Bruce’s study proposed a

research model that operationalized institutional design of higher education institutions in two distinct, but interconnected categories: 1) organizational structures, which includes leadership, staff, administrative units, and the concentration of structures and 2) international networks, which includes the type of international network and the network size.

According to Bruce [165, p. 7] there were four key areas of organizational structures that allowed for internationalization efforts to be introduced and sustained: 1) the presence of a specialized leadership for championing internationalization processes, 2) the presence of shared governance that provide oversight to internationalizing efforts, 3) adequate staffing levels, and 4) the size of the international network.

Bruce further recommended policy implications and opportunities for higher education executives. The author suggested that higher education executives focus on two critical dimensions to secure progress in the international agenda of higher education institutions. Bruce wrote: “First, they need to focus on generating positive routines and capabilities that help institutions to respond more effectively to international pressures. Second, they need to put in place adequate organizational structures that help these routines to generate and to entrench in the core of the organization” [165, p. 23-24]. Putting in place adequate leadership structures for higher education executives, such as an individual charged with overseeing internationalization efforts at the executive level, was critical to informing and identifying gaps in the strategies and tactics that a higher education institution was putting in place. For Bruce, the solution to the findings of the gap-analysis was policy recommendations. According to the author, in order to have a fluid and sustainable process the need for buy-in and engagement at the executive level was paramount.

Cummings and Finkelstein [166] investigated the classroom and detailed the importance of faculty buy-in and curriculum design. These factors acted as a melting pot where an international dimension could be found in the pedagogy. Also this article suggested that internationalization in teaching activities may be linked to attitudinal characteristic of those in the classroom. The relevant findings in the authors work were that they offered a strategy that could be used to increase faculty engagement. Cummings and Finkelstein argued that two key tactics could be used to fuel faculty interest in internationalization: collaborative publication with foreign faculty and teaching abroad. Higher education executives that garnered resources towards this end, argued the authors, would see increased participation of the faculty in the overall internationalization of a higher education institution’s classrooms.

Schoorman [167] took another approach to providing a roadmap for institutions that relied on three areas of focus: (1) university services; (2) curriculum development; and (3) co-curricular engagement. Much like Childress’ work, Schoorman championed the need for internationalization to be fully woven throughout the academic fabric of a higher education institution. The reach and scope of the international dimensions at the institution should be widely and constantly felt by all constituencies of the higher education institution’s campus community. This meant that the services provided, the teachings, and the extracurricular activities were

all united around a common front of international and intercultural understanding. This was no easy feat. Schoorman presented a top-down approach to achieve these goals. Schoorman argued that without the support from the higher education executives and those making the decisions on campus this could be a daunting task. However, the author did argue that activating the students, faculty and the alumni base could have a powerful impact on creating change throughout a higher education institution. By engaging key stakeholders and converting them to shareholders, Schoorman presented a guidepost for enacting and anchoring change at a higher education institution. A greater focus on the use of communication and information technology to internationalize higher education institutions has also taken place since the 1990's [168]. With a technology revolution that has allowed for the instantaneous crosspollination of ideas and information, higher education institutions can benefit from harnessing these communication platforms towards their long and short term goals. Utilization of virtual environments and online learning modules to reinforce internationalization on campuses has been seen as a cost-effective strategy [169].

However, research conducted that studied the intersection between internationalization and information technology has shown that although communication technology can aid in the process it is by no means a driving force for successful integration of internationalization of a higher education institution's campus community. The use of social media sites were excellent and efficient recruiting tools, however, online forums and virtual classrooms actually created barriers. According to researchers, social media was a superficial approach to intercultural understanding and engagement, and did little to fully embrace and disseminate multicultural perspectives and ideas at the core of internationalization efforts.

The use of technology as a developing mechanism for global engagement was not fully understood or effectively utilized [171]. These claims, at first, seem counterintuitive, but as Friedman pointed out, the technology revolution throughout the twentieth and twenty-first centuries was still developing and systems were continuously learning and relearning ways to use new technologies effectively.

Altbach and Knight [150, p. 12] collaborated and discussed the differences between globalization and internationalization as being interconnected and related, but not the same thing. The motivations for internationalization were also discussed and this allowed for an in-depth analysis of the benefits of internationalizing a higher education institution. These benefits included an obvious commercial advantage, knowledge and language acquisition, enhancing the curriculum with international content, and many others. Specific initiatives such as "branch campuses, cross-border collaborative arrangements, programs for international students, establishing English-medium programs and degrees, and others" were also discussed at length. The article outlined a list of internationalization efforts that a higher education institution could adopt and include in their strategies.

Britez and Peters [170] argued for the construction of an alternative higher education institution tasked with the sole responsibility of creating globally aware



students. This required the creation of alternative higher education institutions that focused on internationalization and the global context.

In this newly designed environment students would have a higher education institution to attend that was fully concentrated on internationalization strategies. Therefore, Britez and Peters explained, the creation of a distinctive higher education institution was one strategy that would allow a higher education institution to brand itself in a unique and dynamic way. This also gave a higher education institution a competitive advantage when it came to recruiting both domestic and international students. An important assertion proposed by Britez and Peters argued for higher education institutions that were designed in a way that allowed for global engagement and had internationalization as the core pillar in both its strategic plan and actions and guiding principles. The creation of this type of institution required a great deal of coordination, passion, drive and determination. Britez and Peters concluded that a highly internationalized higher education institution does not currently exist.

De Wit [172] organized various assessment pieces ranging from the American Council on Education's "Internationalizing the Campus" and NAFSA's "Assessing Best Practices in Internationalization" (ABPI) along with an annual report entitled "Internationalizing the Campus: Profiles of Success at Colleges and Universities since 2003". De Wit's research attempted to create a universal assessment template that could be used by higher education institutions around the world. Knight pushed back and argued that a one-size-fits-all assessment approach would not work. Knight argued that different nations have unique needs and therefore a standardized assessment tool would not rank or rate institutions appropriately or fairly.

Altbach identified top higher education institutions in a newly released ranking report. It is in this report that Altbach once again focused on student mobility; this becomes the main mechanism of measurement in creating a classification system that identified highly internationalized higher education institutions.

Wright [173] explained that the sustainability of internationalization strategies was vital to the long-term success of higher education institutions that have been regarded as highly internationalized.

To fashion long-term initiatives and policies researchers and higher education executives have argued that specialized operations do not work; instead, an integrated approach has been argued. The integration and alignment of internationalization strategies and tactics on a systemic scale requires that an innovative and comprehensive blueprint be created and followed by the higher education institution and its higher education executives. This point is taken further by Yao [174], who investigated study abroad programs at research focused higher education institutions in the US. Yao makes clear that study abroad programs must be successfully coordinated with the other operational aspects of the higher education institution in order to be successful. Strategies that stand alone, or that are not fully integrated into the curricular and operational aspects of a higher education institution, were not nearly as effective.

Just as several definitions and approaches to internationalization can be described, several *rationales or motivations for the internationalization* of higher

education exist. According to de Wit [175], rationales serve as means to an end toward internationalization providing the “why” HEIs engage in internationalization efforts. When analyzing rationales, it is important to acknowledge that several stakeholders (from the government sector, private sector, or education sector) influencing HEIs have an impact on the HEI’s selection of rationales.

Furthermore, within the educational sector should also be distinguished among three subgroups: the institutional level, the academic and their departments, and the students. At the same time, these subgroups have their own rationales for internationalization. As these subgroups interact, their rationales may overlap leading to a combination or change of rationales guiding the internationalization process. Knight [144, p. 25] further explains that the rationales HEIs decide to follow are associated with “factors that range from mission, student population, faculty profile, geographic location, funding sourcing, level of resources, and orientation to local, national, and international interests”.

The following literature review shows the driving rationales in HEIs over the past decades:

Aigner et al. [176] suggest three main rationales for internationalization that are interrelated and not mutually exclusive in nature: (a) interest for national security, (b) maintenance of economic competitiveness, and (c) fostering of human understanding of across nations.

Scott [177] articulates seven rationales for global education imperative. According to Scott, they are: (a) economic competitiveness, (b) environmental interdependence, (c) increasing ethnic and religious diversity of local communities, (d) the reality that many citizens work for foreign-owned firms, (e) the influence of international trade on small business, (f) the fact that college graduates will supervise or be supervised by people of different racial and ethnic groups than their own, and (g) national security and peaceful relations between nations.

Warner [178] identifies three different models as imperatives for internationalization. In the *market model*, HEIs are forced to compete for “markets, ideas, and influence...” HEIs, hence, become competitive by introducing a relevant international dimension into the curriculum, preparing students to be able to work in the global market place that requires intercultural skills and knowledge of the interconnectedness of the world.

Warner’s second model, the *liberal model* shifts from global competition to global cooperation. The goal for this model is for HEIs to prepare students to become world citizens. “The liberal model stresses activities such as the broadening of the cultural framework in the curriculum, international exchanges and collaboration with a broad range of countries, programs, and events to enhance global conspicuousness”.

The *social transformation model*, Warner’s last model, builds upon the liberal model adding the “dimension of critical social analysis”. The social transformation model calls upon a curriculum that will give students a deep awareness in international and intercultural issues dealing with equality and justice, and provide the necessary skills to promote social change.

Knight and de Wit [179] recognize two groups of rationales for internationalization: economic and political, and cultural and educational. In a later study, Knight [11, p. 23] divides the two groups into four separate rationales:

- *economic* - based on economic growth and competitiveness, the labor market, and financial incentives for institutions and governments;
- *political* - foreign policy, national security, technical assistance, peace and mutual understanding, national identity, and regional identity;
- *socio-cultural* - national cultural identity, intercultural understanding, citizenship development, social and community development;
- *academic* - international dimension to research and teaching, extension of academic horizon, institution building, profile and status, enhancement of quality, and international academic standards.

In 2003, the International Association of Universities (IAU) surveyed its members on the practices and priorities of HEIs toward internationalization. The survey reports 12 top rationales for internationalization [180]. These are: Mobility and exchanges for students and teachers, teaching and research collaboration, academic standards and quality, research projects, co-operation and development assistance, curriculum development, international and intercultural understanding, promotion and profile of institution, diversify source of faculty and students, regional issues and integration, international student recruitment, and diversify income generation. In 2005, the IAU surveyed its members again and the universities' responses demonstrate a shift toward a cultural competences rationale. While in 2003 the top rationales were mobility and exchange of students and teachers and teaching and research collaboration, in 2005 they were "to increase student and faculty international knowledge and intercultural understanding and to strengthen research and knowledge capacity production" [181].

In review, rationales serve as the founding pillars of the internationalization process. Since these rationales are not mutually exclusive, HEIs must have a clear understating of "Why" internationalization is significant for the institution. Which rationales HEIs decide to follow, as Knight comments, will depend on the institution's history, resources, and the stakeholders' influences. The complex definition of internationalization suggests many *elements are present in the internationalization process* that can either hinder or promote internationalization. According to Knight [142, p. 5], "these elements may be called key ingredients, mechanisms, facilitators, barriers, factors, steps". In addition, these elements can be divided into two groups: *organizational factors* (such as the mission statement, annual planning, or assessment review) and *academic programs* and services.

Several researchers have written on the most significant elements on internationalization though they do not necessarily distinguish them between Knight's two groups. In the academic programs and services groups, researchers such as Aigner, Audas, Francis, Harari, Knight, Mestenhauser, Paige, Scott list as the most significant elements: an internationalized curriculum, foreign languages, study abroad programs, international students and scholars, international linkages, and cooperation with other universities. The same researchers list as most significant organizational

factors: leadership from the organization (including mission statements, strategic plans, institutional commitment and ethos, and policies, among others), faculty and staff development and involvement, and support (from budget and resource allocation to structures to sustain internationalization). Knight [149, p. 25] emphasizes the importance of organizational factors stating the focus on organizational strategies is what distinguishes the process approach from the other approaches. By stressing the importance of integrating the international dimension into the institution's mission statement, planning and review systems, policies and procedures, hiring and promotion systems one is working toward ensuring that the international dimension is institutionalized. Knight's [144, p. 14-15] institutional levels of organization strategies are shown in table 1.

Table 1 – Institutional level organization strategies

Institutional Level	Organization Strategies
Governance	Expressed commitment by senior leaders Active involvement of faculty and staff Articulated rationale and goals for internationalization Recognition of an international dimension in institutional mission statements, planning, and policy documents
Operations	Integrated into institution-wide and department/college-level planning, budgeting and quality review systems Appropriate organizational structures Systems (formal and informal) for communication, liaison, and coordination Balance between centralized and decentralized promotion and management of internationalization Adequate financial support and resource allocation systems
Services	Support from institution-wide service units, i.e. student housing, registrariat, fund-raising, alumni, information technology Involvement of academic support units, i.e. library, teaching and learning, curriculum development, faculty and staff training Student support services for incoming and outgoing students, i.e. orientation programs, counseling, cross-cultural training, visa advice
Human Resources	Recruitment and selection procedures that recognize international expertise Reward and promotion policies to reinforce faculty and staff contributions Faculty and staff professional development activities Support for international assignments and sabbaticals

To date, the studies described in the following text have reinforced the importance of these elements combined or individually on internationalization.

Afonso [182] studied the internationalization dimension of 104 American Research I or Research II universities as categorized by the Carnegie Foundation. In her study, Afonso developed an international dimension index (IDI) to measure and rank universities on their internationalization practices on seven specific dimensions: foreign language curriculum, international curriculum, foreign students, international movement of faculty, international development assistance, and advance training and research. According to Afonso, the primary purpose of [her] study was to examine

the nature of international education and to provide a single multivariate measure of the international dimension within individual institutions.

Following Afonso's steps, Krane's [183] quantitative study presented an IDI for liberal arts colleges to "describe variation in degree of internationalization among those institutions, and identify institutional characteristics that contribute to the variation in degree of internationalization". The significance of both studies lies in demonstrating the multi-faceted nature of internationalization, and the correlation between the curriculum, faculty, students, administrators and staff. "These indicators were simple measures of the results of internationalization including international and area studies, study abroad, and foreign languages" [184].

Ellingboe's [185] two major qualitative research studies on U.S. universities resulted on the identification of six dimensions of internationalization. The significance of Ellingboe's study focuses on the fact that "five of these dimensions - faculty involvements in international activities, an internationalized curriculum, study abroad, international students and scholars, and college leadership - appear in almost all of the internationalization documents and as such represent key components cross-nationally" [186].

Petronis [187] studied the internationalization of business schools by focusing on 10 of the most frequent elements on internationalization: foreign language offered, foreign students enrollment, business language requirement, business faculty language fluent, international courses offered, international instructional methods use, student exchange opportunities, faculty exchange experiences, international faculty development options, institutional students enrollment, and business component student enrollment. Based on those 10 elements, Petronis developed an internationalization of business component index (ICBI) measuring "the level on internationalization of institutional business components".

According to the NAFSA (Association of International Education Administration), the following organizational factors are responsible for building commitment within the institutions toward internationalization: (a) a shared vision and common understanding of why internationalization is important for the institution, (b) a shared ownership, where each stakeholder is engaged in working toward internationalization, hence, contributing to a long-term sustainability of change, (c) planning and evaluation, establishing clear long term goals and intended (expected) outcomes toward internationalization, (d) information and communication among the different stakeholders, vital for the assessment process, (e) staff development, investment in human capital to promote knowledge and understanding of capabilities needed to effectively implement changes, and (f) consideration of internal and external factors. These six elements embody the union of the organizational factors and academic programs and services [188].

In 2002 the American Council on Education (ACE) selected eight HEIs to be part of an internationalization collaboration project. From the internationalization project, ACE later published a campus case studies report on internationalization of the eight HEIs. The report called *Promising Practices: Spotlighting Excellence in Comprehensive Internationalization* [189] measured the universities' efforts and

challenges on seven specific elements: an intentional, integrative, and comprehensive approach; strong leadership from the top from presidents and other senior leaders as the chief international educator administrator; committed leadership throughout the institution; widespread faculty engagement, a commitment to meeting students needs; an ethos of internationalization; and finally supportive structures and resources. This report reinforces the concept that internationalization efforts are shaped by more than one element, and a holistic/comprehensive approach should be considered for internationalization to be fully embedded into the institution.

Acknowledging the systematic nature of internationalization, the following *six different organizational models* present a descriptive and prescriptive methodological and analytical tool to assess and promote the institutionalization of internationalization.

The first model by Neave's [190] is a *paradigmatic model* for servicing and administering international cooperation. Neave's model was based on the analysis of global cases written for the UNESCO. Two paradigmatic models, one "leadership driven" and the second one "base unit driven" describe Neave's model. Neave's model main feature is the "lack of formal connection below the level of the central administration, while the second model sees such central administrative units mainly as service oriented to activities coming from below" [143, p. 126]. It is inherent in Neave's model, therefore, that a difference exists between the centralized and decentralized models of internationalization. In addition, Neave classifies them as managerial rational versus the academic consensual models. For Neave, these two models are "as opposite ends of a species of continuum, where structures administering international co-operation which mould around one paradigm may in certain specific conditions, move toward the opposite end of the continuum" [190, p. 166]. He continues saying, "the administrative structures of international co-operation (should be) continually provisional". To facilitate the analysis, Neave combines the leadership and base unit model for administration in a matrix with definitional and elaborative scopes of institutional strategy.

Rudzki criticized Neave's model due to its lack of practical application and self-evidence. As a result, Rudzki presented his own model for internationalization. Rudzki's model looks at internationalization through four main components: mobility, staff dimension, curriculum innovation, and organizational change. In addition, Rudzki proposes that internationalization can take place in a continuum that ranges from a proactive to a reactive model to internationalization [191].

*The reactive model* presents five stages:

Stage 1. *Contact*: Academic staff engages in contacts with colleagues in other countries; curriculum development; limited mobility; links lack clear formulation of purpose and duration.

Stage 2. *Formalization*: Some links are formalized with institutional agreements. Resources may or may not be available.

Stage 3. *Central control*: Growth in activity and response by management who seek to gain control.

Stage 4. *Conflict*: Organizational conflict between staff and management leads to withdrawing of good will by staff. Possible decline in activity and disenchantment.

Stage 5. *Maturity or decline*: Possible move to a more coherent, that is, proactive approach.

*The proactive model* presents the following stages:

Stage 1. *Analysis*: Awareness of what internationalization is and what entails. Strategic analysis of short-, mid-, and long-term organizational objectives, answering the question “Should we internationalize?” and “Why bother”, staff training and discussions-understanding of options- what types of international activities are available, International audit of existing activities and staff audit, SWOT analysis. Cost-benefit analysis.

Stage 2. *Choice*: Strategic plan and policy drawn up in conjunction with staff and explicit use made of mutual interest of staff and organization. Performance measures defined. Resources allocated. Networking with internal and external organizations.

Stage 3. *Implementation*: Measure performance.

Stage 4. *Review*: Assessment of performance against policy and plan.

Stage 5. *Redefinition of Objectives-Plan-Policy*: Process of continual improvement and the issues of quality this entails. Return to stage 1 in cycle of growth and development.

Rudzki revised his model later into what he called the *fractal process model of internationalization*. In the revised version, Rudzki adds a hierarchical assessment of the “Context” (referring to the external environment), the “Approach” (referring to the culture and history of the institution), and the “Rationale”, followed later by the analysis of the four actions /dimensions international activities, monitoring and periodic review, and finally adjust and reconceptualisation. According to Rudzki [191], “this six stage process model allows individuals as well as institutions to undertake an analysis of the actions and issues that must be addressed, and to perform that analysis in the correct sequence”. Rudzki’s model presents some shortcomings. First, the distinction made between context and approach. The internal organizational characteristics that define the approach level could be included in the context, having then an internal and external context. Secondly, the hierarchical order used implies that the approach (organizational culture and history) is less important than the external environment when making strategic decisions. Finally, according to de Wit [143, p. 128], the selection of the four dimension of internationalization can be questioned. First, the model uses the generic variable such as organizational change together with three more concrete activities, and finally, “because of his subjective choice of the three activities, curriculum development, staff development, and student mobility, excludes other program strategies or place them under organizational change”.

The next *organizational model*, Davies [192], centers his model “on the need for universities to develop a framework for their internal activities in response to changes in the external environment” [143]. Davies designs his model based on G. Keller’s [193] work *Academic Strategy*. Keller’s well known work presents a strategic

planning chart for HEIs (figure 6) listing two factors and six elements for the development of strategies—three related to the external factor and three to the internal aspect of the institutions.

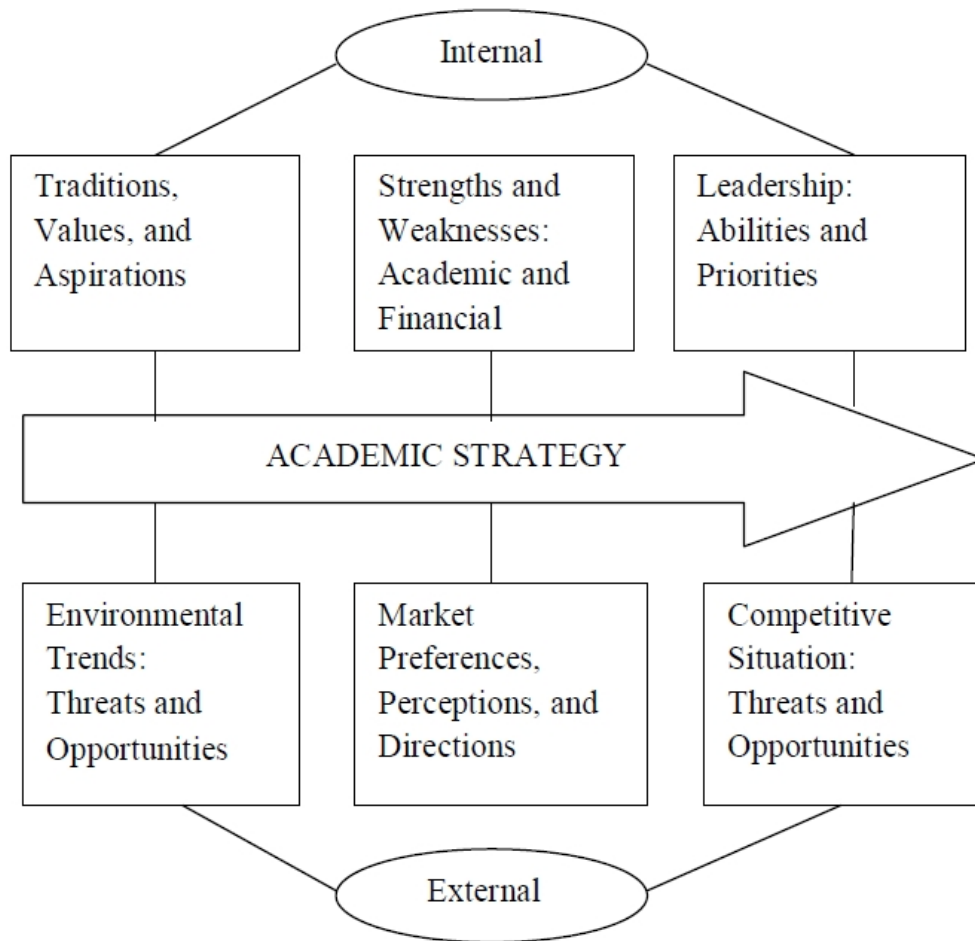


Figure 6 – Keller’s Elements in the Development of International Strategy in universities

Davies’ model [192], prescriptive in nature states: “A university espousing internationalism should have clear statements of where it stands in this respect, as its mission should influence planning processes and agendas and resource-allocation criteria, serve as a rallying standard internally and indicate to external constituencies a basic and stable set of beliefs and values”.

As a result, Davies conceptual framework facilitates the analyses of the internationalization process through two dimensions: organizational policies (defined as the importance attached to internationalization aims) and organizational design (defined as explicit procedures and systematic manner international activities are managed). According to Davies, organizational design can be assessed within a spectrum of Ad -hoc (sporadic, irregular, no procedures in place) or systematic (intensive involvement in international activities with structures in place), while policy can be considered marginal or integral to the university’s policies, creating another spectrum from marginality to centrality.



These two dimensions can be “combined in a matrix and universities may place themselves in one or other of the four quadrants”. These quadrants are (figure 7): (a) Quadrant A – Ad-hoc- Marginal: International efforts within the university are very small, sporadic and marginal to the university policies. (b) Quadrant B – Systematic-Marginal – International efforts are still small but institutions show some organizational structures. Some relative level of strategic planning took place. Staff training is available but limited. (c) Quadrant C – Ad-hoc Central – The amount of international efforts are seen across a number of different categories and a wide range of market segments and client groups. Acceptance of projects is based on “knee-jerked basis and support services are often not geared toward international effort and ground rules change rapidly”. (d) Quadrant D – Central- Systematic – Universities present a large volume of international activities, which reinforce each other and have intellectual coherent. The “international mission is explicit and followed through with specific policies and supporting procedures” [192, p. 188].

	Ad hoc	Systematic	
	A	B	Marginal
	C	D	Central

Figure 7 – J.M. Davis Matrix Model, Institutionalization of Approaches to Internationalization in universities

The fourth model by van Dijk and Meijer [194] came out as a result of a study on internationalization carried out in the Netherlands. The study intended to further the understanding of the internationalization process in higher education institutions. Following their analysis, van Dijk and Meijer decided to expand Davies’ model by adding a support dimension (referring to type of support available for international activities). As a result, van Dijk and Meijer *Internationalization Cube* presents the following three dimensions and specific level associated with each dimension: Policy – can be either Priority or Marginal, Support – either Interactive (support provided with interaction between central, faculty, and departmental levels) or Unilateral/One-sided (support provided at the central or peripheral level), and Implementation – either Structural/Systematic or Ad hoc.

This model has eight cells (table 2) and institutions can be positioned “in one of the cells of the cube produced by this three dimensional model... The model is not intended to be normative. It seeks to help in explaining the development of internationalization where there is an active international strategy”.

Table 2 – Van Dijk and Meijer Internationalization Cube

A (Policy)	B (Support)	C (Implementation)
Marginal	One-sided	Ad hoc
Marginal	One-sided	Systematic
Marginal	Interactive	Ad hoc
Marginal	Interactive	Systematic
Priority	One-sided	Ad hoc
Priority	One-sided	Systematic
Priority	Interactive	Ad hoc
Priority	Interactive	Systematic

According to the van Dijk and Meijer’s model, three different routes are identified for HEIs to achieve internationalization [143, p. 133]:

*Route 1-2-6-8*, indicating a thoughtful approach and a well-structured organizational culture, defined by them as “*slow starters*”.

*Route 1-5-6-8*, indicating strong international commitment and an organized institutional culture, defined as “*organized leaders*”.

*Route 1-5-7-8*, indicating a quick response to external developments, a great variety of activities at different levels, and much commitment, which is only at a later stage organized in a more systematic way, defined as “*entrepreneurial institutions*”.

The remaining two models of internationalization, van der Wende and Knight differ from the previous models as they adopt a process approach (rather than organizational) to strategizing and assessing the output internationalization.

*Van der Wende’s model* recognizes three important factors for internationalization. The first factor is the goals and strategies toward internationalization (as defined by the university itself and other (inter) national policies). The second factor corresponds to the implementation of the goals and strategies in three particular areas: student mobility, staff mobility, and curriculum development. The last factor to consider is the effects of the implementation phase. Within this phase, the model analyses the short term effects on student mobility, staff mobility, and curriculum development, and the long term effects on the quality of education, output, and the position of the institution.

According to van der Wende herself, her model presents two limitations. First, van der Wende’s model focuses only on three specific international educational activities leaving out other significant indicators of internationalization. Secondly,

van der Wende recognizes that her description of motives is too narrow as it only uses formal policy documents.

The final process model designed by Knight describes internationalization as a cyclical-continuous cycle rather than linear. Knight's [142, p. 12] *Internationalization Cycle* presents internationalization as the results of six sequence-two-way-flow steps encircled by a supportive culture that integrates internationalization. According to Knight, "the proposed cycle has six phases which colleges and universities would move through at its own pace".

The six phases are: (a) Awareness (of the need, purpose, and benefit of internationalization for staff, students, faculty, and society), (b) Commitment (by senior administration, Board of Governors, faculty, staff, and students), (c) Planning (identify needs and resources; purpose and objectives; priorities; strategies), (d) Operationalize (academics activities and services; organizational factors; use guiding principles), (e) Review (assess and enhance quality and impact of initiatives and process of strategy), (f) Reinforcement (develop incentives, recognition and rewards for faculty, staff and students participation).

Knight's Internationalization Circle can be questioned on several aspects. First, due to its lack of explicit attention to the external environment, the model fails to acknowledge that the external environment influences HEIs, shaping its responses and forcing HEIs to adapt and change. Secondly, the emphasis on the six steps mentioned above, overlooks the existent link and power among the different departments and schools in an institution.

Due to their models deficiencies, Knight and van der Wende develop a modified model version unifying both models. The new nine steps model includes van der Wende's three steps - analysis of the environment as first step, an implementation analysis, and an integration effect-, and Knight's six steps. The new model, though, still focuses on a process view of internationalization, incorporates an analysis "in all the phases of the institution, both the institutional and the specific departmental aspects..., as well as the link between them" [143, p. 137].

The role of the chief executive as institutional leader and visionary in shaping internationalization at an institution has never been more important as we enter into the next decade of a new century. Interdisciplinary, cross-border research and discovery are now the norm and a new, clear expectation have been made that students will be prepared to live, work and contribute to an interconnected world. Sullivan's [195] research investigated *higher education executives' perspectives on internationalization* on a global scale. Three hundred and fifty higher education presidents, vice-presidents, and deans from thirty-three countries and sixty-five institutions participated in the study. The study found that higher education executives were most invested in planning and operational strategies. These concerns outranked student education and teaching, and faculty development. The research also highlighted the fact that the majority of participants found a lack of economic resources as the greatest perceived barrier to internationalizing their institutions. Understanding how higher education executives and their institutions balance the

world of today with that of tomorrow through concrete and complementary strategies was at the heart of Sullivan's research study.

The Institute of International Education's "Eight Common Perceptions from University Leaders" highlighted the need for a more comprehensive approach at the executive level of a higher education institution. The report presented some key takeaways that are critical to developing understanding and buy-in from the top. One of the common issues that many higher education executives struggled with was in adequately defining internationalization. If a concept is misunderstood or not understood it becomes very difficult to operationalize and mobilize efforts to achieve short and long-term goals. These key findings highlighted the importance of garnering support from the higher education executives of an institution before embarking on an internationalization effort.

Scott [196] pointed out that the members of an institution's board can leverage operational areas to raise the institutional priority for internationalization. Scott outlined a strategy in which engaging the board appropriately and strategically could allow both top-down and bottom-up efforts to come to fruition. Locating cheerleaders on the board that would go above and beyond to allow the higher education institution to internationalize itself is a powerful way for new shareholders to be identified and activated [197; 198].

Knight [199] cautioned higher education executives against the desire to internationalize a higher education institution in order to create a global brand. Awareness of intended and unintended consequences of internationalizing a higher education institution for the purposes of competitiveness, rankings, and commercialism was detrimental to the true mission of internationalization in which cultural competencies and valuable experiences were to take precedence. Knight outlined five myths that higher education executives have come to understand as implicit assumptions for developing internationalization policies and programs. The article underscored the belief that financially driven models can undermine internationalization strategies and lead to unintended consequences. In fact, Knight specifically warned against measuring the benefits of internationalization quantitatively and stated that this was a common element of all five myths discussed in the article.

There are a number of *barrier and obstacles to successfully internationalizing* a higher education institution. Beyond the many challenges facing globalization in the twenty-first century, higher education institutions have specific barriers and impediments to deal with when looking to internationalize.

International students face several challenges which come from different sources: students' inadequate English proficiency; unfamiliarity with foreign culture; lack of appropriate study skills or strategies; low social self-efficacy; financial difficulties; and separation from family and friends. Other barriers included climate and environmental adjustments, homesickness, discrimination and feelings of depression that can be triggered by feeling isolated or facing a lack of cultural sensitivity by foreigners. These challenges can act as a major barrier to entry for international students looking to study abroad. Maslow's [200] well-known and

widely-cited needs hierarchy underscores the importance of meeting basic human needs essential to overall development, growth, and well-being.

Additionally, many higher education institutions require prospective international students to sit for language test prior to admittance: IELTS (International English Language Testing System), TOEFL (Test of English as a Foreign Language), DELF (Diploma of French as a Foreign Language) or DELE (Diplomas of Spanish as a Foreign Language).

Misconceptions, lack of understanding, and simple confusion have historically acted as the greatest barrier to internationalization within higher education [201]. Stohl [202] wrote about the impact faculty can have on the development and sustainability of internationalization tactics in higher education. One of the major challenges outlined in the article was faculty's noninterest in, nor commitment to, internationalization. Stohl offered higher education executives leadership and accountability as solutions. Creating mechanisms that allowed the higher education executives of institutions to consider a risk and reward structure would dramatically influence the faculty culture. This would require a shift from the traditional departmental leadership to that of higher education executives' leadership in curriculum design and teaching.

Dewey and Duff's [203] research also focused on faculty views on internationalization in higher education. The article presented internationalization as both an idea and an agenda. The role of faculty as key participants in initiatives to internationalize academia was investigated. The work addressed the roles, responsibilities, and problems faced by the faculty on an operational level. This case-study compounded around the importance of engaging faculty in the decision making process and allowing them freedom when it comes to designing curriculums, assessments and best practices.

De Wit and Knight [140, p. 7] discussed the need for quality assurance and assessment when developing a strategic plan and introducing internationalization tactics at a higher education institution. The authors discussed how sensitive an assessment and evaluation approach have to be given the diversity of higher education institutions by design. De Wit and Knight also discussed the challenges of ensuring quality in internationalization, and provided a framework to assist institutions in designing and reviewing their own strategies and policies. The text also introduced the Internationalisation Quality Review Process (IQRP), "a unique practical tool for institutional leaders and managers who wish to develop the international dimension of their programmes and services". The IQRP was an evaluation tool that requires higher education executives to identify key indicators in order to complete a gap-analysis of the internationalization dimensions present at their higher education institutions.

HEIs' autonomous and fragmented structures also fail to promote a systemic view of the internationalization process. The disconnection between the different university's units (such as departments, schools and activities across the institution) reinforces the current position of isolated parts working for their goals rather than the whole. An effective internationalization process is as Van de Wende [204] explains

one that facilitates the “integration, acceptance, and application of the international dimension throughout the institution in its different units and functions”.

Internationalization as a systemic process of transformation requires that not only a deeper understanding of the components of internationalization, but also a change in the university’s stakeholders’ assumptions, values, and practices from a myopic, ethnocentric focus to an international perspective.

Understanding the role the different stakeholders (such as president, administration, faculty, etc.) play, as well as the current policy, support, and implementation efforts is key in not only removing some of the barriers of the internationalization process, but also managing the university wide internationalization process effectively.

The world is changing. Due to this fact, institutions must change. Progressive, diverse, and multi-lateral approaches that are complementary and work to unite various partners around common concerns will be a core strategy to negotiating this ever shape-shifting global system.

Comprehensive understanding of the benefits and costs of specific applications and informed decisions that lead to effective internationalization of a higher education institution are critical to successfully driving growth and meeting outlined deliverables. Identifying the perceptions and behaviors of higher education executives at institutions that are determined to be highly internationalized will allow for a better understanding of the risks, rewards, challenges, and opportunities of effectively internationalizing a higher education institution. Navigating to successful internationalization requires a keen understanding of competing interests, limited resources, misconceptions, and the calculated distinction between headlines and trend-lines.

This chapter presented a selected and relevant literature on internationalization. It also introduced the key elements for internationalization within HEIs, as well as the existent organizational models of internationalization. Finally, it demonstrated the relevancy of describing the internationalization efforts within a system theory and change theory framework.

## **2 ANALYSES OF THE EFFECTIVENESS OF HIGHER EDUCATION IN KAZAKHSTAN AND RESEARCH OF INTERNATIONAL ENROLLMENT EXPERIENCE**

### **2.1 Evaluation of the Kazakhstani higher education system**

Kazakhstan has rebounded well from the economic recession that affected the country in the first half of 2009. During the crisis, GDP growth rate registered at just 1.2% and the country plunged into recession from the sharp fall of oil and commodity prices. With an estimated growth rate of 7.1% the first half of 2011, this oil-producing country ranks in the top 10 fastest growing countries, according to the International Monetary Fund.

Expansion of the oil industry has helped to revive the economy with continued growth predicted. However, most non-resource sectors of the economy continue to suffer from low productivity and competitiveness, and the country remains vulnerable to commodity price fluctuations.

A customs union (CU) between Kazakhstan, Russia and Belarus was established in January 1, 2010 and marked a major change in the path of regional integration with important implications for Kazakhstan. The ultimate goal is the creation of a Common Economic Space (CES) for the market of 170 million. Kazakhstan is also pursuing accession to the World Trade Organization (WTO). The ongoing negotiations with EU focus on application of recently introduced customs duty on oil exports.

An upper-middle-income country, Kazakhstan's per capita GDP was 11,245 US\$ in 2011. In the past decade there has been a significant decrease in poverty rates, from 46.7% in 2001 to 6.5% in 2010.

Education is a high priority for Kazakhstan, and in 2009 Kazakhstan ranked first on UNESCO's "Education for All Development Index" by achieving near-universal levels of primary education, adult literacy, and gender parity. For the next 10 years Kazakhstan is embarking on further major reforms across all education levels [205].

Kazakhstan is ranked 51 among 144 countries in the Global Competitiveness Report 2012-2013 of the World Economic Forum's Global Benchmarking Network. Kazakhstan improved its position by 21 places compared to the previous year. The Global Competitiveness Report assesses the competitiveness landscape of 144 economies, providing insight into the drivers of their productivity and prosperity. The Report series remains the most comprehensive assessment of national competitiveness worldwide [206].

According to UN Development Program (UNDP) regional office declared the human development level in Kazakhstan is one of the highest in the CIS and Europe. Kazakhstan is ranked 17 among 152 countries in terms of absolute progress made in HDI value [207].

Economy and society based on knowledge, lifelong learning must be a way to solve the problems of competitiveness and the use of new technologies to improve social cohesion, equal opportunities and quality of life.

According to the available data conducted by the World Bank resources we generated the main economical and demographical tendencies in Kazakhstan that relate to the educational industry. Analysis shows the rapid GDP growth of capita during the recent years, stable population growth and increasing educational expenditure to 3.1% of GDP in 2011 (figure 8).



Figure 8 – Demographics and economics overview [208]

Modern education in Kazakhstan is rapidly developing in the changing socio-economic conditions. This significantly changes the character of educational institutions; the functions of management education at all levels are undergoing a major transformation. The specificity of modern educational trends defines the



priorities of Kazakhstan's education - to achieve a high quality of education and its compliance with current and future needs of the individual, society and the state.

The dynamics of the socio - economic development, the number and age structure of the population, especially its settlement by region significantly affect the status and development of the whole education system.

In turn, education determines the development of human potential in the country, the state of the quality of human resources and is a major factor in the socio-economic development of the country. Thus, according to the 2010 population aged 14-29 years accounted for 28.7% of the total population, while the proportion of young people living in rural areas is 49.1 %.

In Kazakhstan 85% of the population aged 5-24 years are covered by the educational programs. Nearly 4.5 million people enrolled. Around 500 thousand teachers and scholars work in education and science. The education system and science reached almost 30% of the population. 99.5% of the population - literate, Kazakhstan on this indicator ranks 14 out of 177 countries in the world.

There is now a tendency to optimize the number of higher education institutions in Kazakhstan. At a population of just over 17 million in Kazakhstan have 139 higher educational institutions with an enrollment of 571,691 students. The total number of teaching staff is 41, 24 people. The number of graduates in the 2012-2013 academic years was 171,600 people (figures 9, 10, 11, 12).

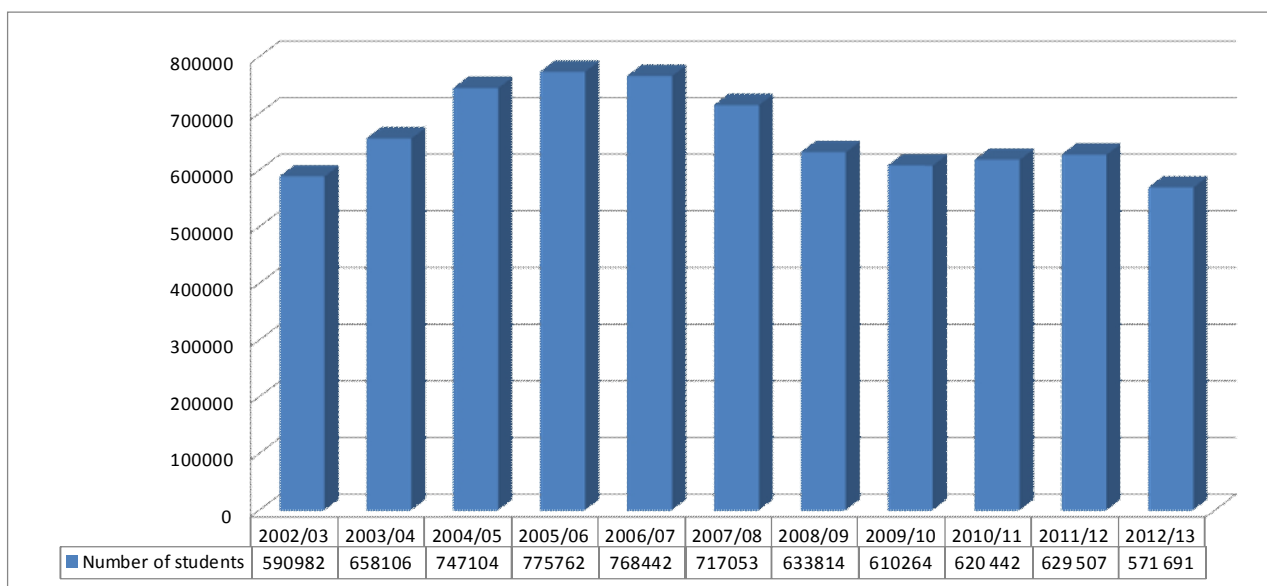


Figure 9 – Dynamics in number of students in Kazakhstan [211]

Positive changes of the tertiary education enrollment existing in the early 2000s nowadays declining partially because of the outbound student flows.

As the following table show the number of outbound students flows with over 55 thousand students. OECD Education at Glance 2012 indicators Kazakhstan ranked 10 on outbound student flow in the international market of educational services.

The most popular destination among Kazakhstani students studying abroad are Russia, United Kingdom, United States, Germany and Turkey (table 3).

Table 3 – International students’ outbound flow [209]

Total (responded destinations)	55,713
Top Destinations	
Russia	27,833
United Kingdom	2,074
United States	1,919
Germany	1,136
Turkey	711

In accordance with the recommendations of UNESCO for the sustainable development of education spending should be 6-7% of GDP, expenditures of Kazakhstan does not exceed 3.1% of GDP.

Expenditure per student in Kazakhstan is less than the average cost of 3 groups (countries with a GDP of less than 10 thousand U.S. dollars per capita) such as China, Turkey and Russia. The greater the difference in the cost of the second group of countries (countries with a GDP of 10 to 20 thousand dollars per capita) - Spain, Korea, Czech Republic, Israel, and the first group of countries (countries with a GDP of more than 20 thousand U.S. dollars per capita population) - the U.S., Japan, Luxembourg, Australia. At the same time the low quality of educational services contributes to the choice of the Kazakh youth studying abroad [210].

As a result of implementation of the State Program for the Development of Education in the Republic of Kazakhstan for 2005 - 2010 years, the education structure is aligned with the International Standard Classification of Education, UNESCO, introduced a three-tier training: Bachelor - Master - PhD. Approved Classifier of undergraduate and postgraduate education of the Republic of Kazakhstan, containing aggregated group of specialties.

A National Quality Assessment of Education was established, incorporating elements of an independent external evaluation (licensing, certification, accreditation, rating, unified national testing (UNT), a comprehensive testing of applicants and others.

The national high school adopted measures to achieve world-class education: Kazakhstan joined the European educational space by signing the Bologna Declaration, in Astana was created a prestigious world-class institution of higher education – “Nazarbayev University”. A significant contribution to the development of the human capital of the country was the implementation of the international scholarship of the President of the Republic of Kazakhstan “Bolashak” making it possible to 3000 scholarship recipients each year to study in the best universities of the world.

Expanded academic freedom of universities in determining the content of training programs: increased component of choice - a bachelor's from 40% to 50%, the master - from 50% to 60%, and a doctorate - from 70% to 80%.

HEIs activity is regulated by Ministry of education and science of Kazakhstan and determined by the state legislation which provides wide academic freedom to form their own educational policy. It appears in mission realization, working out of quality managing system, implementation of educational methods, international collaboration, etc.

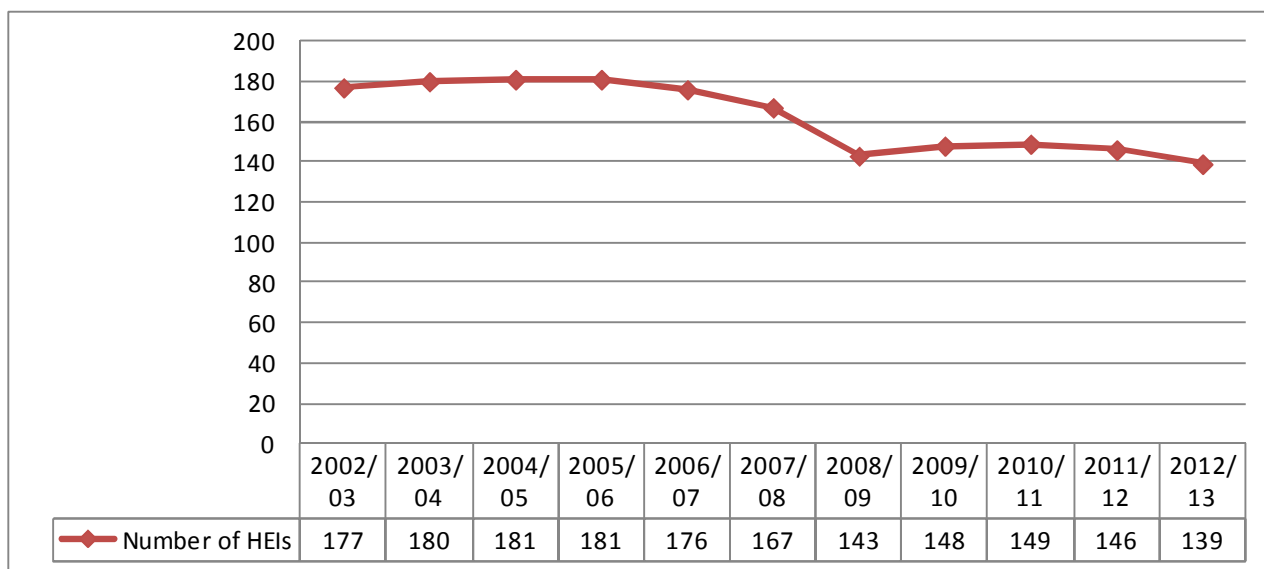


Figure 10 – Number of HEIs in Kazakhstan [211]

Higher education plays an important role in the training of competent and competitive professionals for all sectors of economy for integration with science and industry. However, the quality of Kazakhstani education remains less competitive. Educational programs do not always meet the expectations of employers and do not meet the needs of the economy.

The volume of state orders supports only 50% of the industry’s needs. 10% of the total number of graduates is eligible for education under the state order, which reduces the availability of free higher education. The low cost of funding on the state educational order not contribute to obtaining advanced qualifications. The result - a low level of employment of college graduates in the specialty.

Material and technical resources, infrastructure, laboratory and library resources updated insufficient rates, which also slows the development of educational services in market conditions and do not allow for qualitative research in universities.

Lack of economic incentives for the private sector to invest in education, science and innovation, as well as over-administration of the educational process does not allow the flexibility to respond to advances in science and technology, to take into account the changing needs of production.

In addition, in the field of education there is no single database of educational statistics. The existing forms of public education statistics are not widely reported, scattered on them no in-depth analysis, they are inaccessible to the public. Indicators of national education statistics do not comply with international statistics.

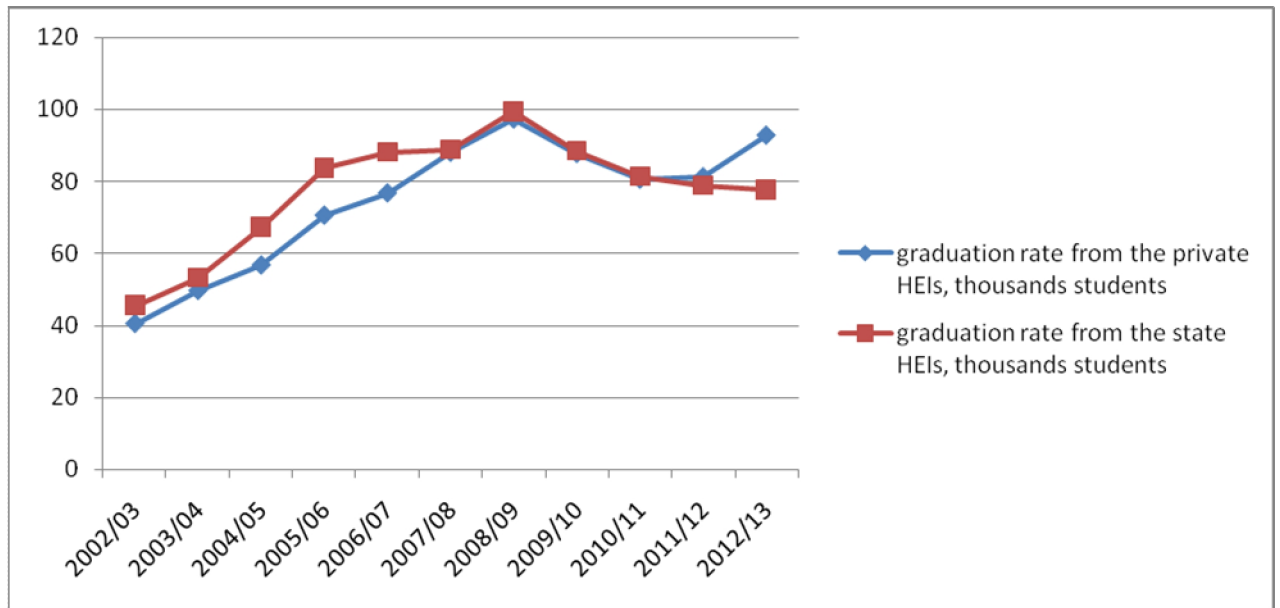


Figure 11 – Graduation rate in Kazakhstani HEIs [211]

In addition, poor management and lack of existing mechanisms of state support funding of educational services does not provide a competitive education in market conditions. There are negative trends in the HR policy: the lack of systematic reproduction of the teaching staff and the system of material and moral incentives of faculty contribute to aging faculty in universities and leak promising and highly qualified personnel. Despite the fact that since 2000, the salaries of educators has increased by 400%, its level remains one of the lowest in the country (about 60% of the national average).



Figure 12 – Number of teaching staff [211]

Based on analytical data [212; 213] we developed the following comparative table, which shows the place of Kazakhstani universities in the global perspective by the size, age, subject range, research intensity indicators (table 4).

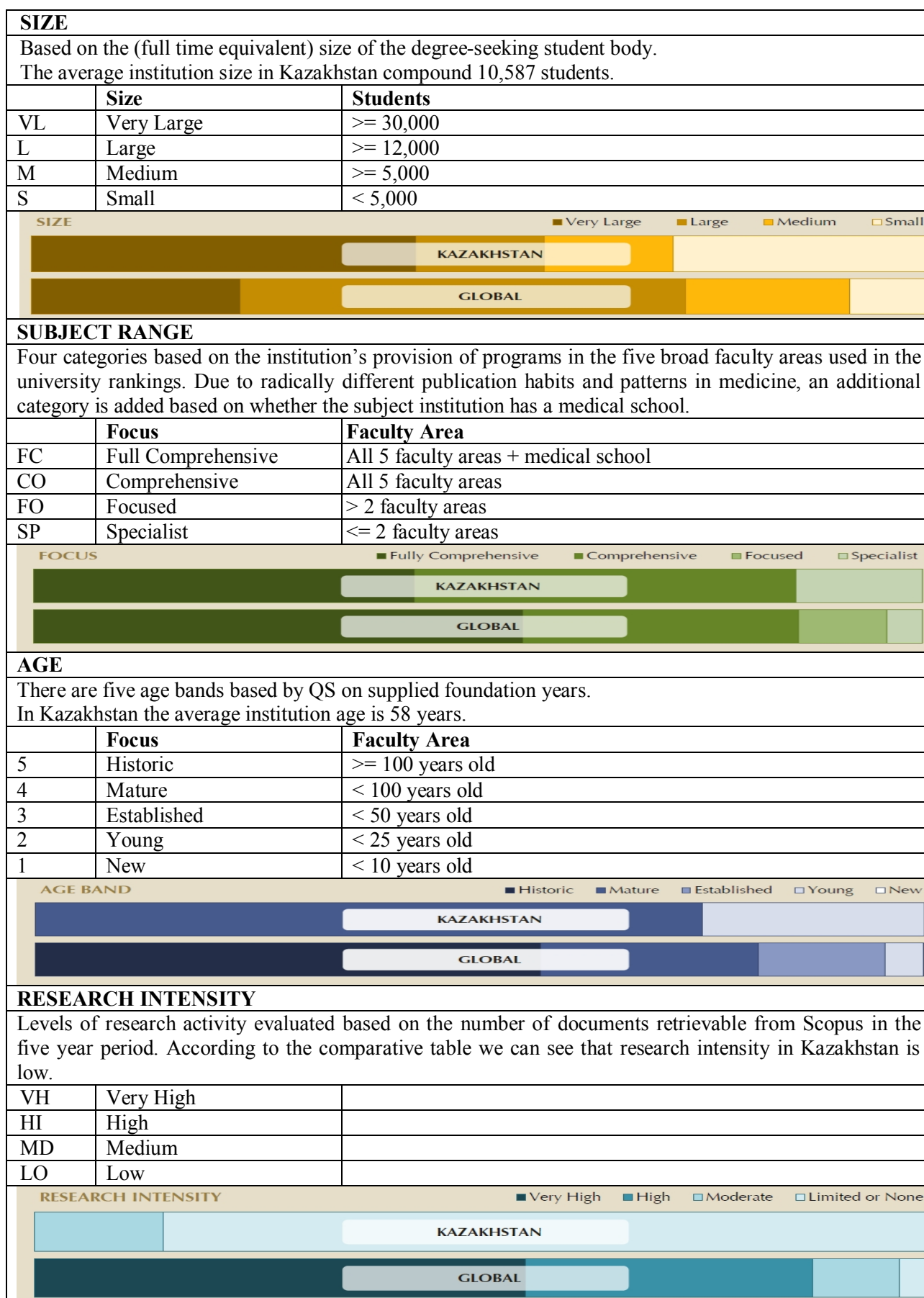


Figure 13 – Comparative indicators of Kazakhstan HEIs to the global

A pooled analysis of the current situation on the market of educational services in accordance with the State Program of Education Development of the Republic of Kazakhstan for 2011-2020 [214] (hereinafter - the Program) can be reflected in the SWOT-analysis (table 4):

Table 4 – Kazakhstan education SWOT-analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- clearly defined priorities for the development of education;</li> <li>- presence of national centers for each level of education;</li> <li>- compliance with the structure International Standard Classification of Education;</li> <li>- restructuring of technical and vocational education;</li> <li>- functioning of the National System of Education Quality Assessment;</li> <li>- high performance in TIMSS international research;</li> <li>- entry into the European educational space;</li> <li>- international accreditation of educational programs of universities;</li> <li>- positioning in the top 500 of QS World University Ranking.</li> </ul>	<ul style="list-style-type: none"> <li>- insufficient funding for education;</li> <li>- low status of the teaching profession;</li> <li>- shortage of highly qualified teachers;</li> <li>- poorly developed management in education;</li> <li>- insufficiently developed system of public-private partnerships;</li> <li>- poorly developed informatization;</li> <li>- educational statistics are not consistent with international standards and are not available to recipients;</li> <li>- lack of integration of the content of secondary and higher education;</li> <li>- poor material and technical base of universities;</li> <li>- lack of national qualifications system;</li> <li>- lack of balance between supply and demand of education and employers to qualified graduates;</li> <li>- lack of integration of higher education and research.</li> </ul>
Opportunities:	Threats:
<ul style="list-style-type: none"> <li>- improving the competitiveness of Kazakhstan's education;</li> <li>- improving the quality of human capital;</li> <li>- more efficient use of labor resources;</li> <li>- investment support for education on the part of international organizations and employers;</li> <li>- new management practices in education;</li> <li>- more efficient use of budgetary funds;</li> <li>- improving accessibility, attractiveness, quality, openness in education;</li> <li>- sustainable economic growth of the country;</li> <li>- participation in the management of education.</li> <li>- attractiveness of the teaching profession;</li> <li>- providing career development system;</li> <li>- access to quality education for all;</li> <li>- access to the best educational resources and technologies;</li> <li>- development of communicative and professional competence.</li> </ul>	<ul style="list-style-type: none"> <li>- failure to achieve the goals and objectives due to inadequate funding of education;</li> <li>- low motivation of teachers, prestige of the teaching profession;</li> <li>- low level of preparedness of a large part of teachers;</li> <li>- lack of desire for self-education and professional development of teachers;</li> <li>- low motivation for users to use e-learning systems;</li> <li>- deterioration of the quality of education;</li> <li>-no forecast of the labor market demand;</li> <li>- staff outflow, caused by a mismatch between the level of wages in the industry and the average wage in the country;</li> <li>- reduction in the number of foreign students;</li> <li>- outflow of scientists in other states as a result of more favorable prospects for the implementation of its scientific potential;</li> <li>- weak flow of young people in science;</li> <li>- lack of coordination of subcontractors in the implementation of the program;</li> <li>- high level of corruption.</li> </ul>

The Program was approved by the Decree of the President the Republic of Kazakhstan № 1118 from December 7, 2010. The main aims of the Program are improving the competitiveness of education, human capital development by ensuring the availability of quality education for sustainable economic growth.

The Program will be implemented in two phases (figure 14):

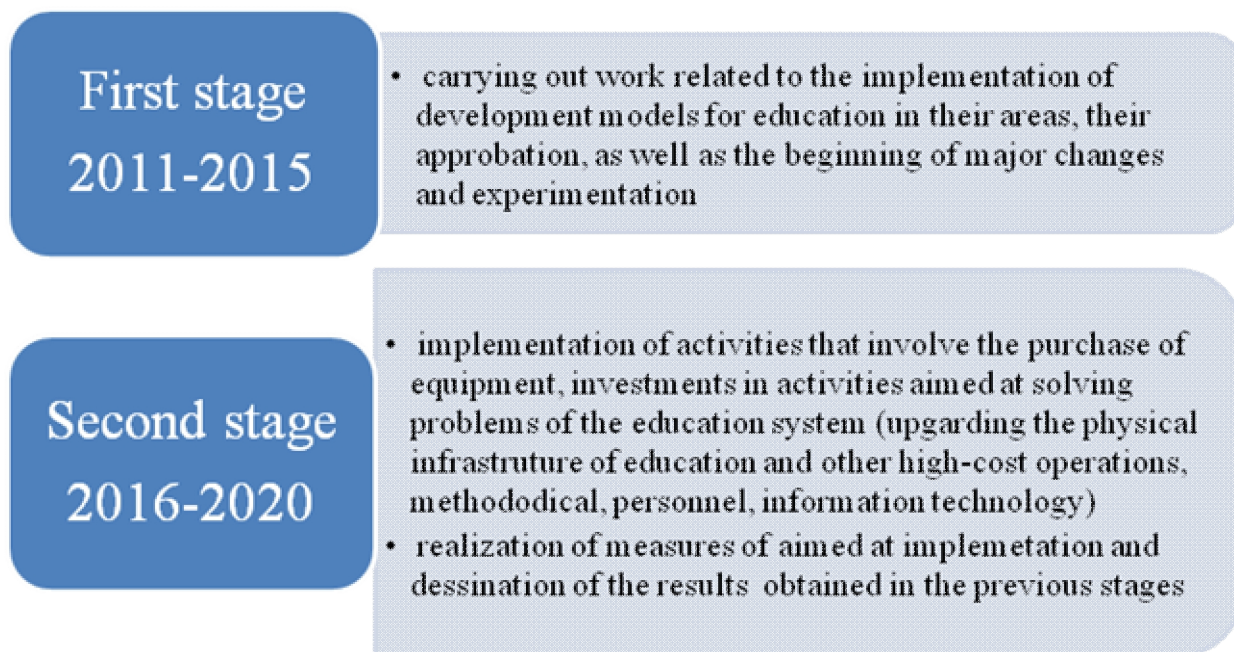


Figure 14 – Program implementation stages [214]

It is expected that by 2015 the transition period is complete and the education system of the Republic of Kazakhstan on the structure, content, administration and funding will match the model of developed countries, and by 2020 the education system will produce results in the form of a high- quality level of knowledge and human capital development confirming international indicators.

In 2011 – 2020 gradual increase in budgetary expenditure on education is planned, ensuring the growth of their share in the GDP to the average level of developed countries by 2020. The amount of funding the first phase of the program from the state budget is 461.1 billion tenge.

In the structure of the estimated financial costs dominate the costs of development of information and communication technologies, e-learning, involvement in the leading universities of foreign scientists and consultants, the state educational order for admission to master's and doctoral studies.

Thus, the Program is expected to be implemented in the following areas:

- to improve the system of financing;
- to increase the prestige of the teaching profession;
- to create the public-state system of education management;
- to ensure equal access for all participants in the educational process to the best educational resources and technologies;

- to achieve a high level of quality in higher education that meets the needs of the individual, the labor market problems of industrial-innovative development of the country, and relevant international best practices in the field of education,

- to maintain a system of lifelong learning;

- to educate in youth active citizenship, social responsibility, a sense of patriotism and high moral and leadership qualities.

Nowadays internationalization process of HEIs of Kazakhstan is implemented in the following directions:

- integration into the Bologna process, the introduction of European standards of higher education;

- involvement in international educational and research projects;

- academic mobility;

- development of academic staff.

Kazakhstan joined the Bologna process, and a priority has been identified by the government, including the international accreditation of universities, capacity building for positioning in the world educational rankings (figure 15).

#	Institution	2012	2011	Change
1	L.N. Gumilyov Eurasian National University	369	401-450	↑
2	Al-Farabi Kazakh National University	390	401-450	↑
3	Kazakh-British Technical University	551-600	-	
4	South Kazakhstan State University (SKSU)	601+	601+	→
5	Kazakh national technical university	601+	601+	→
6	Kazakh National Pedagogical University Abai	601+	601+	→
7	S.Seifullin Kazakh Agro Technical University	601+	-	
8	E.A.Buketov Karaganda State University	601+	601+	→

## TREND INDICATORS

### RESEARCH PRODUCTIVITY & QUALITY

Average change in five-year count of papers published	1.8%
Average change in five-year count of citations acquired (excluding self-citations)	25.9%
Average change in citations per faculty	33.0%
Average change in proportion of self-citations	5.9%

### STUDENT NUMBERS & DEMOGRAPHICS

Average change in total student numbers	-19.1%
Average change in number of FTE international students	1105
Average change in proportion of FTE international students	276.9%

### FACULTY PROVISION

Average change in total faculty numbers	-5.3%
Average change in faculty student ratio	17.1%
Average change in number of FTE international faculty	17
Average change in proportion of FTE international faculty	27.9%

Figure 15 – QS World Universities Rankings 8 top universities in Kazakhstan 2012-2013 [212, p.4-6]



QS World University Rankings is a global study and the accompanying list of the best universities of the world in terms of the value of their achievements in the field of education and science [215].

Calculated by the method of the British consulting company Quacquarelli Symonds (QS) it is considered one of the most influential global university rankings. Rating assesses universities on the following parameters: activity and quality of the research activities, the view of employers and career potential, teaching and internationalization. These indicators cover key strategic mission of universities of world importance, for which they are responsible to the stakeholders: academic community, employers, students and their parents. Each year, the study evaluated more than 2,500 institutions of higher learning around the world.

Devised to serve the needs of internationally-mobile students as its prime objective, the publication of the QS World University Rankings is now widely anticipated by students, academics, employers other stakeholders including parents, governments and industry. Kazakhstani HEIs ranking in the QS World University Rankings will allow to promote the international student enrolment and to increase Kazakhstan educational services competitiveness in world education market share.

For instance, figure 16 presents the list of top universities in Kazakhstan by faculty area according to QS World University Ranking 2012-2013.

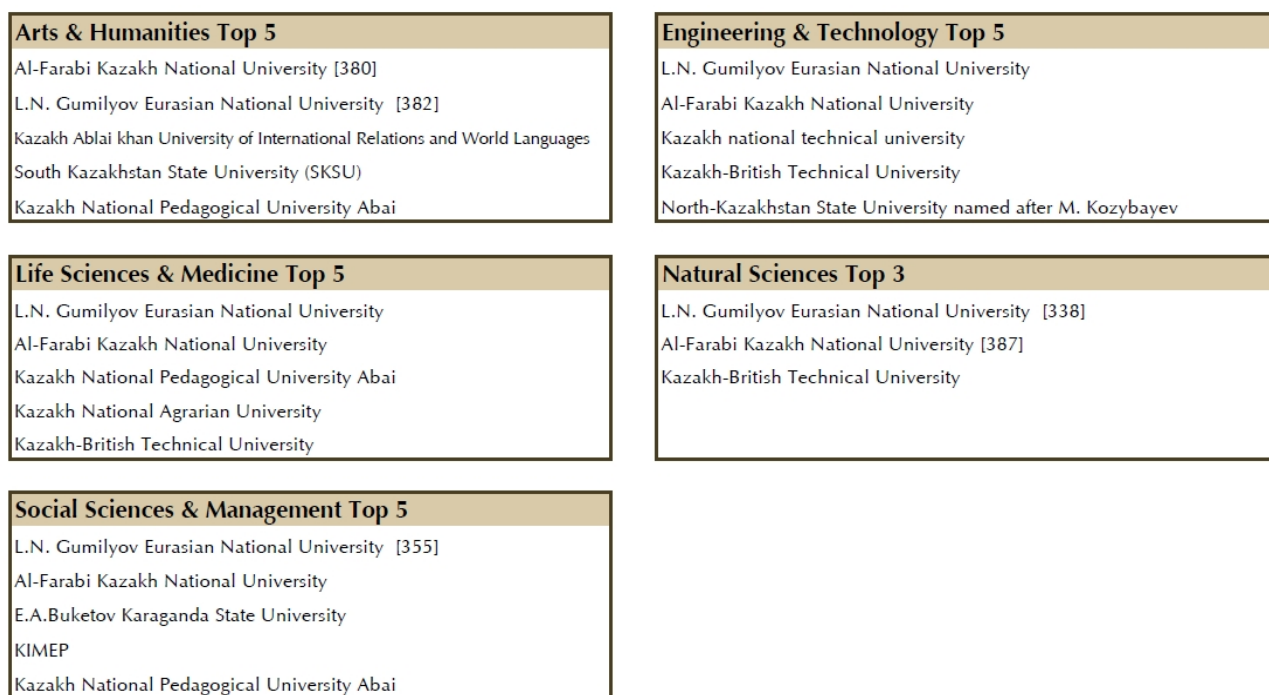


Figure 16 – Top universities by faculty area [212, p.6]

The level of achievement of universities is assessed on the basis of a combination of statistical analysis of educational institutions, audited data (including information on the citation index from the database Scopus, the world's largest bibliometric database of scientific publications) as well as data on a global expert survey of the international academic community and employers who express their

opinions about the university. Below are the quantitative and qualitative measures under evaluation activities of the universities (table 5).

Table 5 – QS evaluation measures

Index	Weight
Academic reputation index (poll)	40 %
Index reputation among employers (the survey )	10%
Ratio of faculty members in relation to the number of students	20%
Citation index of scholarly articles faculty members in relation to the number of teaching staff (Scopus database)	20%
The share of foreign teachers in relation to the number of teaching staff	5 %
The proportion of foreign students in relation to the number of students	5 %

Academic mobility in Kazakhstani universities is carried out in accordance with the following regulations:

- Law on education of Republic of Kazakhstan [3];
- Rules of the educational process on Credit Technologies [216];
- Strategy of academic mobility in the Republic of Kazakhstan [217];

High school of Kazakhstan, integrating in international educational space, actively collaborates with foreign universities and scientific centers in order to realize joint scientific projects, exchange and development.

Intensively developing and promising area is the introduction of double diploma education on the basis of cooperation of Kazakhstani and foreign universities (Double Majors, Minors, Double Degree). To date 38 Kazakh universities implement double diploma program education [218].

Educational programs are directed toward multilingual policy to develop teaching in Kazakh, Russian and English languages which aimed to improve competitiveness of Kazakhstan’s graduates in the international labor-market.

Over 80 memorandums and agreements of cooperation on implementation of joint educational programs with foreign universities (UK, Spain, Germany, Czech Republic, USA, Canada, and Russia, among others) are realized by universities. An important role in expanding the system of international scientific and educational contacts of Kazakhstani universities, is the interaction with international and regional organizations(UNESCO, European Commission), international funds and programs (TACIS /TEMPUS), DAAD, IREX, British Council, the American Councils for International Education, INTAS, the Carnegie Corporation, EU FP7 and others [219].

Talking about the various forms of international partnership of Kazakhstan in the field of higher education, we should note the presence of a specific regulatory document - "Rules of international cooperation, carried out by educational organizations". It indicates that the HEIs in consultation with the competent authority in the field of education have the right to establish direct relations with foreign educational organizations, bilateral and multilateral agreements on cooperation in the field of education [220].

Steps are being taken to create conditions to increase the attractiveness of higher education for foreigners. According to the MES national report in the country studied more than 10,000 foreign students. However based on the statistical data provided by the Center of Bologna Process and Academic Mobility (NARIC Kazakhstan) in 2012-2013 academic years in the Kazakhstani HEIs inbound international students total number composed around 8 thousand (table 6).

Table 6 – Distribution of students by country of arrival

	Accepted in 2012/2013	Total number	Graduated in 2012/2013
1	2	3	4
Students, total	120 408	571 691	171 609
International Students	2 580	8 404	2 094
from neighboring countries	119 753	569 465	170 886
Azerbaijan	25	102	28
Armenia	1	20	4
Belarus	3	10	9
Georgia	5	10	4
Kyrgyzstan	156	419	38
Moldova	5	4	-
Russian	284	1 284	374
Tajikistan	276	565	41
Turkmenistan	142	720	130
Uzbekistan	1 023	3 026	740
Ukraine	5	18	3
from foreign countries	655	2 226	723
Austria	-	1	-
Afghanistan	96	222	2
Bangladesh	1	1	-
Bulgaria	1	3	-
Ghana	1	1	-
Greece	1	1	-
Germany	6	21	6
Israel	1	5	-
India	91	205	53
Iran	2	5	-
Spain	-	3	-
Italy	1	2	-
Canada	-	1	-
China	229	821	314
Korea	21	63	9
Cuba	-	-	2

Table 6 Continuation

1	2	3	4
Mongolia	150	623	124
Nigeria	1	1	-
Pakistan	2	20	53
Poland	-	1	1
Palestine	1	3	-
Syria	2	5	1
USA	1	3	-
Slovakia	-	5	-
Turkey	40	186	136
France	-	2	-
Korea	7	22	18
Japan	-	-	4

As presented in the following figures the main foreign countries of inbound students to Kazakhstani higher educational institutions are China, India, Korea, Mongolia, Turkey and Afghanistan. And the representatives of the neighboring countries are the students mostly from Russia, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan (figures 17, 18).

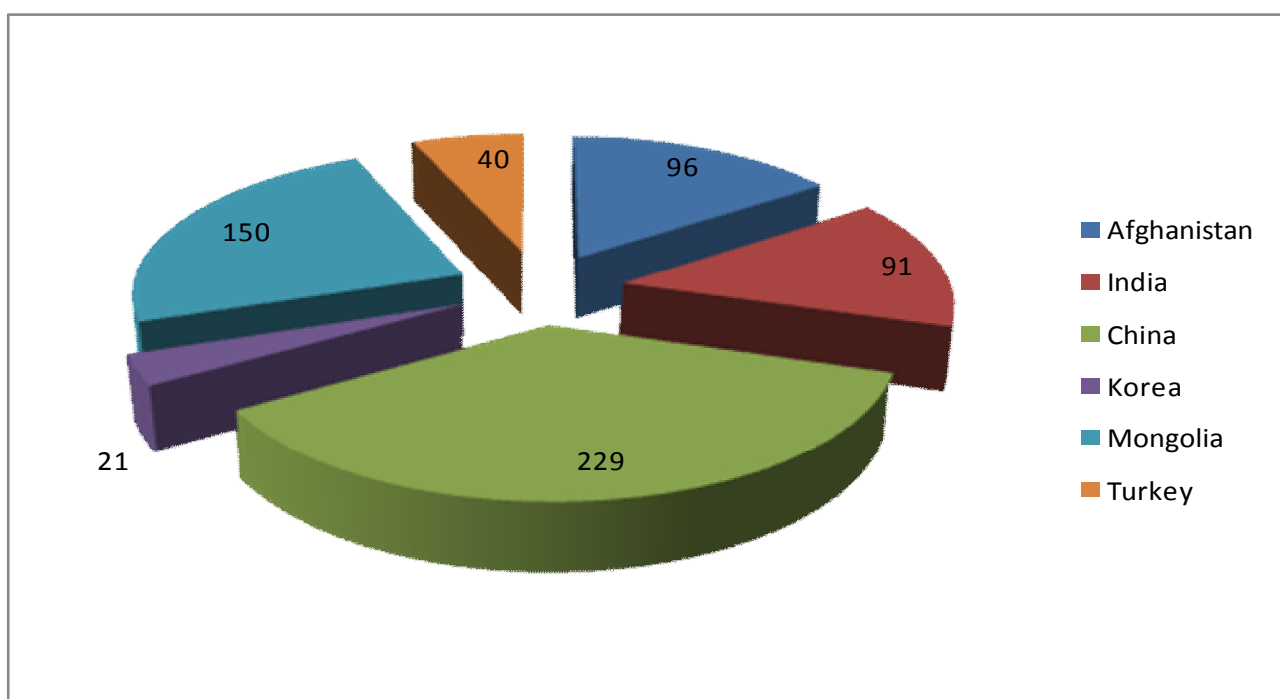


Figure 17 – Distribution of students from foreign countries

Thus, we can identify these countries as the main flows of international student inbound to Kazakhstan.

This analysis shows the very small engagement of Kazakhstani education in the export orientated policy of educational services.

In this context, the increase in the share of education in the domestic market, an increase in the volume and structure of exports of educational service of the Kazakhstani universities country is becoming a necessity to compete in the globalizing world.

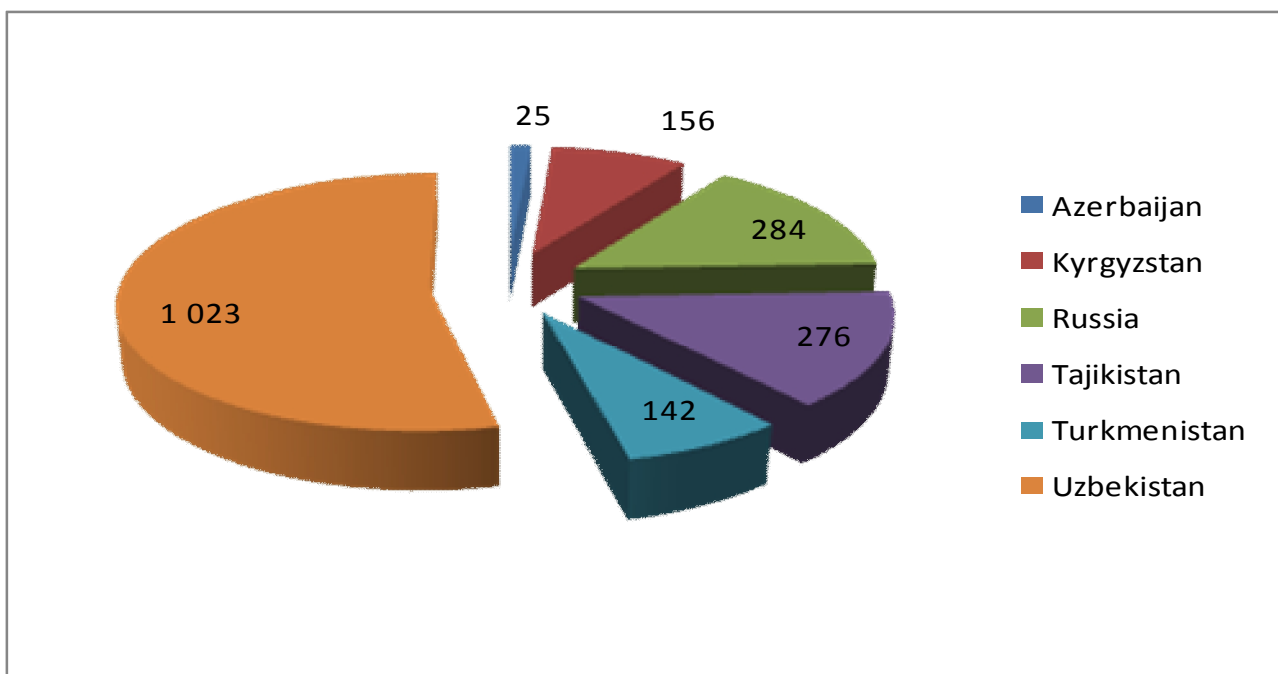


Figure 18 – Distribution of students from neighboring countries

The Center of the Bologna Process and Academic Mobility [221] monitoring data of 98 universities shows that:

1) academic mobility of undergraduate students is 0.7% of the total number of students surveyed, master students - 22.0%, doctoral candidates - 32.0%;

2) internal mobility of undergraduate students accounted 0.3%, master students - 6.0% , doctoral candidates - 5.0%, which significantly lower than the external mobility;

3) most universities set the stage for regulatory support academic mobility : 49.0 % - developed regulations on academic mobility, 11.0% of which are further developed by the provisions of the transfer and accumulation of credits by ECTS; 15,0% - in their strategic development plans reflect the issue of the academic mobility;

4) 74% of the universities carry out institutional support of academic mobility;

5) 75% of universities offer information on academic mobility on the website;

6) 38% of the surveyed universities are preparing for foreign languages exams.

The analysis of the above data identified key barriers and obstacles of academic mobility, related to:

1) financing (62% of respondents);

2) language training (53% of respondents);

- 3) comparability of content and level of programs (26% of respondents);
- 4) lack of a clearly developed system of transfer and accumulation of credits.

Allocation of the financial barrier to mobility as the primary evidence rather not to use its internal resources, a lack of finding alternative sources of funding of mobility, because the programs outside the academic mobility at the state budget expense in 2011 mastered the 350; in 2012 - this contingent has increased by 45% , that is, is 637 students.

In this context, the priorities in the development of academic mobility are:

- 1) strengthening of internal mobility;
- 2) quality assurance of external mobility;
- 3) good conditions for the foreign faculty, researchers, students in Kazakhstan;
- 4) implementation of the principles of multilingual education (teaching Kazakh, Russian, English and other foreign languages within training courses and programs);
- 5) expansion of direct links with foreign universities and international organizations.

Education is one of the major competitive advantages of Kazakhstan. The modern process of modernization of the national education system is considering the trends of world development. Kazakhstan participates in the formation of the European Higher Education Area, develops educational cooperation in the EU in the framework of the Bologna process and promotes bilateral cooperation in the field of education with the developed countries, newly industrialized countries and partners in integration associations.

Kazakhstan is committed to promoting international development and makes significant contributions to the education of students from developing countries, including acceptance of Native Kazakhs who are living abroad. Leading Kazakh universities accept the international students from the countries of Shanghai Cooperation Organisation and CIS. However, the market share of Kazakhstani education in the world is very low.

The main factors determining the choice of foreign students include language policy, the image of the country, the reputation of universities, tuition fee and living cost, program flexibility and comparability of qualifications, geographical, commercial and historical ties between the countries, active public policies to promote national education in the global space and supporting measures of foreign students, including socio-economic.

Nevertheless in Kazakhstan's higher education not enough being implemented joint educational programs and programs in foreign languages, international collaborative research, measures aimed at internationalizing the content of training programs.

Further development of the infrastructure required to attract the best students, teachers and researchers, the internationalization of the learning environment. In Kazakhstan, the conditions should be created for the formation of the export potential of Kazakhstan's education in the medium and long term.

## **2.2 Competitive advantages of Kazakh British Technical University**

Kazakh-British Technical University focuses on training of highly qualified specialists for oil and gas industry, finance and economics sectors and spheres of informational technologies in the accordance with international educational standards, conducting researches and integration of scientific innovations in priority industries of Kazakhstan economics.

Main stages of the KBTU development during all his work fully corresponded to the integrated role of university, making the system of professional trainings, covered high evaluation standards of innovative economics. This work united the best traditions of homeland education and advanced international experience.

Priorities of the KBTU development are expansion of high professional educational programs, research development and international educational projects performance.

KBTU sponsors are “KazMunaiGas”, “Agip KCO”, “British Petroleum”, “HSBS Bank”, “KazAtomProm”, “Kazakhtelecom”, “KazakhstanTemirZholy”, “Kazakhmys”, “Karachaganak Petroleum Operating”, “KEGOC”, “Tengizshevroil”, “Shell”, “Schlubmerger” and others. With the help of these companies the modern educational and scientific laboratories were opened and equipped with the modern technologies in the short time period.

According to the strategic development plan for 2013-2022 KBTU aims:

- provision of high quality educational services which correspond international educational standards;
- attraction of advanced foreign educational technologies, professors and experts;
- application of scientific developments into prior branches of economics;
- obtaining the status of exploratory university with the world reining and international accreditation;
- model infrastructure of science, education and technologies in disposal;
- provision of academic mobility;
- strategic planning and effective management of educational activities;
- stable interrelations of structural branches: educational, research and scientific, recovery and production [222].

JSC “Kazakh British Technical University” was created on the basis of Memorandum of the mutual understanding between Ministry of Education and Science of Republic of Kazakhstan and British Council, signed on November 16, 2000 in London and established by Governmental resolution of Republic of Kazakhstan №1027 from August 3, 2001 [223].

Governmental shares of the Kazakh-British Technical University was submitted to the authorized capital of National Company “KazMunaiGaz” by the Governmental Resolution of Republic of Kazakhstan from September 26, 2003 №987 [224].

JSC “Kazakh-British Technical University” exercises trainings according to governmental license №0137392 from February 3, 2010 by 8 educational programs of Bachelor degree, 11 - Master, 8 - PhDs and provides additional professional education programs.

KBTU educational services competitiveness on the worldwide basis is confirmed by the position in QS World University Rankings and leading positions in National Rankings. Herewith QS informs that KBTU takes first place among Kazakhstan and Central Asia on employers' evaluation.

General rating of Independent Kazakhstan Quality Assurance Agency for Education (IQAA) presents that KBTU is the Best Technical University in the country for several years. From the 2009 KBTU has had the status of Affiliate Centre of University of London.

Quality Management System of KBTU since June 2007 was registered in certified organizations by the association of certification "Russian Register" and also in international certificate network IQNet - certificate of compliance ISO 9001:2000 № 07.416.026 from July 5, 2007.

Moreover, university conducts huge work on international accreditation of educational programs. So, in 2009 KBTU received official recognition of its engineering programs of the BSc degrees: "Oil and Gas", "Maritime Techniques and Technology", "Chemical Technology of Organics", "Geology and Mining" in UK in the Institute of Marine Engineering, Science & Technology (IMarEST).

In 2011 educational programs "Automatization and Management", "Informational Systems" and "Cybernetics and Software" received international accreditation by international agency ABET (USA). In 2012 KBTU applied for international accreditation for BSc programs of Business School in international accreditation agency AACSB (The Association to Advance Collegiate Schools of Business, USA).

Confident positioning of university in global educational process provides:

- international structure of faculty members and students;
- organization of educational process with the international quality standards;
- partnership programs with foreign universities;
- compulsory development of foreign languages.

Research and scientific work actively take place in KBTU and there are two scientific institutions, which are the parts of the university structure: JSC "Institute of chemical sciences named after A. B. Bekturov" and JSC "Institute of organic catalysis and electrochemistry named after D.V. Sokolsky", and also 29 scientific and educational branches of university. Following the principles of transparency and availability for the society the university places information about its own activities on the official site [www.kbtu.kz](http://www.kbtu.kz), in marketing products and media.

In order to create a positive image in the educational market university organizes a variety of marketing events, career fairs and PR-activities, scientific conferences, which are held open by familiarity with university activities, policies and best practices in the field of science and education. It not only provides universal access of KBTU values, but the knowledge and understanding of the educational policy of the university, its latest innovative technologies that ensure the quality and competitive edge.



The University intends to occupy a dominant position in the market of innovation and become the basic educational center of excellence for the holding Samruk-Kazyna. From these positioning the following priority goals are chosen:

- development of university as leading scientific and methodological centre for human resource trainings in oil and gas, financial-economics branches and spheres of IT in Republic of Kazakhstan;
- integration of education, science and industry;
- personnel policy and faculty qualification increase;
- development of logistics base and modern science and technology of university infrastructure for the fundamental and applied researches;
- further development and expansion of external connections and international spheres of university activities;
- improvement of management system based on modern principles of management.

Logistical support, information and library resources involved in the learning process, completely meet the eligibility requirements for the licensing of educational activities of the university. This approach improves the quality of teaching and training of highly qualified specialists.

As part of the university development policy on optimization research faculty and students have free access to databases Web of Knowledge, Elsevier, Springer, IVIS, CRCnet Base, OECD library, MSI Trial Access, MILibrary, Science Classic, etc.

There is KBTU House for Masters and Students with good living conditions and a private protected area which occupies more than 1 hectare.

In accordance with the KBTU plan of development of modern innovation center a multifunctional complex of Institute of Petroleum Engineering and Information Technology (IPE & IT KBTU) is being constructed in the park Alatau for simultaneous training of 2,000 undergraduates and postgraduate students and 500 researchers [225].

The project to create IPE & IT KBTU aimed at long-term tasks in preparation of competitive professionals in the field of petroleum engineering, as well as conducting scientific research at the interface of oil and gas engineering and information technology. The total area of IPE & IT KBTU is 116 433 sq.m., where educational systems, industrial oil polygon, nano-IT laboratories, sport complexes, canteen, hotel and rented housing for faculties, students hostel will be constructed.

To date, the University has a number of modern equipped laboratories and computer classes installed software systems of companies such Landmark, Halliburton, Schlumberger, BP, Paradigm, KUDU, Statoil, Invensys, etc.

The legislative base for KBTU activity determined by the decisions taken by the following bodies:

- 1) higher authority - only shareholder - JSC “NC “KazMunaiGas”;
- 2) control authority- Board of Directors;
- 3) executive authority- Rectorate.

Competence and order of decision making of KBTU authorities are determined by the Kazakhstan law “about shareholder society” and KBTU Charter.

Solutions on the most important issues of KBTU activities (approval and changing of Charter, increase of shares, election of directors on the board and etc.) decided by the only shareholder of KBTU.

Board of directors exercises general control of KBTU activities, except issues which are on the basis of legislation and KBTU Charter related to the only shareholder and Rectorate.

Rectorate is chosen by KBTU board of directors, its competence, rights and duties of its members are decided on the basis of law of Republic of Kazakhstan “about shareholders' community”, Charter and State of KBTU Rectorate.

Execution of current activities is made by KBTU executive branch - Rectorate, on the head of Rector.

Rector has strategic execution power in university because of his competence, which defined by the Republic of Kazakhstan legislative system and Charter of University. Main activities of university branches are under the control of Vice Rectors.

Rector of the University provides the university strategic management in accordance with its terms of reference defined by the legislation of the Republic of Kazakhstan and the Charter of the University. Pro-rectors coordinate the main activities of the university.

Forms of collective management of involving employees are KBTU Scientific Council, teaching advice of the Scientific and Technical Council, the Council of young scientists, the Coordination Council for development and training of scientific and technical programs, the Committee of Academic Planning and Coordination Commission of university control, the Disciplinary Committee, etc.

The faculty board, the faculty advisory board and committees activities are functioning on faculties.

The main structural units of the University are: departments, services, faculties, departments, research centers and laboratories that perform management of specific areas of the university activity.

In the development of academic curricula and provide them with the quality of the university plays a major role faculty of the graduate departments.

Student participation in university management is carried out through a system of public organizations. The immediate subject of the student government supports student body of the University, which is a Student Government of KBTU.

Overall, the university has an optimal and efficient management structures and systems that address the strategic objectives of the university, to take a leading position in the education market in the spectrum of educational programs to integrate successfully into the international educational space and the needs of potential market.

Development of joint educational programs together with foreign universities is an important line of KBTU activities.

International School of Economics and Social Sciences (ISE) is an international program implemented in working partnership between KBTU and London School of Economics from the 17th of January 2005.

Since education program of ISE is comprised of curricula of 2 different universities, students take examinations on both KBTU and international level. For the first year of study this is Advanced Placement Test (APT) - international examination, provided by the College Board, USA. Being held in KBTU, exams are checked and assessed by the independent USA specialists. In addition to the APT first year students pass the International English exam IELTS, organization and assessment of which is carried out by the British Council. The next three years of study students of ISE take exams provided by the University of London. The only institution which organizes these examinations in Kazakhstan is the British Council in Almaty. Exam papers are sent to the University of London, where they are assessed by independent experts in corresponding areas providing the highest level of objectiveness to the obtained results.

At the Faculty of Information Technology (FIT) dual diploma Master's Program with Lancaster University (the UK) in the specialization "Mobile systems" is being held. In this program Master students study 6 modules (disciplines) in KBTU. Theoretical part of the modules is being held by the professors from Lancaster University. Practical part: by the instructors of Department of Computer Engineering of KBTU. At the end of the study master students work with the projects of master dissertations at either KBTU or Lancaster University (optionally). Defense of the dissertations is held at the University of Lancaster.

In 2012 on the basis of KBTU Kazakhstan Maritime Academy (KMA) was founded, the sponsor of this project is "Tengizchevroil". Its academic partner is STC Group (Netherlands) which also provides consultancy in related fields such as Maritime Simulators, Workshops and apprenticeship of KMA cadets.

STC Group is the leader in the maritime educational and consulting services market and has branches and offices in countries such as South Africa, Oman, Philippines, Brazil and Indonesia. The objective of the Kazakhstan Maritime Academy is to produce highly skilled, internationally accepted Kazakhstan officers and leaders in the transportation field in the Republic of Kazakhstan and abroad.

University has always been at the top positions in IT and nowadays KBTU has improved performance introducing new IT into educational process.

Thus, since 2012 KBTU has started to implement Master's program with specialization in "Multimedia technologies" for the preparation of CG-generalist - broad specialist, which has the theoretical basis, clearly understands the cycle of CG-production for the film industry, TV and advertisement markets, and also has in-depth practical skills of work in three-dimensional programs. In the process of education master students use graphic stations and tablets of KBTU CG laboratories, capabilities of the Supercomputer, audio- and film crew-mounting equipment KBTU Production Lab, modern video and projection equipment. The structure of curriculum is developed based on experience of leading educational institutions in North America, Europe, India and Australia, as well as in line with the Kazakhstan market

of computer graphics trends. Universities, such as Vancouver Film School (Canada), New York Film Academy (USA), Lugano University (Switzerland), School of Art and Animation (India), Griffith University (Australia) were taken as an example.

The important peculiarity of acceptance on educational programs of KBTU, except the UNT results, is the availability of complementary internal test, written tasks and interview exams in English language.

The main partners of KBTU are the British universities such as London School of Economics, Birmingham University, Lancaster University, Robert Gordon University and Heriot-Watt University and also European, American, Russian universities.

The agreement on long-term cooperation in the field of educational programs and research with partner universities is signed. In the framework of international cooperation, with the support of the Ministry of Education of the Republic of Kazakhstan and scholarship programs the academic mobility is developing (figure 19).

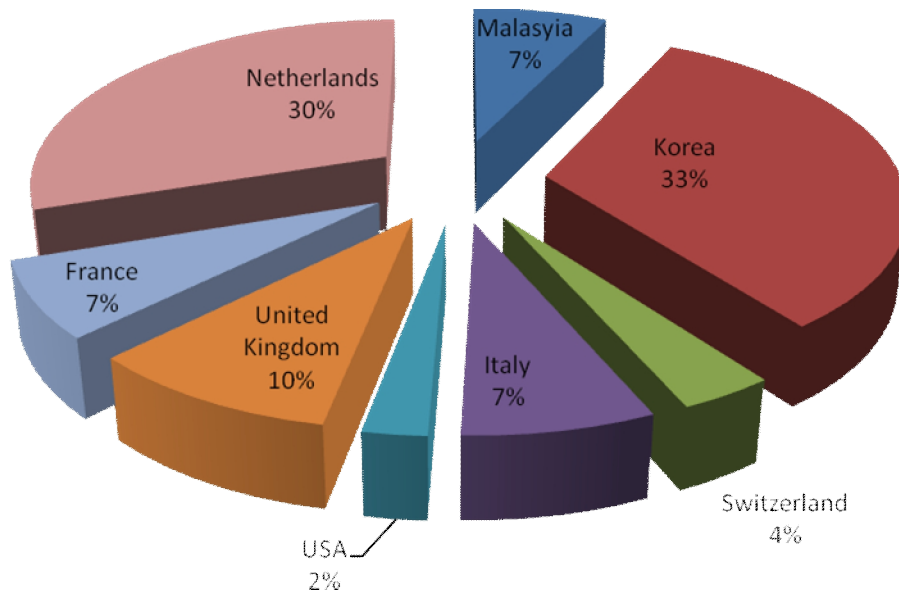


Figure 19 – Geography of KBTU academic mobility

As one of the main criteria of the quality of trainings and hence performance image of the university can be considered the graduate’s employment index.

Analysis of the employment of university graduates shows that from 2007 to the present time graduates employment index is at a high level. The average employment standard of KBTU graduates, between 2007 and 2012, amount to 98%, and in the last 6 years, this standard varies from 97% to 99%. By the way, the highest level of employment accounts on the first 3 graduations of KBTU.

In order to identify employers’ satisfaction with the quality of graduates training was conducted questionnaire design where the respondents were the companies of the technical, financial, economic and IT profile, with the number of employees between 40 to 4,000 people. Analysis of survey data “Employer’s

satisfaction with graduates” showed that 60% of employers reported that they use the method of direct recruitment from universities for employment in their units. The other organizations and companies get the applications through their corporate website and using the services of recruitment agencies. On the question of determining the degree of universities participation in the program for employment of graduates 80% of respondents said, that it is on a good level. In evaluating the quality of graduates training by universities 95% of the respondents indicated “at a sufficient level”, i.e. “Good”. Next, employers noted a good language, communication and computer skills of KBTU graduates. In general, the results of the questionnaire of employers showed high level of training KBTU students.

Employers’ survey data provide an opportunity to assess the future quality of university specialists training, the level of educational services, and promptly take necessary measures for continuous improvement of the university in this direction.

Main indicators of KBTU activities for last 5 years, such as indicators of qualitative and quantitative structure of faculty, students’ contingent, financing of scientific projects and others are shown in table 7:

Table – 7 Main performance of KBTU indicators

DATA	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
1	2	3	4	5	6
Faculties number	4	4	4	5	7
Chairs number	13	13	12	11	11
Degrees number	24	9	9	9	10
Student number	2052	1897	1943	1926	1825
International students	9	6	13	6	15
Number of faculty including those with academic degrees	146 56/65,5%	150 66/63,3%	139 49/70,6%	147 60/66,2%	170 90/72%
Faculty average age	52,6	52,8	51,8	52,3	50,8
Educational expenses (thousand tenge) min./max.					
- 1 Bachelor	562,5/1400	480/1400	474,4/1400	562/1400	635,8/1400
- 1 Master	-	450/1750	450/1750	317,9/1750	635,8/1750
- 1 Ph.D	-	911,2/ 1822,5	911,2/1822,5	455,625/ 1822,5	1307

Table 7 Continuation

1	2	3	4	5	6
Number of university branches	6	7	8	13	13
R&D funding for (thousand tenge)	6,800	26,220	172,016	396,839	500,517
- state grants	-	5,300	170,516	395,339	463,267
- private sources	6,800	20,920	1,500	1,500	37,250
Study area (sq.m.) per 1 student	9,7	9,8	9,6	9,7	9,8
Library funds per 1 student	123,2	138	141,2	150,3	150,3
Sport facilities (quantity/sq.m.)	3/2650	3/2650	3/2650	5/3100	5/3400
personal computers:	896	907	921	942	950
hostels:	650	710	711	677	698
seating section:					
- classrooms:	2272	2272	2272	2272	2 272
- reading rooms:	224	224	252	252	365
- dining and buffets	214	214	214	214	214
Average salary (thousand tenge):	142,4	139,4	141,3	143,5	147,1
- faculty	173,1	175,03	177,2	178,9	180,1
- support personnel	68,1	66,5	68,6	70,0	72,0
Agreements with foreign universities	8	11	6	3	27
Training abroad	146	149	160	46	274

KBTU annually participates in international, national and regional professional alliances, associations and also in the largest international exhibitions. Participation of KBTU in such exhibitions is viewed not just as an advertising campaign, but also allows students and employees of KBTU to be aware of the innovations taking place in the world in areas such as oil & gas, IT and applications of them.

KBTU annually holds international scientific conference “Problems of development of innovative oil and gas industry” under the sponsorship of PSN KAZSTROY. Twice a year Kazakh-British Technical University invites the members of the Industry Advisory Board with the representatives of the leading local and international companies and whose work aimed to contribute financial and administrative support to students and faculty.

Since 2011, work of the accounting system of students’ leadership ability (SULS) has been introduced [www.suls.kbtu.kz](http://www.suls.kbtu.kz). SULS aimed assessing and ranking

of students in their extra-academic activities in order to motivate students in developing certain qualities needed to succeed in managerial activities and active life position.

KBTU performs research and development (R&D) in the exploration, production and transportation of oil and gas, hydrocarbon processing technology and ecology, chemicals and petrochemicals, nanotechnology and new materials, mathematical modeling and information technologies in the oil and gas industry.

Scientific-research work in KBTU is carried out in two directions:

- 1) fundamental and applied research in the departments and scientific-research laboratories of theoretical profile;
- 2) funded applied research performed in the scientific-research laboratories of applied profile.

Innovative orientation of R&D KBTU characterized by:

- 1) formation of R&D corresponding to modern priority areas of science;
- 2) presence of the scientific potential to implement the generated scientific fields;
- 3) entry into the global scientific and educational space;
- 4) integration of the educational process with science and industry;
- 5) establishment of research laboratories with applied orientation, laboratories of engineering profile, research and education Centre;
- 6) computerization of scientific researches.

Integration of education, science and industry occurs. Educational Complex of Chemical Engineering, Institute of Chemical Sciences named after A.B. Bekturov and Institute of Organic Catalysis and Electrochemistry named after D.V. Sokolsky were created, new research laboratories of applied profile set up to fulfill firstly the orders of JSC NC “KazMunaiGas”.

As a result, the amount of funded research projects dramatically increased, for instance the amount of funds allocated to R&D and research work of students in 2011-2012 amounted to 22.55% against 2.25% in 2009-2010.

Nowadays, work is underway on researches computerization. To implement this innovative work at the University for the first time in Kazakhstan high-performance distributed computing system based on cluster architecture (supercomputer) with 10TFlops capacity was created. This system comprised of the latest global technological developments in the field of supercomputing, grid technologies, processing, analysis and interpretation of geological and geophysical data. Based on the supercomputer's resources KBTU launched into trial operation portal Mycloud.kz with the possibility of providing cloud services.

On the basis of KBTU specialized laboratory equipped with the necessary hardware and software (CALS-technology) computer classes, installed and configured with the University complex software CALS-technologies were created.

The University developed the Regulations on the R&D rating system. The purpose of the R&D rating system is to stimulate the growth of skills, professionalism, research productivity and development of the creative initiative of academics and researchers.

The main sources of the University funding are the budget financing in the form of state education grant and extra-budgetary funds, which include: preparing students for a fee, scientific-research activity, commercial property rentals, and sponsorships.

There is an increase in funding as in 2011-2012 the volume of financial income amounted to 2,221,190 thousand KZT against the 1,396,474 thousand KZT in 2007-2008, i.e. an increase of 159%. In the 2011-2012 the amount of revenue from the sale of research programs amounted to 553,595 KZT, compared to 26 108 KZT in 2007-2008 (table 8).

Table 8 - The dynamics of university funding by source of funding (thousand tenge)

Data	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
volume of financial flows	1 180 407	1 396 474	1 583 784	1 925 114	2 095 764	2 221 190
state budget	420 078	376 687	354 732	845 053	1 005 636	1 050 291
individual customers	760 329	1 019 787	1 049 215	1 080 061	1 090 128	1 170 899

In the table above there is a clearly seen increase tendency in the University funding by source of funding, namely the amount of funding from the government budget in 2011-2012 was 1,050,291 thousand KZT against 376,687 thousand KZT in 2007-2008; regarding the funding of individual clients seen the same upward trend - in 2011-2012 funding amounted to 1,170,899 thousand KZT against 1,019,787 KZT in 2007-2008.

From the data presented below in the table 10 expected increases in the number of students at the University is seen, both in state grants, as well as on a contractual basis, which leads to increasing of the university's income. This highlights the competitiveness of the University, which is in its successful functioning and development.

The data in the table shows the calculated growth of the student number in the University which results in increased revenues. In general, the distribution and use of financial resources of the University shall ensure the implementation and development of the core activities on the basis of capital growth through budgetary and extra-budgetary revenues while maintaining solvency in risk tolerance. This underlines the University competitiveness, which is represented in its successful functioning and development. Production data, financial performance and other information about main economic indicators of KBTU for 2012-2016 reflected in table 9.



Table 9 – Main economic indicators of KBTU for 2012-2016

Data	2012	2013	2014	2015	2016	
Production data						
1.1	Students number, total	2 204	2 039	2 470	2 537	2 575
1.1.1	Bachelor with state grant	875	879	890	902	905
1.1.2	Undergraduate "paysites"	1 106	935	1 352	1 405	1 438
1.1.3	PhD	24	24	24	25	25
1.1.4	Master	199	201	203	205	207
1.2	Income from R&D (thousand tenge)	507 157	512 229	517 351	522 524	527 750
1.3	Income from seminars, workshops, etc (thousand tenge)	60 600	61 206	61 818	62 436	63 061
Financial performance (thousand tenge)						
2.1	Total revenue	3 324 944	3 358 194	3 391 776	3 425 693	3 459 950
2.2	Revenue from sales of products and services	3 179 392	3 211 186	3 243 298	3 275 731	3 308 488
2.3	Cost of goods sold and services rendered	2 716 624	2 743 791	2 771 229	2 798 941	2 826 930
2.4	Gross profit	462 767	467 395	472 069	476 790	481 558
2.5	Finance income					
2.6	Other income	145 552	147 008	148 478	149 963	151 462
2.7	General and administrative expenses	388 455	392 339	396 263	400 226	404 228
2.8	Financing costs					
2.8.1	Interest expenses					
2.8.2	Cost of product sales and services	26 591	26 857	27 125	27 396	27 670
2.9	Other expenses from secondary activities	151 614	153 130	154 661	156 208	157 770
2.10	Income (loss) before tax	41 661	42 077	42 498	42 923	43 352
2.11	The corporate income tax	1 800	1 818	1 836	1 854	1 873
2.12	Total profit (loss)	39 861	40 260	40 662	41 069	41 480
2.13	Capital investments	8 872 063	221 760	223 978	226 217	228 480
Other data (thousand tenge)						
3.1	Wage fund	1 803 409	1 821 443	1 839 658	1 858 054	1 876 635
3.2	Funds for replenishment of the library fund	35 000	35 350	35 704	36 061	36 421
3.3	Business trip expenses	63 269	63 902	64 541	65 186	65 838
3.4	Updating and operation of information technologies	82 911	83 740	84 577	85 423	86 277
3.5	Upgrade equipment of departments and training labs	79 889	80 688	81 495	82 310	83 133
3.6	Expenses for carrying out students practice	20 090	20 291	20 494	20 699	20 906

The structure and operating budget of the University in the context of costs is shown in the following table. Analyzing the structure of budget expenditure, it is clear that the greatest part of the cost is the payroll (table 10).

Table 10 – The structure of the university budget

Data	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Wage fund with mandatory deductions	48,8%	48,2%	57%	47,3%	47,3%
Costs for maintenance and service of training and adjacent areas (utilities, rents, cleaning, landscaping, security)	2,2%	2,0%	3.1%	3,5%	3,5%
Administration costs of training programs (teaching and support materials, stationery, supplies, printing, application forms documentation)	3,8%	3,6%	4.1%	3,3%	3,3%
Cost of Internet communications	2,0%	1,7%	1.3%	1,1%	1,1%
Expenditure on training of faculty, administrative staff	0,1%	0,1%	0.2%	0,1%	0,1%
Costs of recruitment (advertising, receiving campaign)	0,8%	0,7%	0.8%	0,8%	0,8%
Cost of a quality upgrade, expansion of the material, scientific, educational and laboratory facilities (classrooms, furniture, computer equipment laboratory equipment, library and information resources, software)	4,7%	16,4%	9,8%	10,5%	10,5%
Cost of qualitative update, expansion, operation of infrastructure (hostels, health and leisure centers, printing, sitting area and on)	0,03%	0,23%	0.25%	0,3%	0,3%
Other expenses	37,7%	27,1%	23,5%	33,1%	33,1%

In KBTU the staff is under some potential special requirements, which are also related to the foreign personnel presence of at least 10% of the regular staff number. A positive feature of the attraction of western well-known professors from major research centers and leading universities is systematical strengthening of the University position in educational market. Academic and research activities of teachers in the areas corresponding to the taught courses promotes constant

orientation to the innovative development of engineering programs in accordance with the requirements of modern production.

The availability of appropriate incentives for staff stimulating the effective achievement of the objectives is achieved through high salaries, high-quality equipment of laboratory facilities, classrooms and offices for faculty and also training opportunities and internships in foreign universities, companies and other organizations.

From January 1, 2013 in KBTU a new system of a payment introduced, according to which wages of faculty members will be differentiated depending on the amount of work performed, the teaching load and the number of students, language teaching and other factors that will more effectively stimulate the faculties.

In order to actively involve faculty in academic and professional activities of the University a differentiated system of bonuses and promotion of personnel for the publication of articles in refereed journals, book chapters in a number of international publishers' participation in plenary presentations at international conferences, and individual incentives for young scientists and teachers were introduced.

Analysis of the degree of the faculty staff's satisfaction management was based on questionnaires in the on-line in the Automated Information System "Registrar Office", which showed that the staff of University is basically satisfied with the KBTU management system and work within it.

The university established a flexible system of education fees in order to encourage students to achieve the best results in their studies.

As shows in the table below, the identified base tuition for a set of 2008 - 2011 years is 1 400 000 tenge and for a set of 2012 is 1 950 000 tenge. The average cost of tuition for last 5 years become lower than base tuition through the use of a flexible system of payment (table 11).

Table 11 – The average cost of a student education (thousand tenge)

Majors	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
economic	888	855	829	830	850
technical	614	636	594	595	650

Regarding the average monthly salary of employees, it has a tendency to increase while the cost of education through the use of a flexible payment system tends to decrease, which is a measure of financial stability and viability of the university.

Analysis of financial and economic activities of the University leads to the conclusion about the effectiveness of financial resources use, as well as the sustainability and stability of the financial and economic level.

Thanks to major contributions to the education from the founders of the University and the sponsorship of the leading oil and gas companies KBTU has the opportunity to strengthen the material and technical base, to fund educational and research projects, raise wages and use other forms of faculty and students stimulation.

Thus, in KBTU a strong material base was created and developed; rapidly evolving scientific research, international cooperation, systemically implemented in the educational process of information-communication technologies, methods and tools for active learning.

Below we have developed the SWOT analysis of Kazakh-British Technical University (table 12).

Table 12 – KBTU SWOT analysis

Positive influence	Negative influence
1	2
<b>INTERNAL ENVIRONMENT</b>	
Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- positively known in the field of science and education University brand, patronage from the side of PLC NC “KazMunaiGas”, rendering sponsor support to university;</li> <li>- KBTU acknowledgment at both the national and international educational services market, the passage of international accreditation of engineering and IT programs, awarded the “Affiliate Centre” status by the University of London, "the best Technical University" status on the National General Rating and positioning in QS World University Rankings;</li> <li>- stable average annual growth of income for the last five years;</li> <li>- competition and selection approach in the procedure of students screening;</li> <li>- use of modern education technologies;</li> <li>- effective system of students' knowledge evaluations ;</li> <li>- highly qualified and professionalized faculty mobilization of foreign professors;</li> <li>- cooperation with partner universities and double diploma getting opportunity;</li> <li>- effective management and flow of documents system availability;</li> <li>- presence of developed science infrastructure and demand for the outputs of university scientists' research projects applicable into real economic sector;</li> <li>- huge logistical base of the University;</li> <li>- broad library fond, access to leading foreign libraries;</li> <li>- high speed and unlimited access to internet connection in industrial scale for internal and external resources.</li> </ul>	<ul style="list-style-type: none"> <li>- weak faculty involvement into scientific activities, because of the congestion from the educational processes;</li> <li>- weak connection with the world scientific centers for the implantation of joint R&amp;D;</li> <li>- insufficiency of research and experimental base;</li> <li>- low citation level of the University scientists publications in foreign scientific editions;</li> <li>- low proportion of masters and doctor of total cohort educated people;</li> <li>- age-related factor, tangible percentage of highly degreed personnel in retirement age;</li> <li>- insufficient area of educational housing;</li> <li>- growing bureaucratization rates in the university activities, because of implantation of the only shareholder’s (“KazMunaiGas”) typical standards, methods and procedures, used in national companies, but not required in educational organizations;</li> <li>- necessity in specialization faculty growth in the sphere of innovative technologies of education;</li> <li>- absence of motivation factors for faculty, such as indexation of salaries for the last five years, medical insurance, funding the participation in international conferences;</li> <li>- high cost for the provided services.</li> </ul>

Table 12 Continuation

1	2
EXTERNAL ENVIRONMENT	
Opportunities	Threats
<ul style="list-style-type: none"> <li>- provide faculty and staff support and appropriate resources for the realization of their scientific, educational and inspirational potential to increase qualification and professional excellence;</li> <li>-strengthening integration of the educational process with the scientific activities;</li> <li>- strengthening integration process with the</li> <li>- worldwide educational and scientific expanse;</li> <li>- strengthening the interaction with governmental apparatus and national companies which copes with actual issues of socioeconomic problems on the basis of staff and scientific support innovative projects;</li> <li>- integration the abilities of technical universities on strategic directions of modernization engineering system of education with the aim of accelerative development of scientific, industrial and social potential of the country;</li> <li>- possibility of attracting investment and sponsorship resources of universities and partner companies in order to achieve break-even at the expense of raising additional funds;</li> <li>- perspective opportunities for the employment of graduates in national and transnational.</li> </ul>	<ul style="list-style-type: none"> <li>- “brain drain”;</li> <li>- reduction in the number of school graduates due to demographic decline and the "physical" reduced flow of talented young people;</li> <li>- education globalization and increasing competition of universities, including international level;</li> <li>- increase of inner resistance by changing habitual University lifestyle from the side of older faculty members and scientific branch;</li> <li>- financial or legal partners' risks which influence the state of joint projects;</li> <li>- rapid changes in legislative and normative laws of university operations , which have a negative influence on managerial processes;</li> <li>- weakening interest of employers in the way of improvement partnership relations with the university;</li> <li>- decreasing level of entrants preparation while secondary education;</li> <li>- due to possible deterioration of social conditions and the population solvency there is a threat of decline revenue side of the budget, which in turn will lead to reduced costs and adversely affect the results of financial and economic activities and the university;</li> <li>- dynamic increase in the cost of equipment and materials.</li> </ul>

Modern management methods are complex that allows introduction of innovative educational trends and effective solution of the problem the University development facing. KBTU realizes and understands the modern scientific and technological problems and clearly reflected them in the educational programs. The result is the realization of graduates’ abilities in the application of scientific, engineering knowledge, skills and proven methods in practice. The list and the content of educational programs reflect the innovation of industrial production and the wishes of employers. Thus, the University is not simply hold relevant intellectual, material assets and resources, but also successfully develops and applies them in its activities aimed to meet the needs of firstly students, as well as the needs of faculty and staff of KBTU. Today KBTU on a new stage of development has set a goal of creating a world-class innovation-research university, building the group of competitive specialists with modern skilled higher education, focused on solving the problems of the economy’s industrial-innovative development.

### **2.3 Analysis of world market of educational services and students' enrollment strategies**

The landscape of international higher education has changed over the past ten to fifteen years. Increasing competition in higher education and the commercialization and cross-border delivery of higher education have challenged the value traditionally attached to exchanges and partnerships. The international dimension and the position of higher education in the global arena are given greater emphasis in international, national and institutional documents and mission statements than ever before. The 2006 International Association of Universities (IAU) survey indicates that 73 percent of the participating higher education institutions assign high priority to internationalization, 23 percent medium priority and only 2 percent low priority.

There is also a growing emphasis on 'marketization', competition and management, something also stressed by others. The trade in higher education is an important manifestation in this new landscape. The phenomenon is not entirely new. However, the identification of education as a service in the context of the General

Agreement on Trade in Services (GATS) of the World Trade Organization (WTO) in 1995, in particular, is an expression of the increased importance of this development in higher education and its internationalization [226].

It would be too easy, however, to assume that everything has changed over the past ten years with regard to the internationalization of higher education, namely from a more cooperative model to a more competitive model.

Internationalization allowed higher education institutions to educate people who have limited experiences with people and places abroad, add diversity and understanding to the campus community, and assisted in generating revenue by promoting international student recruitment, study abroad efforts, and increased the overall attractiveness of the institution. Over the past forty years internationalization of higher education has changed dramatically and taken a number of unique forms. Throughout the 1960's and into the 1980's internationalization was the cornerstone of development and aid at higher education institutions in many developing nations. It was not until the late 1980's that a revolution occurred in academia, and in many governmental agencies, which allowed internationalization to shift from internationalization as aid and assistance, to internationalization as the exchange of students and teachers as well as curriculum development. For developed nations like the United Kingdom and Australia, the shift from aid to trade became apparent and internationalization was identified as a financial benefit with a great deal of commercial value.

Additionally, many developed countries and their respective governments wanted to get in on this exchange of people and began to limit scholarships and started charging full-cost fees at public higher education institutions. During the 1990's yet another development occurred. Countries like the United Kingdom and Australia saw great potential in moving internationalization efforts in a new direction. Prompted by the Asian economic crises and continued unrest in the Middle East many countries adopted a competitive strategy of delivering academic services abroad [227, p. 18]. This tactic, known by a variety of monikers (transnational

education, cross-border delivery, and offshore education) allowed institutions to introduce and cultivate branch campuses and franchise operations in various regions. This new form of internationalization had been credited with switching the emphasis on the movement of students to the movement of programs and curriculums. The overarching strategy allowed institutions that were facing a decline in international students to tap into new markets with the underlying assumption that ‘if they do not come to us, why do we not go to them’. This model has been very successful and the US has taken the lead in developing educational opportunities in a wide array of geographical locations.

However, strides are being taken to allow for continued growth in the area of internationalization. The European Union introduced Bologna Process which has allowed European students greater flexibility and mobility when it comes to attending higher education institutions throughout the region. Allowing students the ability to cross borders more easily has been a tremendous opportunity for the EU and its citizenry [228]. Since the 1990’s three countries have dominated efforts for internationalization at their higher education institutions: the US, Australia, and the United Kingdom. All three nations have successfully excelled in recruiting and retaining international students to their shores. Coupled with international student enrollment are the offshore activities the higher education institutions in these nations are able to conduct. The results are a more competitive and commercial approach to internationalization efforts both domestically and abroad.

According to the OECD Education at a Glance 2012 report the leading destination countries in the world market of educational services are the United States, the United Kingdom and Australia (figure 20).

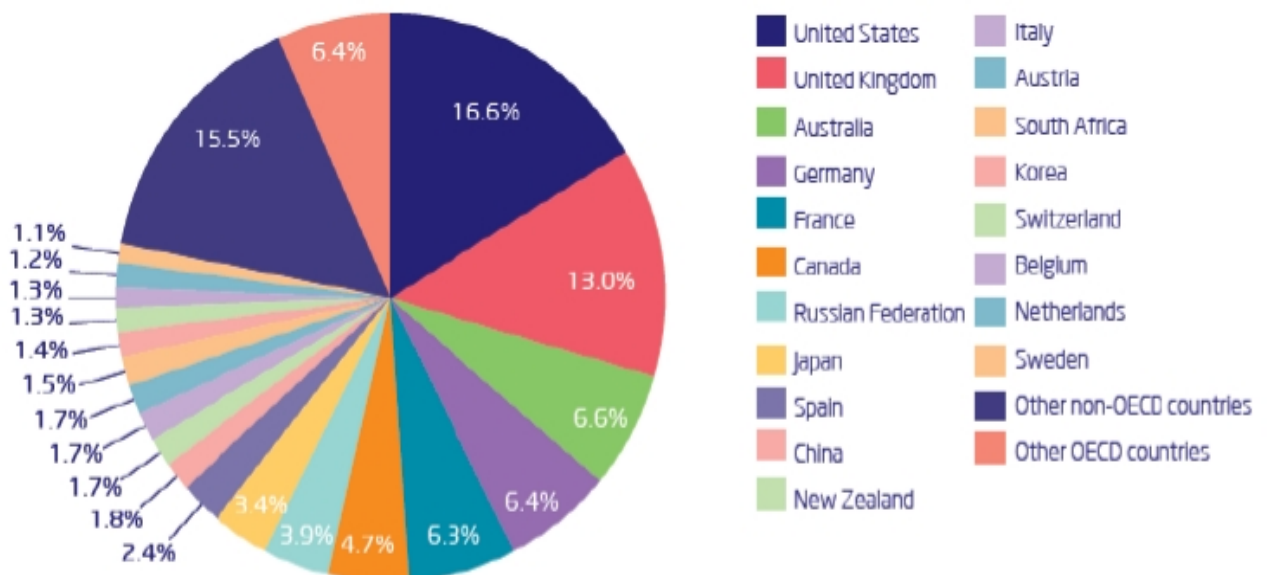


Figure 20 – International student market share [209]

With a growing world population which in October 2011 reached 7 billion and new technologies continuously shrinking the globe and allowing for increased access to higher education the road ahead looks long, unending, and certainly uncharted.

Globally, more than 2.5 million students are studying outside their home countries and estimates predict this number to rise to 7 million by 2020 [232]. The US alone opened its doors to approximately 723,277 international students enrolling in higher education institutions in 2010-11.

Moreover, international students were estimated to generate billions to the US economy annually [233]. Institute of International Education report of 2012 indicates that 2010-11 academic year brought a windfall of approximately \$21 billion to US higher education institutions. International students provide significant revenue to the host higher education institutions. The majority of international students studying around the globe are from China with India a close second. These populations have had a direct impact on the national and state economies as well as the higher education institutions that welcome them to their campuses and classrooms [235; 236]. Based on the database of UNESCO Institute of Statistics using ISCED 5&6 standards the following figure on foreign students enrollment was developed (figure 21).

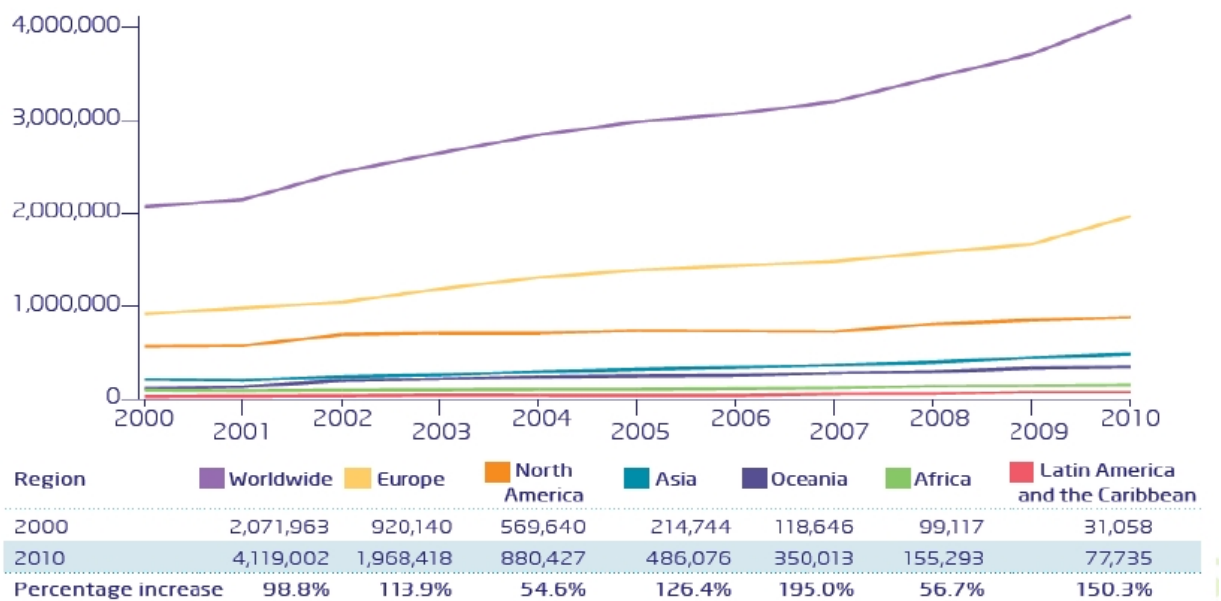


Figure 21 – Foreign students enrolled outside country of origin, by region of destination [242]

Knight’s [199, p. 12] more recent work focused on the development of education hubs throughout Asia. The author investigated the area of education and research moving across national borders. Knight pointed out that the most recent development in the world of internationalization was the emergence of higher education hubs. The term education hub was being used by countries who were attempting to “build a critical mass of local and foreign actors - including students, education institutions, companies, knowledge industries, science and technology



centers - who, through interaction and in some cases colocation, engage in education, training, knowledge production, and innovation initiatives” [199, p. 3].

Knight explored the recent development of higher education hubs in six countries and questioned whether this was simply a fad, the latest branding strategy, or an innovation worthy of investment and serious attention.

Knight and Morshidi’s recent work further investigated the complexities and challenges of regional higher education hubs with a specific focus on the increased activity in Malaysia. Knight and Morshidi pointed out that the race to establish regional higher education hubs was a recent development in cross-border higher education. Various forms of higher education hubs were being developed and Knight and Morshidi dissected three unique types: “the student hub, the training and skilled workforce hub, and the knowledge/innovation hub” [229, p. 9]. Higher education hubs appeared to be the latest development in the second decade of the twenty-first century. As countries take a more advantageous and strategic approach to creating competitive and financially stable higher education institutions within their borders the question of viability will be at the forefront.

The benefits and costs of internationalizing a higher education institution are multiple and, in many cases, revenue driven. To compete in a global economy that is continuously changing day by day, higher education executives need to take an adaptive and agile approach to sustaining their institutions.

According to Stejar’s [230] findings the financial benefits of adapting new strategies to internationalize higher education can create successful economic engines for not only the educational institution but also the broader community. Lee [233] explored the emergence of the entrepreneurial institution and the changing expectations towards higher education under new economic and social circumstances.

Jiang [234] argued that the internationalization of higher education was becoming increasingly dominated by economic imperatives that focused on exporting education and generating income from overseas students. This economic and financial gain was adversely affecting the quality and effectiveness of programs, policies, and strategies put in place. According to Jiang the competitive model was eroding the quality of programs and services. These concerns have been voiced by other researchers as well.

Altbach placed the key drivers of mobility of Chinese and Indian students into a basic economic model: supply vs. demand. On the supply side, two drivers were “increasing prosperity, which enabled the ability to afford foreign education, and rapid expansion of the system of higher education at the expense of quality” [235, p. 11]. On the demand side, two drivers are “universities’ aggressive approach to recruiting students to compensate for budget cuts and access to a wider range of recruitment channels and service providers”. According to Altbach India remained largely a market of graduate students sensitive to local economic conditions. A shift in undergraduate higher education enrollment of international students from India in the US could have unprecedented financial benefits. Not only do a number of reports highlight the importance of China and India in the higher education market but Altbach used economics to further drive home the point that international student

enrollment will continue to play an important role in the actions and strategies of higher education institutions and their leadership.

O'Neill's [236] report focused on four future economies that were believed to impact the global marketplace by 2050: Brazil, Russia, India, and China (BRIC). China and India, it was argued, will dominate the supply-side of goods and services, while Brazil and Russia will capture the market for producing raw materials by 2050. The BRIC emerging economies were forecasted to create a paradigm shift in the global commons. This mid-twenty-first century shift would undoubtedly cause unprecedented changes to higher education and international student recruitment and retention.

International students bring several benefits to HEIs. First, a diverse international student body helps to promote cultural understanding between the foreign and local students. Christensen and Thielen [237, p. 210] state, "students' contributions can be organized to provide an intercultural component in the educational activities of the institution, both in its formal academic programs and in its outreach to the surrounding community". This statement acknowledges that international students are valuable sources for not only bringing different perspectives into the classrooms, but also for promoting interaction within the community that fosters cultural sensitivity and tolerance.

At the context level, the forces of globalization cannot be ignored. As markets get smaller, interconnectivity intensifies, and job mobility increases, HEIs are under constant pressure to be more competitive. According to Ghosh [238, p. 94], "globalization [therefore] demands that education facilitate innovation in an economic web, which is a concept that implies interconnectedness and multi-level, multi-directional relationships. New business strategies and changing communications technology make global teams imperative for survival in global competition".

Based on data published by multiple agencies, and media coverage of institutional enrollment statistics, we have identified a few major international enrollment trends, focusing on four themes: source countries, destination states, enrollment by academic level, and recruitment practices.

Currently one in five of the world's international students are from either China or India, with more than 700,000 tertiary-level students enrolled in a higher education system outside their home country. In the U.S. alone, these two countries contributed to 84% of all increases in international student enrollment between 2000-2001 and 2010-2011 [239]. While the number of Chinese students has increased at an astounding rate, the growth of Indian students has been displaying a counter-trend over the last couple of years.

The most commonly cited reasons for increased mobility among Chinese students are the growing supply of high school graduates whose families can afford a U.S. education and the unmet demand for high-quality education at home. By contrast, enrollment growth among Indian students has slowed considerably, possibly due to the residual effects of the U.S. economic recession - given that nearly 60% of

Indian students enroll in Master’s programs of Engineering and Computer Science and they are highly sensitive to the financial returns of their investment in education.

While China and India are still too big to ignore, there are other emerging countries, including Saudi Arabia, Vietnam, Mexico, and Brazil, for which recruitment efforts should be cultivated not only for campus diversity but also as a de-risking strategy. Brazil and Saudi Arabia are especially important, due to the availability of full-freight government scholarships, which minimizes the prospective students’ dependency on institutional grant and financial aid (table 13).

Table 13 – Change in Total Active Students by Country of Origin [158]

Country	2010	2011	Change of 2011/2010
All	799,581	858,180	7.33%
China	153,312	196,857	28.40%
South Korea	105,696	104,908	-0.75%
India	103,760	99,316	-4.28%
Canada	30,803	30,779	-0.08%
Saudi Arabia	29,391	43,910	49.40%
Japan	28,805	27,188	-5.61%
Taiwan	27,046	25,918	-4.17%
Vietnam	17,116	18,044	5.42%
Mexico	15,660	16,777	7.13%

One major shift in the enrollment pattern of international students is the growth of enrollment at the Bachelor’s level. In 2010-11, nearly one-third of all international students in were enrolled at the Bachelor’s level. Because international students enrolled at this level are typically self-funded, with little institutional financial aid, they provide a longer stream of revenue versus the Master’s programs (two years). As a result, some public institutions in the U.S. are viewing this trend as part of the solution to current fiscal challenges and therefore expanding recruitment efforts at the Bachelor’s level.

The accelerated pace of urbanization and economic development in Asia will result in a larger number of households with higher purchasing power. The two heavyweights - China and India - alone will see their aggregate urban consumption increase seven-fold and six-fold, respectively, from 2005 to 2025 [240]. This changing landscape indicates great opportunities for higher education institutions wishing to recruit self-funded students.

Similar trends could be observed among students from Saudi Arabia: a total of 10,946 Saudi Arabian students pursued study at the undergraduate level in 2010-11, a nine-fold increase from only 1,700 undergraduate students in 2004-05. This is largely attributable to the Saudi Arabian government’s commitment to sending students abroad.

USICE data help confirm this trend, showing that the number of active international students at the Bachelor’s level at the end of 2011 increased by approximately 12% as compared to the previous year (table 14).

Table – 14 Change in Total Active Students by Level of Study [158]

Level of study	2010	2011	Change of 2011/2010
Associate	76,616	74,175	-3.19%
Bachelor	240,282	268,186	11.61%
Master	198,792	209,367	5.32%
Doctorate	120,511	123,836	2.76%
Language training	84,529	95,015	12.41%
Secondary	33,809	39,109	15.68%

Students from strong-growth countries such as China and Saudi Arabia are more likely to be fully funded and enrolled at the undergraduate level. More significantly, their inflow has come at a time when public higher education institutions are seeking alternative revenue streams to compensate for recent budget cuts. As a result, we observe a growing trend among institutions to recruit more well-funded international students in undergraduate programs.

From the supply side, the recent trend toward the purposeful recruitment of international students has been instigated by the global recession and the consequent decrease in state support for higher education. Many institutions, however, have lacked the internal capacity and preparedness for this sudden shift towards proactive recruitment. Moreover, insufficient understanding of near-term student mobility trends and effective recruitment practices can be detrimental to their future strategic directions.

Our data analysis indicates that the rise of international students is driven by undergraduates, those who pursue business-related disciplines, and those that follow the Intensive English Program pathway. They are more attuned to word-of-mouth communication via social media and need more support services as opposed to the traditional segment of self-directed graduate students. Mirroring these findings, our survey results suggest that external pressures are compelling institutions to seek more aggressive, diverse, and efficient international enrollment growth. Each recruitment strategy has its own promises and challenges, and yields varying measures of success. But by implementing a holistic strategy based on technology, partnerships, and research, institutions can make their international student recruitment responsive and productive.

Influential forces on international student mobility can come from numerous directions. These include, but are not limited to: demographics; economic growth and decline; the expansion of local higher education systems; immigration policies and regulatory environments of competing host countries; government-initiated scholarship programs; and the emergence of technology [241].

In 2010, the international student population reached nearly 3.6 million worldwide, according to UNESCO data released in 2012, soaring by almost 50 percent over the past six years (2.5 million in 2004) [252]. Competition for international students is becoming more intense and complex, as reflected by the diminishing global market share of the four key players - the U.S., the United Kingdom (UK), Australia, and Canada [243]. Although overall growth of globally

mobile students is expected to continue, its composition in terms of where they come from, where they are going, and their level of study is changing.

One overarching mobility trend of the new millennium has been the rise of international students at the undergraduate level. Driven by increasing affluence in source countries like China and government-initiated scholarship programs as in Saudi Arabia, more fully-funded students are heading abroad. It is reported that in 2012, over 95 percent of Chinese students studying overseas were self-funded. Similarly, as of January 2012, two-thirds of Saudi students pursuing higher education abroad were funded by their government [244]. Ties couldn't be any timelier for public institutions seeking alternative revenue streams to compensate for budget cuts.

We observe a growing trend among institutions to enroll more well-funded international students in undergraduate programs. The phenomenon is being fueled by the growth of the middle class in a number of emerging nations, the new financial needs of public universities and colleges, and the broader internationalization goals of institutions that want to be relevant in a new era of globalization. We elaborate on this growing segment of international students in the following four subsections: comparative trends in undergraduate enrollment; varying undergraduate recruitment potential by source country; increasing interest in business fields; and the rising popularity of the Intensive English Program (IEP) pathway. Above all, admissions professionals must stay abreast of global trends to adapt their recruitment strategies accordingly. Therefore, we first present an in-depth discussion on enrollment trends in major destinations under a comparative framework.

International student enrollment growth is driven by students at the undergraduate level; in other words, they are increasingly studying abroad at a younger age. As figure 22 shows, all four of the host countries that we look at have significantly increased their intake of international undergraduate students between 2004 and 2012. Not surprisingly because of their aggressive recruitment practices, the UK and Australia have seen the strongest growth, with increases of international undergraduate students in excess of 60 percent during this period. The U.S. and Canada by comparison have seen international undergraduate growth between 40 and 50 percent over the same timeframe. Australia has the largest concentration of international undergraduates with three out of five international students enrolled at the undergraduate level in 2012.

When compared to graduate figures, undergraduate enrollments in the U.S. have clearly been the engine of growth, with enrollments jumping 37% percent between 2004 and 2012 as compared to 10 % at the graduate level during the same period. In 2012, nearly a quarter million international students studied in undergraduate programs at U.S. HEIs [234].

Although the U.S. falls behind the three other big English-language destinations in percentage growth, it has the greatest potential for growth of international students in undergraduate programs. Whereas 13% and 24 percent of the total undergraduate population was international in the UK and Australia respectively in 2012, in the U.S. the proportion of international students was just two percent of the overall student body in 2012 (figure 22).

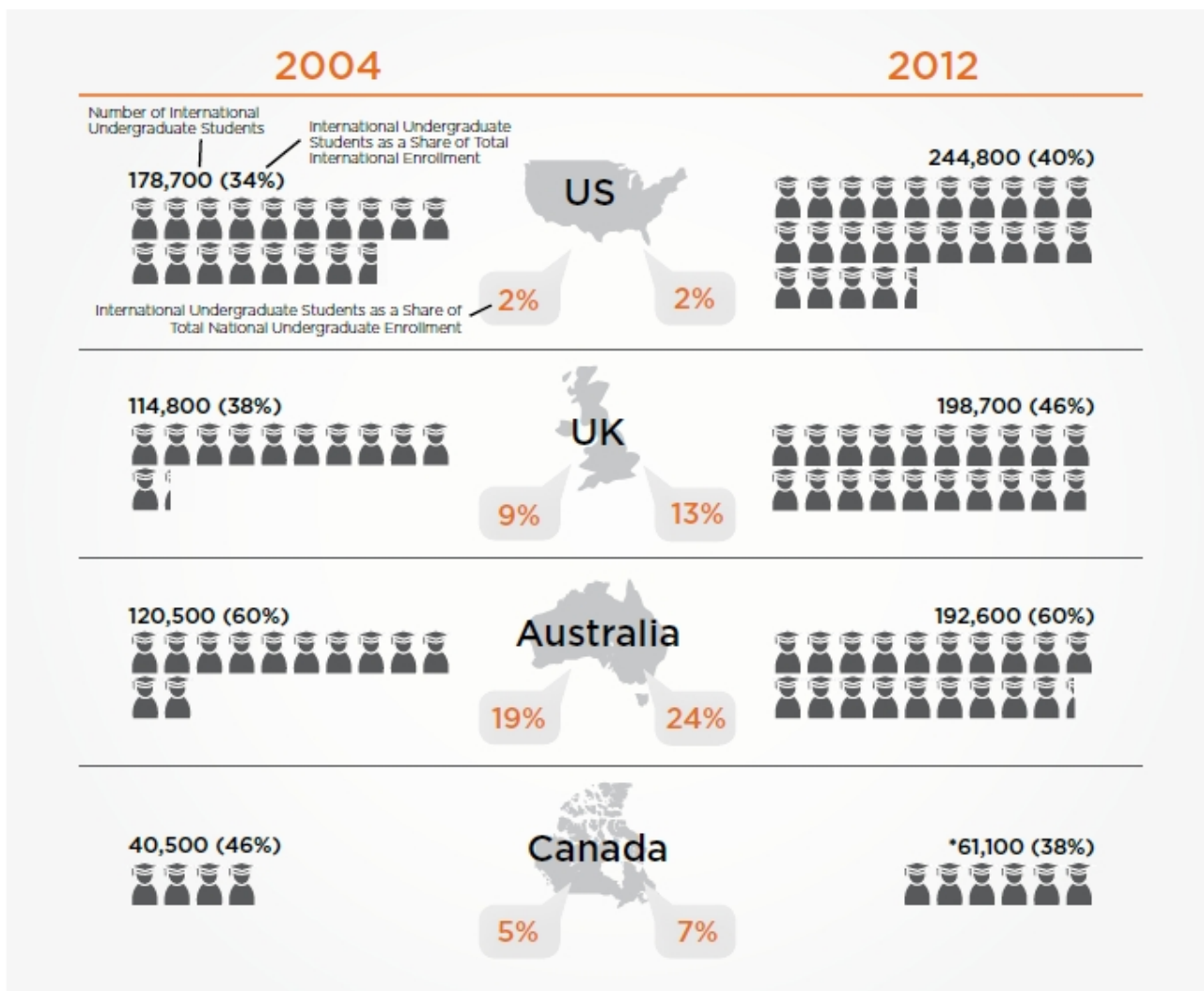


Figure 22 – Comparative Trends in international undergraduate enrollment, 2004 vs. 2012 [245-249]

Business-related programs are the most popular single field among international students. With no signs of slowing down, the proportion of students in business fields has become bigger in recent years. This growth in the popularity of business programs has paralleled, to a degree, the overall demand for undergraduate programs. International graduate students are nearly twice as likely as their undergraduate counterparts to enroll in science and engineering fields [250].

Consequently, we observe that business programs are becoming the main draw for international undergraduate students at degree-granting institutions in all four major English-language study destinations. Australia and the UK almost doubled their intake of international students in business programs within eight years. By contrast, international undergraduate students in business studies grew by approximately 60 percent in the U.S. between 2003 and 2011, with nearly three out of ten international undergraduates enrolled in business fields—a proportion that is now comparable to the UK and Canada. Equally noteworthy is that one in two international undergraduates in Australia opted for business studies in 2012, which suggests the host’s over-reliance on students in the field (figure 23).

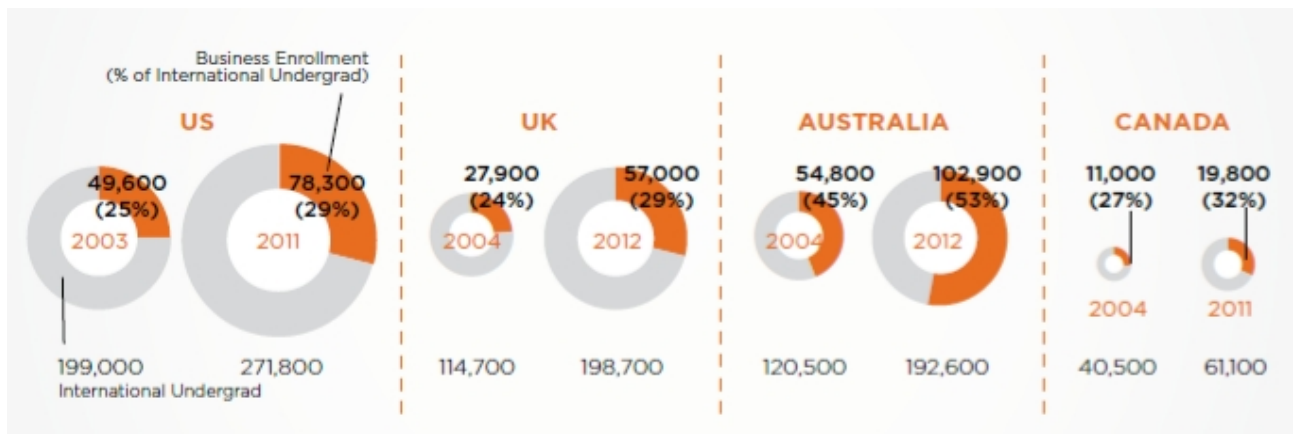


Figure 23 – Comparative Trends in international undergraduate Student enrollment in Business Programs, 2004 vs. 2012 [158]

Although many of today’s younger international students have strong academic qualifications, many are also insufficiently prepared to enroll directly in an English-taught degree program. Younger students need time to adjust to a foreign academic system, culture, and life, and their English language skills can be the biggest barrier to degree admittance and/or academic success. As a result, the Intensive English Program sector has been growing at the fastest rate among all other fields of study in recent years.

International students aiming to study abroad form a highly heterogeneous group. Differences in academic preparedness and financial resources translate into differences in what information students look for and where they look for it during their college search. By gaining a deeper understanding of how students differ in profile and behavior, higher education institutions can become more effective in their resource allocation and recruitment efforts. With that in mind, we have sought *to segment prospective international students* by mapping their profiles according to differences in their information-seeking behavior.

The emphasis of international student recruitment has shifted over time; however, the core motivations still center on attracting talent, creating a more diverse student body, and, perhaps most importantly today, and the infusion of additional tuition revenue [251]. The ongoing impact of the economic crisis and decreasing public funds for higher education is compelling many higher education institutions to recruit more international students in a shorter timeframe and within tighter budget constraints.

A market segmentation approach highlights patterns among diverse populations to help organizations understand and manage the conflicting needs of their customers [252]. *Segmentation offers information about the demographics and aspirations of potential customers, and shows how these characteristics are associated with certain patterns of behavior* [253]. In the context of student recruitment, market segmentation can help rationalize the diverse cultures and needs of the international student body based on backgrounds, values and educational goals. It also allows

institutions to understand how differences in these characteristics impact the way applicants behave when choosing a college [254].

The process of choosing a college typically involves three steps: predisposition to attend a HEI, information search, and choosing which college to attend [255]. We focus on the second stage of the process: information search. The conceptual framework posits that prospective international students with different applicant profiles behave differently during the information search stage of choosing a suitable college: they need different kinds of information, use different channels to get that information and perceive the value the channel provides differently.

The profile of an applicant can be broken down into several dimensions, many of which have been found to influence the information-seeking behavior of international students. These include demographics (country of origin, socioeconomic status, age, etc.); academic ability; wealth; and applicant aspirations for the type of HEI desired [256]. The conceptual map below highlights academic preparedness and financial resources - our proxies for ability and socioeconomic status - as the key variables used in establishing applicant profiles (figure 24).



Figure 24 – Conceptual Map of the information-seeking behavior of international students

Understanding the information-seeking behavior of international students is especially important in a recruiting era that has come to be defined by profound changes in the way students can be reached, informed, and enticed. The growing popularity of alternative recruitment channels, especially social media and agents, challenges the international recruiting profession to understand how applicants are using these new channels.

For the purposes of the research, we segmented the international student population along two dimensions: academic preparedness and financial resources. We categorized respondents based on English proficiency and other academic criteria. Similarly, we distinguished between individuals with high and low financial resources based on the financial resources to be available to them.



The findings reported here are based on analysis of data from multiple sources and an online survey offered to applicants for foreign credential evaluation at World Education Services ([www.wes.org](http://www.wes.org)), administered from October 2011 to March 2012. A total of more than 2,500 respondents started the survey, of which approximately 1,600 answered questions that allowed us to segment respondents according to their academic preparedness and financial resources.

To assess the academic preparedness of our survey participants, respondents were asked whether they participated in ESL courses and admissions test (SAT, TOEFL, GRE) preparation courses. We divided respondents into two groups of approximately equal size and re-coded the group with higher scores as having high academic preparedness and the group with lower scores as having low academic preparedness.

To determine prospective international students' financial resources from the perspective of higher education institutions who wish to enroll them, survey participants were asked about the types of financial resources they expected to be available to them when studying abroad. Respondents could choose multiple answers from a list that included personal savings, financial support from family or friends, loan, external grants or scholarships, and financial aid from college/university. We found that approximately half of all respondents expected to fund their studies solely by personal savings, support from family or friends, or external scholarships. As a result, we split respondents into two groups: those who expected to fund their studies solely by one of the three sources mentioned above were coded as high resource, and those who expected to fund their studies by a combination of various financial resources, including institutional financial aid were coded as low resource.

This kind of segment-based information is vital for HEIs that recruit globally, as it can help match the recruiting resources of the institution with the needs of international students for academic support and financial aid. Using the survey data on academic preparedness and financial resources, we established the following four segments of international students:

Strivers: High academic preparedness; low financial resources

Strugglers: Low academic preparedness; low financial resources

Explorers: Low academic preparedness; high financial resources

Highfliers: High academic preparedness; high financial resources

*Strivers* are the largest segment of the overall international student population. Almost two-thirds of this segment (63%) is employed full-time or part-time during the application process, presumably because they need to support themselves. Among all segments, they are the most likely to select information on financial aid opportunities among their top three information needs (45%).

*Strugglers* make up about one-fifth of all international students. They have limited financial resources and need additional preparation to do well in a foreign environment: 40% of them plan to attend an ESL program in the future. They are relatively less selective about where they obtain their education: only 33% of them selected information about a school's reputation among their top three information needs.

*Explorers* are very keen on studying abroad but their interests are not exclusively academic. Compared to the other segments, they are the most interested in the personal and experiential aspects of studying abroad: 19% of this segment reported that information on student services was in their top three information needs during the college search. “Explorers” are not fully prepared to tackle the academic challenges of the best institutions: they are the most likely to plan to attend a second-tier institution (33%). They are also the most likely to use the services of an education agent (24%).

*Highfliers* are academically well prepared students who have the means to attend more expensive programs without expecting any financial aid from the school. They seek higher education primarily for its prestige: almost half of the respondents in this segment (46%) reported that the school’s reputation is among their top three information needs. “Highfliers,” along with “Explorers,” form the emerging segment driven by the expanding wealthy classes in countries like China and India (figure 25).

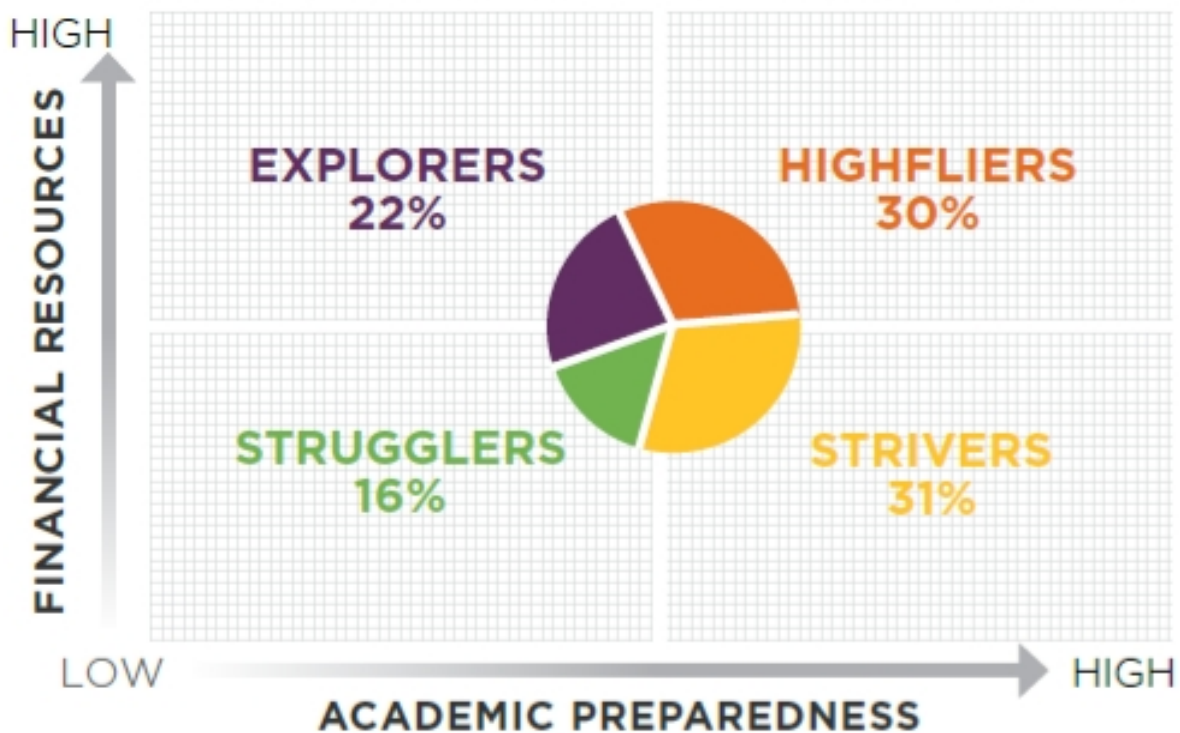


Figure 25 – Segmentation of international students

Summarizing above we developed the following comparative data:

“Strivers” are academically highly prepared, but they may not enroll at a school unless they receive financial aid. “Explorers” and “Highfliers” have adequate financial resources, a boon for colleges and universities with exigent financial needs. However, “Highfliers” are attracted to a narrow circle of top-ranked institutions, which makes it difficult for lower ranked institutions to compete for them.

“Explorers” and “Strugglers” are less selective about their college choice, but they require additional assistance both during the admissions process and once on campus, since their academic preparedness is low compared to the other two

segments. Institutions must take a realistic stock taking of their ability to meet the diverse needs of their international student bodies, and especially with regards to the need for financial aid or academic assistance. A mismatch between institutional capacities and international student needs can harm the financial and reputational well-being of the institution (table 16).

Table 16 – Differences in the profile and information-seeking behavior of international student segments

?: Share of segment	Strivers	Strugglers	Explores	Highfliers
Demographics				
Employed full-time or part time at the time of application	63%	55%	46%	51%
Academic preparedness				
Plans to attend an ESL program in the future	12%	40%	37%	14%
Aspirations				
Plans to attend a top-tier school	67%	59%	55%	60%
Plans to attend a second tier school	22%	31%	33%	28%
Information needs				
Reputation of school	37%	33%	41%	46%
Financial aid opportunities	45%	44%	17%	16%
Students services, including campus safety	10%	18%	19%	12%
Use of information channel				
Agent	9%	17%	24%	13%

Among respondents who were applying to undergraduate programs, “Explorers” made up the largest share - 35% for associate programs, 30% for bachelor’s programs. “Strivers” made up 30% of respondents considering master’s studies and 50% of respondents aiming for a doctoral program.

The two most popular channels used by international students during their information search stage are institutional websites and personal networks (family and friends). On average, 90% of the survey respondents used institutional websites to obtain information, and 67% consulted their family and friends for the same purpose. Social media is an important emerging source of information for international students, with around one-third of respondents indicating that they had used this channel during their information search. The use of agents is not as widespread, with only one out of six respondents reported to have used this channel.

Figure 26 shows the share of international student segments in different geographic regions. The largest segment was “Strivers” in most regions, with the exception of the Middle East where “Explorers” made up 45% of all respondents.

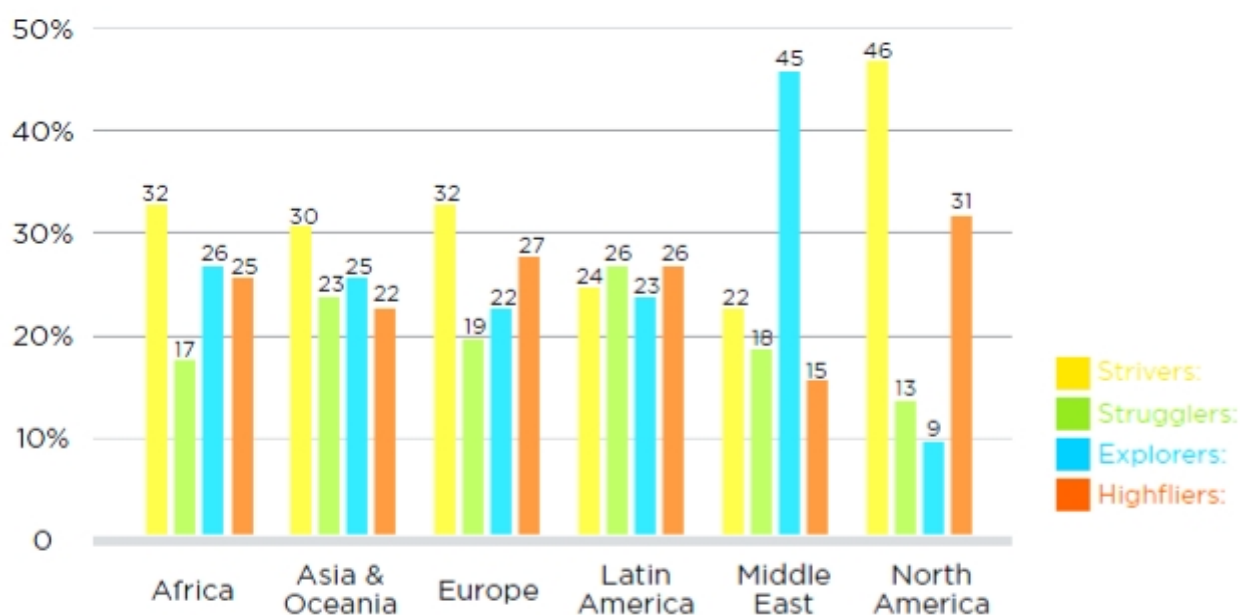


Figure 26 – International Student Segments by region

“Explorers” are substantially more likely to use agents (24%) than respondents in general (16%), indicating this segment’s need for additional academic preparation and their ability to afford third-party services. Among all segments, “Strivers” are the most likely to use institutional websites (93%). There was no statistically significant difference in the use of institutionally managed social media site, indicating the channel’s wide reach across segments (table 17).

Table 17 – Share of respondents who used each information channel; overall and by segments

Overall	Strivers	Strugglers	Explores	Highfliers
Institutional website				
90%	93%	90%	85%	92%
Family and friends				
67%	68%	65%	70%	60%
Social media				
32%	30%	34%	35%	32%
Education fair				
31%	26%	32%	38%	29%
Agent				
16%	9%	17%	24%	13%

The financial and reputational stakes of international recruitment are getting higher. Competition for international students coupled with the complexity of navigating different markets and using new outreach channels is compelling higher education institutions to better understand the differences of their international applicants. There is a wide array of recruitment practices to achieve aggressive and diverse international enrollment growth. These practices range from the traditional

models of attending international recruitment fairs/tours to evolving models of lead generation and working with agents. Based on the analysis of best world practices, we find that emerging recruitment practices fall into one of three dominant themes: 1) technology for expanding reach in a cost-effective manner; 2) partnerships for creating pathways and visibility; and 3) research to prioritize efforts and measure return on investment (ROI).

Technology-based tools are gaining prominence among international recruitment activities. These include virtual college fairs, web-based presentations, webinars, videos, and web-chats. These conduits are especially relevant in attracting and engaging the prospective undergraduate students.

The institutional website is a powerful - if not the most powerful - tool for student segmentation, especially when customized for an international audience. Less frequently, but still worthy of mention are the use of blogs, Facebook, and Twitter for outreach. In this digitally connected world, technology plays a greater part in an admission office's communication strategy than ever before. It allows universities to reduce conversion time and personalize communication - an important aspect of satisfying younger international students who expect fast turnaround service. Poor service and unresponsiveness can cost institutions students at all stages of the enrollment funnel. With an ability to transcend geographic and time barriers, as well as high potential for engagement, technology based marketing and communication practices are likely to play an ever more influential role in international recruitment activities moving forward.

Creating academic partnerships to develop student pathways and increase institutional visibility abroad is today becoming a major theme in international recruitment. These partnerships vary in nature and type, but most are designed to increase the flow of international students. Some institutions have formed agreements with foreign high schools and higher education institutions, creating a direct pathway for international students. Other collaborations have translated into twinning and dual degree programs and faculty exchanges, which draw international students and enhance brand recognition overseas.

The research-based approach to recruitment also appears to be gaining traction in the international enrollment arena with the universities becoming more interested in the use of data to identify the focus of their efforts, as well as the most cost-effective method [257]. Higher education institutions are cautioned against building recruitment plans without first conducting the research to map specific preferences and behaviors of student segments with practices. Examples of uninformed methods are generic promotions and advertisements that, regardless of the medium, do not address the unique characteristics of prospective international students. Conversely, research empowers HEIs to make more targeted decisions in their recruitment efforts.

We have outlined the growth of three innovative recruitment approaches - technology, partnerships, and research at universities. Higher education institutions should integrate these newer practices into their overall international enrollment strategy. The purpose of this research is to identify near term student mobility

patterns and corresponding institutional recruitment practices. Our research makes clear that today, world universities face higher expectations to meet international enrollment targets, as they recruit from untested emerging markets or engage with new populations of prospective international undergraduate students.

More specifically, our research points to a new megatrend of international student enrollment expanding at the undergraduate level. We found that more students are traveling abroad at a younger age primarily in business-related programs and through IEPs; although this will vary significantly by source countries. In terms of institutional priorities, we found that HEIs are aiming to achieve aggressive, diverse, and efficient international enrollment growth.

Based on our synthesis of experiences and the recruitment practices shared by experts, we recommend a framework for responsive strategies that emphasizes the interplay of technology, partnership, and research (figure 27).

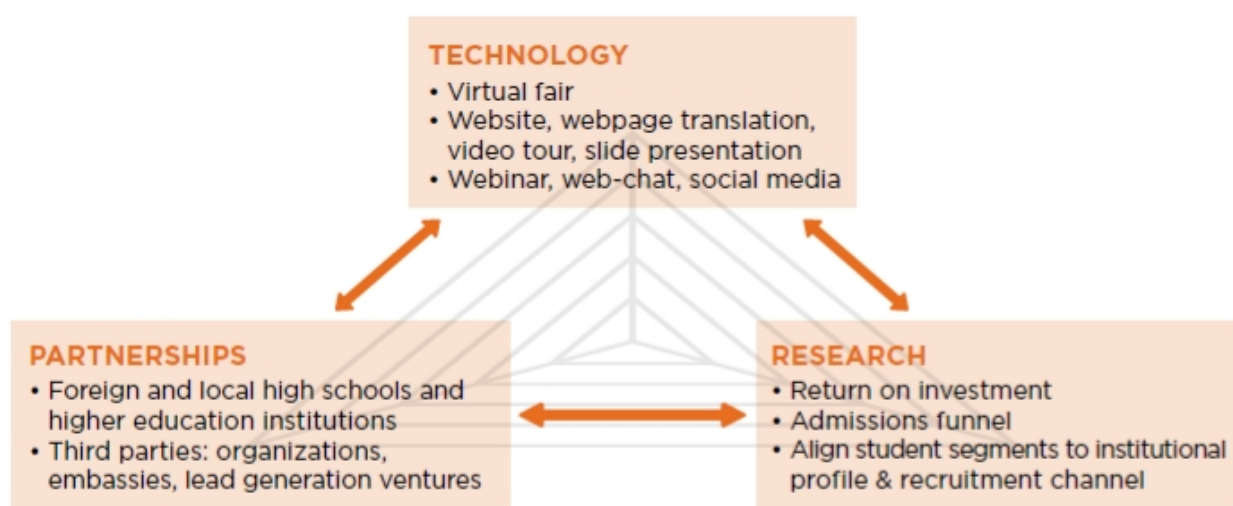


Figure 27 – Interplay of Responsive Strategies

For optimal recruitment outcomes, HEIs should employ these three key practices in tandem to produce aggressive and efficient enrollment growth.

Within this framework, and by measuring and adjusting their recruitment efforts throughout the admissions funnel, institutions should achieve higher enrollment yields. This will not only help institutions prioritize their efforts by knowing what works and what doesn't, but it will also allow them to use the segment based outreach strategies that are more cost effective. Likewise, partnership models can expand access to prospective students with positive word of mouth amplified through social media and face to face communication.

Today's growth in international enrollment is driven by younger, financially and technologically empowered students at the undergraduate level; whereas, the traditional segment of self-directed graduate students who attend funded research programs is stagnating at most institutions. This means that the opportunities for HEIs to internationalize and expand their student bodies lie mainly at the undergraduate level.

The emerging segment of well-funded international undergraduate students presents HEIs with an opportunity to help bridge budgetary shortfalls, while also posing recruitment challenges; however, it is also imperative that HEIs not lose sight of the broader goals of internationalization which includes embracing diversity to enhance academic and cultural experiences.

To achieve international enrollment goals in a cost-effective manner without compromising the ideals of internationalization, HEIs would need to:

*Understand the decision-making processes, needs, and preferences of the new segment of international undergraduate students:* Unlike the graduate segment, the decision making process of undergraduate students is more susceptible to external factors, such as location, parents, support services, and word of mouth via social media. Their mobility patterns and preferences are also distinct from international graduate students. Higher education institutions cannot simply extend the practices designed for recruiting and admitting graduate students to this unique and emerging segment of undergraduate students.

*Adopt responsive institutional strategies and practices that are mapped to student needs:*

International enrollment strategies are effective and sustainable only when they are aligned with the specific needs and preferences of the targeted student segment. Universities can respond effectively to the rise of well-funded international undergraduate students by developing their internal capacities and implementing a strategy based on the iterative interplay among technology, partnerships, and research.

Each recruitment strategy has its own promises and challenges, and yields varying measures of success. But by implementing a holistic strategy based on technology, partnerships, and research, institutions can make their international student recruitment responsive and productive.

### **3 WAYS TO IMPROVE THE COMPETITIVE ADVANTAGES OF EDUCATIONAL SERVICES AND IMPLEMENTATION OF INTERNATIONALIZATION STRATEGIES**

#### **3.1 International experience of the world educational services regulations**

The worldwide spread of the information technologies and the influence of globalization [258] marked the beginning of the new wave of internationalization from the 1990s to date. The rationale of internationalization of HEIs started shifting from the previous political rationale to one of economic competitiveness [259] and global awareness rationale.

Friedman [260] discusses the evolutionary process of globalization, from Globalization 1.0 to Globalization 3.0 in his book, *The Lexus and the Olive Tree*. According to Friedman, globalization 3.0 is characterized by the interconnectedness of human beings leading to an undeniable awareness and recognition of global cultures. The creation of regional structures (such as the European Union), the move toward a more knowledge-based society reinforce the notion that the understanding of global issues and intercultural knowledge and communication skills is imperative.

Higher education institutions are responding to the current wave of internationalization by promulgating a more university-wide approach to internationalization. According to de Wit [261, p. 17], the need for an organized response by higher education to these external developments “resulted in an internationalization strategy that was based more on explicit choices (rationales) and a more integrated strategy (process approach)”.

Nowadays the regulation processes mechanisms of internationalization and globalization in the modern world are being realized through national and international organizations.

At the supranational level, the regulation of the global market of educational services is being engaged in by a number of international organizations through the coordination of the activities of the international community to ensure the development of education and research, exchange of experiences, the collection and processing of data analysis, development of recommendations for the improvement of international educational activities, publications and etc.

Both national and international organizations exercise their activities in the global education market. National organizations include specialized agencies and funds the main functions of which are reduced to attract international students. The interests of some world leading countries in educational market provide the number of national organizations. Institutions to stimulate the international students’ inflow can be both public and private.

In global and knowledge-based societies, greater emphasis has been placed on the internationalization of higher education. From a purely management perspective, internationalization has been defined as the development of business operations processes, including strategy, structure and resources, within international environments.



The figure below schematically depicted the world regulation process of internationalization at the global, regional, national and institutional levels (figure 28).

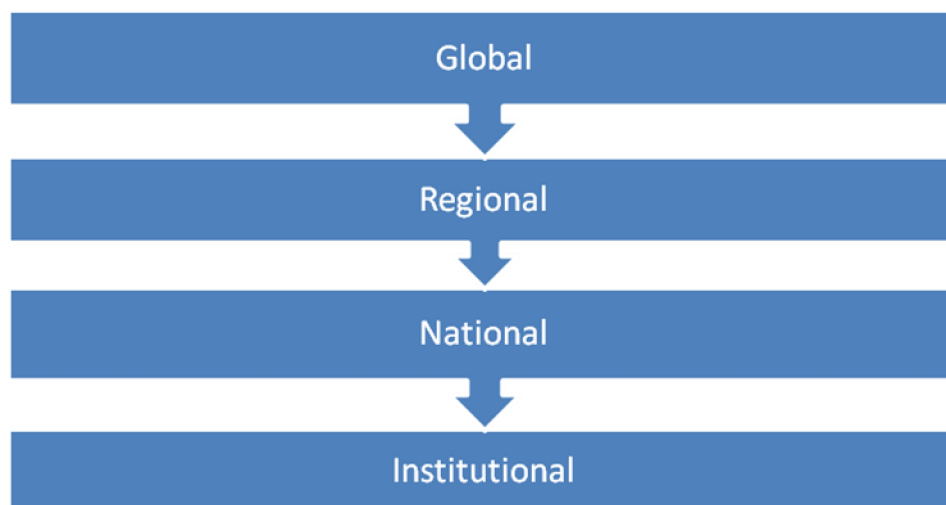


Figure 28 – Levels of internationalization governance

At the global level, coordination of internationalization processes in higher education is carried out by the United Nations Educational, Scientific and Cultural Organization (UNESCO). Currently, the organization has 195 member-countries and eight Associate Members. The membership includes more than 60 offices and units located in different parts of the world. UNESCO cooperates with UN member-countries, intergovernmental organizations, non-governmental organizations, multilateral development banks, the private sector and the media. UNESCO promotes international co-operation between member-countries in the field of education, science, culture and communication [262].

The main functions of UNESCO are:

- prospective research in the field of education, science, culture and communication;
- promotion, transfer and exchange of knowledge based on scientific researches, training and teaching;
- legislative work through the preparation and adoption of international acts and recommendations;
- provision of expertise services for member-countries for the formation and development of educational policies and development of projects in the form of technical cooperation;
- exchange of specialized information.

The structure of UNESCO is composed of three bodies:

1. The General Conference of member-countries held once in two years, is the supreme governing body of UNESCO, which approves the program and budget of the organization.

2. The Executive Board meets twice a year and has a membership of 58 representatives of the member-countries. This administrative authority is monitoring the preparation of the General Conference work and responsible for the effective implementation of the decisions of the Conference.

3. The Secretariat is the executive authority, under the conduction of the Director General, who elected for six-year terms, members of the Secretariat implement the programs adopted by the member-countries.

Activities of international educational centers and research institutes of UNESCO aim to address issues of coordination, development and support of various areas of international cooperation between:

- UNESCO International Institute for Educational Planning - IIEP
- International Bureau of Education - IBE
- UNESCO Institute for Lifelong Learning - UIL
- UNESCO Institute for Information Technologies in Education - IITE
- UNESCO International Institute for Capacity-Building in Africa - IICBA
- UNESCO International Institute for Higher Education in Latin America and the Caribbean - IESALC
- UNESCO International Centre for Technical and Vocational Education and Training - UNEVOC
- UNESCO European Centre for Higher Education - CEPES
- UNESCO-IHE Institute for Water Education - Delft
- International Centre for Theoretical Physics - ICTP
- UNESCO Institute for Statistics - UIS.

At the present time the program for enhancing the inter-university cooperation (UNITWIN / UNESCO Chairs) includes 760 universities in 125 countries.

Important mechanisms of regulation of the UNESCO activities are to conduct every decade the World Conference on Higher Education, which takes stock of the past decade and identifies global trends in higher education over the next ten years in order to achieve positive results and prevent the negative consequences on the global, regional, national, institutional levels.

Organization for Economic Cooperation and Development - (OECD) regulates the education sector at the supranational level. OECD includes 34 developed countries, which account for about 60 % of world GDP. OECD is composed of Secretariat, 14 departments and 9 special institutions.

The organization generates statistical data base and provides the analytical work, forecasts for the economic growth, investigates the influence of social factors, develops a model in different fields, makes recommendations and provides an opportunity to exchange experiences of the governments around the world to find solutions to existing problems.

OECD forms special reviews and guidelines for the development of higher education, as well as implements programs aimed at the growth of international education and research:

- Program for International Student Assessment - PISA;

- Program on Institutional Management in Higher Education - IMHE;
- Program on Educational Building - PEB;
- Centre for Educational Research and Innovation - CERI.

OECD forms an extensive database of educational statistics, including the number of graduates of educational institutions, human and financial resources invested in education, the structure of the education system, economic and social impact of education [263].

The International Bank for Reconstruction and Development, better known as the World Bank is also part of the institutional framework of international regulation of education, which includes 184 country-members. The structure of the World Bank includes the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for Settlement of Investment Disputes (ICSID).

The World Bank is currently the world's largest source of external financing for the advancement of education in developing countries through the provision of loans, credits and grants. The World Bank carries out numerous studies, analyzes the prospects for the development of countries in various fields, as well as providing consulting and training services in 120 centers of 80 countries.

The following directions of World Bank “Education” program contribute to improving the quality, efficiency and sustainability in the implementation of educational policy:

- management of the educational reforms taking into account social, political, and economic factors;
- financing of the main supporting funds of education reforms and their application to solving the problems of the educational sector;
- improvement the quality of education, as well as strategies of creation, knowledge apply and transfer;
- management and accountability in the education sector through the study of the experience of different countries and regions about the decentralization of the education sector;
- evaluation of education and use of information in education systems to strengthen the control and monitoring of the students [264].

Apart from the considered earlier international organizations in the regulation of education issues, involved other supranational structures.

Institute of International Education (IIE) is the largest organization for international education and training in the world. Today the IIE as the earliest international education organization serves higher education institutions through a variety of programs and funds to promote understanding among nations. The Institute encourages the development of international relations in education sphere, contributes the strengthening of cooperation between the universities of different countries, promotes the spread of the academic freedom principles, etc. The Institute conducts researches, provides consulting services, organizes conferences and

publishes information about international education for students, teachers, civil servants and business intelligence [265].

IIE is an umbrella organization for 30 million teachers and education administrators, united in the 394 member organizations working in 171 countries. The aim of organization is to protect the rights of all teachers and educational staff, and students, regardless of their location.

The Institute of International Education provides high quality of international education and training through more than 250 educational programs. There are about 18 thousand people from 175 countries annually raise their level of education. The Institute's programs are provided and funded by U.S. and foreign government agencies, funds, corporations, international organizations, international development agencies and banks, universities, non-governmental organizations, religious institutions. The Institute of International Education has 6 offices in the U.S., also there are 14 offices located in Hong Kong, Hungary, Mexico, Russia , Thailand, Vietnam , Ukraine, China, Egypt, Indonesia, Ethiopia.

The main goal of the European Association for Quality Assurance in Higher Education (EURASHE) is the paramount government interest promotion of higher education in Europe. The Association also promotes the creation of the European Higher Education and Research Area, provides a dialogue platform for the exchange of information and views on the future development of higher education, promotes cooperation between members of the association, develops the cooperation between the members of the association and outside universities, stimulates cooperation with organizations of higher education; consults on implementation of the principles of the Bologna Process [266].

Academic Cooperation Association (ACA) is an independent European organization that focuses on the management, analysis and improvement of education and cooperation in the field of training. The main functions are focused on higher education, namely, the research and analysis of all education internationalization aspects, advising private and public institutions, publications, providing seminars and conferences, etc [267].

European Association for International Education (EAIA) contributes to the process of higher education internationalization in Europe and in the world. Association members are more than 1,800 specialists in international education. The Association brings together people interested in creating a global environment education. The Association offers a variety of training courses, organizes seminars, forums and conferences, and is engaged in the processing and dissemination of publications on topical issues related to the internationalization of education [268].

Education is one of the European Commission (EC) activities. It has a number of large-scale programs, “Life Long Learning Program”, “TEMPUS” program, etc. The European Commission is funding programs that contribute interaction between the EU and other countries [269].

The Council of Europe includes 47 member-countries. One of the most important spheres of the Council activity is education. The partners of the organization are the Ministries of education and international organizations [270].

In the world there are also other organizations, which promote the strengthening of the institutional system of regulation of international education and development of the education market. These include the International Association of Universities (IAU), International Association of University Presidents (IAUPL), International Council for Science (ICSU), International Labour Organization (ILO), the International Union of Students (IUS), Association of Universities of Asia and the Pacific (AUAP), European University Association (EUA), European Education system (Eurydice), the National Unions of Students in Europe (ESIB), UNESCO European Centre for Higher Education (CEPES) etc.

A number of professional organizations have been formed with the sole purpose of investigating internationalization in higher education and providing mechanisms for institutions to create and deepen broad-based agendas for reform and refinement. These organizations include the American Council on Education (ACE), International Association of Universities (IAU), Institute of International Education (IIE), and the Association of International Educators (NAFSA). These independent agencies have hosted countless forums and conferences, administered surveys and site-visits, and produced reports and advisory boards that have aimed to assist colleges and universities in their pursuit of internationalization. Higher education executives who were interested in advancing globally-focused priorities and were committed and open to the future of internationalization efforts at their higher education institutions often turned to these professional organizations for guidance and support.

At the regional level, the internationalization of higher education is associated primarily with the Bologna process, which already involved 47 countries. It is noteworthy that in March 2010 at the Conference of Education Ministers - Council of Europe members in Budapest, Kazakhstan, which for last eight years has been actively working in this direction and have made remarkable achievements, joined the Bologna Process. On some indicators, such as the introduction of PhD, Kazakhstan passes ahead of a number of European countries.

As supreme decision-making body on all matters of structure and development of the Bologna process, acts Meeting of Ministers of Education of the participating countries, which meets every two years. Between meetings of Ministers the governing body of the Bologna process is the Follow-up Group, which consists of 2-3 representatives from each country, usually one from the relevant Ministry and one from the academic community of the country.

Bologna group is chaired by the representative of the EU presidency country. From the Bologna group members Board shall be elected. Board consists of a Chairman; Vice-Chairman, representing the country of the next Ministerial meeting; representatives of the countries which have presided in the previous year in the European Union and will chair the following year; representatives of the three countries elected by the Group to one year, as well as the chairman of the European Commission; and in an advisory vote, the European University Association (EUA), the European association of higher education institutions (EURASHE) and the Europe students international board (ESIB).

Secretariat is also formed. It consists of three officials of the Ministry of Education of the country - the venue of the next meeting of the Ministers. The Secretariat provides organizational and technical work, ensuring the activity of the Group and Board [271].

Significant role at the regional level playing the governance arrangements of internationalization, supported financially, which stimulate the activity of universities to participate in future processes of internationalization of higher education, in particular it should be noted target programs - Tempus, Socrates Erasmus, programs of the German Academic Exchange Service DAAD, the British Council and etc.

The leading countries of the world are carried out regional programs of internationalization of higher education, such as programs realizable France for French-speaking countries, Spain for the Spanish-speaking countries, Australia for the Asia-Pacific region. Such kind of programs is being implemented on the basis of broad international interest for solution of foreign economical and geopolitical objectives.

Kazakhstan, for instance, is a member of the network University of Shanghai Cooperation Organization - SCO [272]. In order to achieve the desired results, as international experience shows, the programs of internationalization should be based on the target-oriented approach with clearly defined goals, objectives for a certain period, the mechanisms of their implementation and substantial financial support.

Highly relevant tasks for today, in our view, are the development, adoption and implementation of programs of internationalization of higher education at the national level. In this respect, Kazakhstan already have some positive experience, however, we believe that ongoing work should be systematized, in particular to better define its goals, objectives and mechanisms.

The national organizations governing the processes of internationalization include specialized agencies, services, funds, whose primary function is to attract foreign students. The interests of some countries - the world's leading educational services represent several national organizations

Thus, the United States, occupying a leading position in the global education market, characterized with diversified structure. Promotion of U.S. education and the involvement of students from countries around the world are engaged in the American Councils for International Education, the Association of International Educators, Institute of International Education, International Council for Scientific Research and Exchanges and a number of other specialized organizations and foundations [273].

Established mechanism of providing financial assistance for international students contributes leadership on the world market of educational services. More than 30% of foreign students in the United States receive financial assistance from U.S. sources [274]. Support for foreign students is particularly provided through a number of federal education programs, such as:

- U.S. State Department "Global UGRAD" is international student exchange program in Eurasia and Central Asia. The non-degree program provides an opportunity for 1-3 courses students from Armenia, Azerbaijan, Belarus, Georgia,

Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan to study in the U.S. University or college for one academic year;

- U.S. Embassy “Opportunity Initiative” scholarship program provides grants to talented students who have received financial assistance from the U.S. universities for study, but do not have sufficient funds to pay for the process of admission to universities in the U.S. (the cost of the required exams, visas, international flights);

- Edmund S. Muskie (MUSKIE) scholarship program is designed for applicants with higher education, preferably with work experience who are able to study at U.S. universities for one or two years with obtain or without the master's degree. Organizing leadership is provided by Bureau of Educational and Cultural Programs U.S. Department of State and funded by Congress, in Kazakhstan the program is conducted by IREX (IREX - American Council for International Research and Exchanges Board);

- Hubert H. Humphrey program gives the opportunity to go to the U.S. for a one-year internship for research and training. Humphrey Program is part of the Fulbright exchanges line which is funded by the U.S. Congress through the Bureau of Educational and Cultural Affairs of the U.S. Department;

- Fulbright Program is the most prestigious and recognized in the world provides grants to scientists, young researchers and talented students. The Fulbright Program gives about 8 thousand grants annually; the number of participants has reached 300 thousand since its inception [275].

According to Vestal [276, p.22], “under the Fulbright Program, the State Department Bureau of Educational and Cultural Affairs (ECA) was, by 1966, sending 2,500 Americans abroad to study and bringing 6,000 foreign scholars and teachers to the United States”. According to the 2005-2006 Annual Fulbright report, in 2005 - 1,210 American students went abroad, 2,444 foreign students were awarded or renewed grants to study in the U.S., and 715 foreign scholars came to the U.S. [277].

The United States Agency for International Development (USAID) agency is in charge of financing overseas technical assistance programs in Third World Countries through U.S. land grants and universities [278].

Consulting centers “Education USA” is a network of more than 450 councils supported by the Bureau of Educational and Cultural Affairs of the U.S. Department of State. This organization promotes U.S. higher education abroad by providing information on educational opportunities in the United States. One of the directions of its activity in the country is giving information for universities in the U.S. about international education policy, foreign education systems and improvement the process of foreign student’s admission [279].

Association of International Educators - NAFSA supports, consults and provides grants for foreign students who came to study in the United States. The Association promotes international education and provides opportunities for professional development in this area, etc. NAFSA includes members from different organizations, funds, international and national corporations, research centers, public organizations, and cultural groups. The Association cooperates with embassies and consulates in more than 160 countries. Most members of NAFSA, works as a

consultants for international students, consultants of study abroad, directors of international programs, teachers of English to foreign students etc. The association includes more than 8 million people from 80 countries all over the world [280].

It is important that the total annual budget of all the specialized agencies and funds to attract foreign people to study in the United States exceeds 1 billion [281].

The effectiveness of the United States specialized agencies and great investments directly related to the leading position on the world market of educational services.

In the UK, large-scale activities to attract foreign students hold a number of organizations. The most significant role is played by the British Council, which has offices in 215 cities in 110 countries. Activities of the Council are carried out in several directions. First of all, it is the cultural and educational activities. Each year, the British Council centers visited by 8.5 million people, professional and academic exams are passed by 1.3 million, 325 thousand are learning English. The Council organizes 1,700 events per year and it is engaged to attract foreign students to the country. Researchers suggest that at least 40% of international students in the UK use the services of the British Council before starting the education [282].

The main source of financial resources is incomes from the sale of the Council's services (mainly due to English language teaching and examinations), also the Ministry of State for Foreign and Commonwealth Affairs and other government agencies grants, and sponsorship.

UK Council for International Student Affairs - UKCISA promotes student mobility and institutional support for international students, stimulates international education. The British Council International Education includes monitoring and shaping educational policy, consulting, research, etc.

UKCISA members are 523 organizations, including all UK universities. The sources of funding include grants, membership fees, income from conferences, and revenue from publishing [283].

UK system of financial support for international students is characterized by broad diversification and distributed through various funds and organizations. The UK peculiarity is that support for Bachelor level foreign students is on a limited scale. The source of this assistance is the universities and colleges in the country. Financing for post-graduate education is funded more widely. The searches of scholarships and financial assistance provided by British universities and independent organizations and foundations operating on the web sites of "Education UK" and "Scholarships search" [284; 285].

The main schemes of financing Master and PhD degree programs are:

- British Chevening Scholarships offers grants to study in masters and PhD programs for citizens of 150 countries. Annually they give 2,300 scholarships for study and research in universities of the UK. Chevening Scholarship aims to attract future leaders - those who will make the decisions and develop public views in the future [286].

- Commonwealth Scholarship and Fellowship Plan (CSFP) grants are available for citizens of countries - members of the British Commonwealth of



Nations, for people who will be able to make a significant contribution in the development of their countries after training in the UK. CSFP scholarships are developed from one year to three years period and cover travel, living expenses, tuition fee. Professional grants are provided for three months and give an advantage to people from developing Commonwealth countries to come for a short time in the UK for professional development [287].

- Overseas Research Students Awards Scheme (ORSAS) program is attracting the best international students in the UK for making researches. - Royal Society Fellowships offers grants for talented PhD scientists from North America and Asia to conduct high-quality research in the sciences in one of the laboratories of the UK. These scholarships are available for PhD-researches from the United States and Canada for two years and for one year to researchers from Asia [288].

- Dorothy Hodgkin Postgraduate Awards (DHPA) grants are for students from India, China, Hong Kong, South Africa, Brazil, Russia and other developing countries for training in postgraduate education programs in the best universities of the UK [289].

In Germany, the government and educational institutions also conduct an active policy to attract foreigners, so the number of foreign students coming to study in Germany has increased steadily. Relatively cheap life in Germany is an added plus in comparison with other European countries. Moreover, after completing his studies, foreign students have the right to stay in Germany.

The attraction of foreign students in Germany is engaged by the German Agency for Academic Exchange Service (DAAD) and the Goethe Institute. DAAD (Der Deutsche Akademische Austauschdienst) is the largest universities' organization in Germany, which promotes international cooperation in the academic and scientific fields [290].

DAAD offers scholarships for foreign and German students, facilitate the internationalization of Germany's universities, provides develop of German language and works with developing countries in the education field.

The organization provides 200 different programs, annually produces around 50 thousand scholarships, and makes consulting for granted students, keeps in touch with former DAAD scholarship holders and German graduates.

DAAD is an intermediary of foreign educational, scientific and cultural policy of Germany; it has 14 overseas offices and 48 data centers around the world.

Organization's financing is carried out from the budget of German Foreign Ministry and the Federal Ministry of Economic Cooperation and Development, Education and Science, Economics and Technology, the European Union. DAAD also receives financial support from the Society of technical cooperation (Gesellschaft für technische Zusammenarbeit - GTZ), the Science Council of NATO (Wissenschaftsausschuss der NATO), the German Science Foundation (Stifterverband für die Deutsche Wissenschaft) and others.

The Goethe-Institut is an institution of culture in Germany. Its activities are focused on the promotion of the German language abroad and international cooperation in the field of culture, as well as the development of a positive image of

Germany in the world. The Institute has an extensive network of offices, consisting of 147 offices in 83 countries [291].

In France, the main organization that promotes strengthening of the country's position in the global education market is CampusFrance, which was created by the merger of agencies EduFrance and the two other organizations responsible for student and academic mobility - CROUS and EGIDE. CampusFrance has more than 100 offices abroad and it is under the control of the Ministry of Education and Research and the Ministry of Foreign and European Affairs. The activities of overseas offices is to provide for interested people the information about the education programs in France, counseling, exhibitions, promotion of French higher education. The first representative of the Agency in Central Asia was opened in Kazakhstan. The main objectives of CampusFrance are to promote the popularity of French higher education abroad, simplification of administrative procedures when going to study in France, guaranteeing quality selection of training programs and the organization of your stay in the country, the organization about language courses in specialized centers in France, providing information about French scholarship programs. For the effective implementation of the goals has been developed single principle of providing support, counseling, and provision of information, offers educational programs and taking international students. Catalog of higher education in France, education programs in English, also catalog of scholarship programs is available on-online at [campusfrance.org](http://campusfrance.org). On-line catalog of French universities includes more than 36 thousand educational programs in more than 6 thousand higher education institutions [292].

It is important that the institutions of the European countries, which are responsible for the internationalization of higher education in their own countries, working closely with each other. CampusFrance, the British Council, DAAD, Nuffic (Netherlands) jointly conduct workshops on higher education and organize the "European education in Asia" exhibitions. Organizations collaborating in the field of European student exchange programs, as well as research projects, trainings, etc.

The experience of the Australian Government in the context of the financing of national and international students is very interesting. In Australia, there are programs of grants and scholarships: Youth Allowance, AUSTUDY, ABSTUDY, OS-HELP. Over a third of the students are participating in one of these programs. Program management is carried out through Coordination Center (Centerlink), coordinated by the Ministry of Education.

The Australia Awards program of scholarship for foreign students is part of the foreign policy program and implemented jointly by the Australian Agency of International Development (AusAID), the Department of Industry, Innovation, Science and Education (DIICCS RTE) and the Australian Centre for International Agricultural Development (ACIAR). The main objectives of the Australia Awards program is to develop leadership and professional skills of foreign students for future development of their countries after graduation, also building relationships on the individual, institutional and transnational levels that will contribute to the interests of Australia. Most of the scholarships are given to citizens of Asia (61 %), followed by

the Pacific (18%) , Africa (15 %) , Middle East (3%), Europe , Latin America, North America (3%). It should be noted that the CIS countries are not in the list of countries - participants of the program. For each country is determined certain types of scholarships. The Endeavour Awards program provides training, research and development of the citizens of the Asia-Pacific region in Australia [293; 294].

Allocation of funds on the education of foreign students and increasing the costs of this article was one of the factors that enabled Australia to occupy the leader position on the global educational market.

Thus, governments and specialized agencies on internationalization widely provide information about educational opportunities in their countries.

Universities operate in an increasingly competitive space, so they actively involved in a variety of marketing activities not only at national level but also internationally.

Obviously, governments have come to recognize the need to support their higher educational institutions in their active efforts to attract foreign students and, thus, support the efforts of universities through joint campaigns at the national level to improve the accessibility and attractiveness of higher education in the country as a whole. The vast majority of national governments to delegate this work to specialized organizations. As a rule, the higher education sector the country has been from the beginning involved in this activity. Some of the above organizations are built on the membership of the higher education institutions. Higher education institutions also provide funds for financial support in addition to funding from the Government.

Promotion of education involves the use of various tools and equipment. A key element of any advertising campaign is a national education brand. The brand creates a unique identity or image of higher education in the country; it consists of a set of key messages and logo. It is important that at all stages of the campaign to promote the education system was carried out using the brand.

The second most important element is a central website. Web sites such as “Study in ...” is a key tool that is used to direct prospective students to the necessary information when choosing a site for future study. As a rule, this website contains a section on the country (its cultural attractiveness) and the introduction of a system of higher education as well as practical information on immigration rules, visas, affordable housing, educational programs, scholarships, language programs, etc. In addition to the web site other electronic and printed sources of information can be created about educational fairs and other events where personal contact is possible.

The third element of an effective campaign to support exports and mobility lies in the organization of events, most of which are educational fairs. Such events provide the opportunity for personal contact with prospective students and their parents. Some fairs are organized by advertising agencies to only one particular country, when other organizations, often commercial, are neutral with respect to countries. Among other events there are seminars, conferences on a particular topic, or a meeting of representatives of higher education institutions of different countries.

The fourth element is advertising campaign in the mass media. Typically, they focus on a particular country and provide their information on TV or in newspapers

and popular magazines. Typically, media campaigns combined with holding educational exhibitions and other events in their respective country.

The fifth element is to implement continued presence of governmental organizations in key countries in the form of information offices. These offices, on the one hand, serve as points for working with potential students that they inform and consult, and on the other hand are supporting the organization of campaigns in the media and other activities.

Only large organizations (such as the British Council, CampusFrance, DAAD, and to a certain extent NUFFIC) make a significant investment in the constant presence of their representatives in other countries. In many cases, this function is delegated to the embassy or cultural organization working in the country.

Only countries that practice regular and comprehensive campaign to promote its educational system are really active in this area. One of the activities is to work with private agents, is a typical phenomenon in many target countries, especially in Asia, they help to attract students to foreign universities. Some countries are investing in marketing research, contributing to the definition of the capacity of its institutions in a particular country or region for subsequent determination of geographic priorities for future advocacy efforts.

Most of the measures taken at national level to promote educational services, primarily aimed at international students, and the second - on foreign scholars.

European-level promotional efforts have been initiated only very recently. The chief actor is the European Commission's Directorate General for Education and Culture, which in early 2007 launched the Global Promotion Project (GPP). The EuropeAid Cooperation Office has become active, too, with the award of a contract for Education Fairs and the launch of the EU-Asia Higher Education Platform [295].

The GPP comprises five inter-related "Lots" or groups of services:

Lot 1: Development of a European "brand" and design of a "Study in Europe" portal;

Lot 2: Studies on innovative services for international study;

Lot 3: Measures to improve higher education marketing techniques in Europe;

Lot 4: Events to promote European higher education; and

Lot 5: Design of a media campaign and preparation of information materials.

Target audiences include students from around the world, student bodies, higher education institutions, parents and employers.

Thus, the obvious tendency to increase the number of activities to promote the educational services of higher education at all levels - institutional, regional, national and global. National reports confirmed the tendency to organize promotional campaigns, and delegate to the agencies activities to enhance the attractiveness and competitiveness of the national educational system. Given the international experience, and most importantly for the purpose of strengthening the position of Kazakhstan education in the international market of educational services necessary to develop a system of measures to support the export of educational programs and academic mobility.

### **3.2 Key competitiveness parameters and target aspects of the internationalization strategies**

Researchers of international education problems give a set of definitions of the concept of “internationalization”. The internationalization of education is viewed as an important component of the educational policies of countries [296 - 299]. Its obvious advantages include expanding access to higher education universalization of knowledge, the emergence of international quality standards, strengthening the innovative nature of higher education, the expansion and strengthening of international cooperation, strengthening of academic and student mobility.

The internationalization of education becomes a matter of deliberate policy on the part of the state, focused on solution of specific political, social and financial problems. At the national, sector and institutional levels internationalization is defined as the process of the integration of international, intercultural or global dimensions into goals, functions or methods of higher education delivery.

The researchers of this issue [298; 300] in this way define the essential characteristics of the internationalization of higher education in the modern period. Regarding the driving force noted that the strategy and practice of internationalization of higher education in selected countries are affected not only national policies, nature or identity, but also the requirements and challenges of international, regional or global organizations. A variety of factors, particularly the pace of economic globalization and the spread of information and communication technologies, as well as the introduction of market mechanisms have a growing impact on the internationalization of higher education in selected countries. Thus, compared with the 1990s the internationalization of higher education today is driven by economic factors and occurs in a more competitive environment on a global level.

However, the situation in developed countries is much different from the situation in developing countries [297; 299]. In many developed countries, especially in English-speaking countries [298; 301] the driving force behind the internationalization of commercial and entrepreneurial is motivation. Examples include the introduction of a full policy of tuition fees for foreign students and the adoption of income-oriented transnational programs in the UK and Australia.

In most developing countries, internationalization is more influenced by academic factors, such as sending students and teachers abroad to undergo advanced training courses or research as part of an effort to improve the quality of education, research work and the creation of world-class universities in China.

As for the content of internationalization of higher education, it is characterized by the transition from technical assistance to the Third World by the developed countries, to the growing competition in the world. The center of gravity in it is shifting from the mobility to introducing of national educational models or systems in other countries and regions, to the internationalization and standardization of programs, degrees, diplomas transnational education and ensuring its quality at the world level. Relatively to the types or indicators, the transition has occurred from a nationally oriented and organized at the national level programs, to the multilateral projects on institutes' base in several countries, as well as exchange programs

initiated by regional or international organizations. Furthermore, the internationalization of higher education is gaining support from the private sector and corporations. However, in most developing countries, government policy and communication (cooperation) between the governments and institutions still play a significant role [302].

In fact, based on the characteristics of the internationalization of higher education in the era of globalization can be identified three types of countries [303]. There is import-oriented, import-export oriented and export-oriented types (table 18).

Table 18 – Types of internationalization of higher education

Type	Import-oriented	Import-export oriented	Export-oriented
Countries	Most developing countries or past-colonial countries.	Most non-English speaking countries and some developing countries with their own cultures and traditions.	Especially the English-speaking developed countries.
Traits	Experiencing the need for qualified professional personnel.	Importing products in English to improve the quality of teaching or research, exporting educational programs with specific characteristics.	Attracting foreign students from developing countries and non-English speaking countries, exporting transnational education services as an article of commerce.
Aspect and problem	Brain drain and the loss of a national identity.	The conflict between the import of foreign countries and national characteristics.	Problem of the quality ensuring and the negative effects of the commercialization of higher education.

In summary, we can conclude that from the 1990s, the content and form of internationalization of higher education have gone from academic mobility of students and teachers to such a complex events, as the internationalization of the curriculum, the creation of transnational higher education system, development of the international organizations and consortia of universities at regional and global levels. International aspects now are integrated in almost all areas of higher education: educational programs, administrative structures and life on campus.

The role of the state also plays a crucial role, since in a global world of higher education, most national governments want to have international universities that compete and cooperate with other universities worldwide. Thus, the role of the state - through funding and policy initiatives favoring the internationalization of higher education - seems to be critical. Indeed, a good example of the globalization process lies in the spread of new public management in higher education. In nations throughout the world, the responses of systems and institutions to globalization have been conditioned by ongoing reforms to national systems, and related reforms in the organization and management of the institutions themselves. There is more use of

new public management tools, including market forces, financial incentives, increased autonomy and accountability, and deregulation.

Below are four different but not mutually exclusive approaches in the development of internationalization according to data obtained in a number of studies [297; 299; 302].

*Coordinated approach* implements political, cultural, educational goals and objectives of development. It allows and encourages the international mobility of students and teachers in both directions through scholarships and academic exchange programs also support academic partnerships between educational institutions. Examples of countries using this approach: Spain, Korea, Mexico and Japan. Another example of the implementation of this approach is the EU Program for Mobility Socrates-Erasmus.

*Approach that focuses on attracting skilled labor* shares the goals of the previous approach, but more emphasis is placed on the involvement of selected foreign experts and talented students to work on strengthening the competitiveness of higher education and research sector in the host country. The main policy instrument in the framework of this approach still stay grant programs, but they are complemented by the active promotion of the higher education sector of the host country abroad, and these processes are accompanied by appropriate simplification of visa or immigration rules. Examples of countries using this approach are the United Kingdom (for students from the European Union), Canada, Germany, France and the United States (for the post-graduate).

*Approach of gaining revenue* shares some of the previous two approaches, but offers services in the field of higher education entirely on a fee basis without any government subsidy. Unlike the students of the country, foreign students bring revenue for higher education institutions that are beginning to act as entrepreneurs in the international education market. As part of this strategy, the government begins to provide the substantial autonomy for universities and other academies. They continue to care about the reputation of the higher education sector and protect foreign students through, for example, the quality assurance system. Examples of countries using this approach are: Australia, the United Kingdom (for students from countries outside the European Union), New Zealand and the United States.

*Approach, that aims to opportunity expansion*, encouraging of higher education abroad, keeping in mind the rapid pace of the educational potential of a country. Important policy instruments in the framework of this approach are the scholarship programs to support the mobility of civil servants, teachers, researchers and students, as well as assistance to foreign universities, programs and teachers in their efforts to organize private commercial enterprises, usually in governmental regulations of the host country, to ensure that they compatibility with national plans of social and economic development. Also supports programs of dual degrees and diplomas (sometimes they are even required) to implement the transfer of knowledge of foreign higher education institution a national university. Examples of such countries are

mainly the countries of South-East, North and Central Asia (e.g. Hong Kong, China, Malaysia, and Singapore).

Table 19 presents the strategy of internationalization of higher education based on import-export orientation, as well as on the importance of economic issues in accordance with the data obtained in a number of studies [297; 299; 302], which describe four different but not mutually exclusive approaches in the development of internationalization (table 19).

Table 19 – Strategies for internationalization of higher education

Economic focus	Import strategy		Export strategy	
1	2	3	4	5
Weak	Coordinated approach		Coordinated approach	
	<i>Aim</i> Educational Cultural Geostrategic Political Social Economic (via networks of elites interactions and the development of human capital).	<i>The main political mechanism</i> Student mobility programs. <i>Examples:</i> Mexico, Korea, Poland, Italy, Norway.	<i>Aim</i> Educational Cultural Geostrategic Political Social Economic (via networks of elites interactions and the development of human capital).	<i>The main political mechanism</i> Student mobility programs; Development assistance programs. <i>Examples:</i> Japan, Spain, Czech Republic.
Strong	Development of opportunities		Attracting skilled labor	
	<i>Aim</i> The same as for a coordinated approach, plus the needs of higher education; human capital development, improvement of the system of higher education.	<i>The main political mechanism</i> Stimulation the work of foreign scientists and institutions in the country; forwarding of students to study abroad and encourage them to return. <i>Examples:</i> Malaysia, China, Singapore, Indonesia, Kazakhstan.	<i>Aim</i> The same as for a coordinated approach plus attracting highly qualified personnel for the development of the knowledge economy, strengthening the competitiveness of the higher education sector.	<i>The main political mechanism</i> Marketing of higher education system and special programs for international students; providing employment and migration after graduation. <i>Examples:</i> Germany, France, Great Britain, Denmark, Sweden, Norway, Finland.



Table 19 Continuation

1	2	3	4	5
			<i>Income receive</i>	
			<i>Aim</i> The same as in the migration plus the development of higher education as an industry expertise, financing of higher education and the improvement of its management.	<i>The main political mechanism</i> Grants for foreign students; commercial activities of universities abroad <i>Examples:</i> Australia, New Zealand, the United Kingdom (outside the EU), United States.

The crucial role of education in fostering economic growth, personal and social development, as well as reducing inequality is well recognized. Countries seek to ensure that their populations are well equipped to contribute to, and participate in the process of social and economic development. Education enables them to face the challenges of technological change and global commercial integration.

In addition each country should develop a strategy for the internationalization of higher education based on their own economic and political opportunities, taking into account the size and geographic location, history and culture, the quality and features of its present system of higher education, the role of the language of the country in the world, as well as the work done in the field development of international cooperation.

In this context, it is important for the country to develop a strategy or action plan for the internationalization of its education system, which would take into account the specific objectives and the interests of the country in higher education sector, as well as outside it (human resource development, research and innovation activities, etc.).

It seems that the best way to develop such a strategy is to provide competitive advantages that internationalization can give in a national context.

The main difficulty in this direction is to avoid copying the models developed for other countries, because of the conditions can differ significantly from country to country. Governments in most countries of the world have started to more actively support the international mobility of students and teachers, recognizing the importance associated with this process of cultural, political, economic issues, and employment issues. Public and private education providers are increasingly aware of the attraction of foreign students as a source of income and became stiff competition for them (table 20).

Table 20 – Types of internationalization, reflected in national policy documents

Country	Teaching educational programs in foreign languages	Attracting of foreign staff	Forwarding teachers on temporary work abroad	Establishment of foreign campuses on its territory	Creation campuses overseas	Creation of programs, dual degree/ diplomas with foreign universities
China	Yes	Yes (in case of staff shortage)	Yes	Yes (joint ownership, accreditation)	No	Yes
United Kingdom	No	Yes	Yes	Yes (without the obligatory recognition of diplomas)	Yes	Yes
Kazakhstan	Yes	Yes (limited)	Yes (limited)	Yes	No	Yes

According to experts observed in the last decade, the development of cross-border education is a direct consequence of the fact that higher education in many countries becomes widespread, expands the scope of the use of new information and communication technologies emerged and gained acceptance the idea of economy development based on knowledge, increased the degree of internationalization of the labor market and the need for a skilled labor, a growing number of private companies started to provide educational services and more clearly manifest itself in the international market of educational services. In strengthening the internationalization trends are showing their interest as the students, educational institutions and training providers, as politicians.

In the development of a national strategy of internationalization of education is necessary to coordinate the efforts of a number of government agencies dealing with related issues. For example, it is necessary to coordinate with the immigration authorities in order to ensure a favorable visa regime for international education programs participants, what will have a positive impact on the competitiveness of the national education system. Also, coordination should be extended to such problems as opportunities for employment in the host country for international students during their studies and after graduation, when immigration of skilled labor is on the agenda. Need to coordinate efforts with research institutions and organizations dealing with technology issues with purpose that the international agreements and exchange programs take part to the development of innovation at the national level.

The interaction with the structures involved in the process of formation of human capital (labor and employment) may require a focus of international activity on the training of qualified personnel and attracting foreign students to those disciplines, levels of education and employment, which are most suited to the needs of a modern nation. Interaction with structures involved in international politics, will

ensure that the directions of development the internationalization will correspond to the main directions of national foreign policy, including the growing of influence in the global community. A model of the real coordination of national policies could be the establishment of inter-agency body or group, which would include representatives of these authorities [298; 304].

In the context of improving the competitiveness of educational services becomes very important issue of comparable education indicators and the mutual recognition of degrees and credits. Participation in international credits systems transfer and the inclusion to the international network of professional recognition contributes to the increase the levels of student mobility and exchange programs, participation in the creation of internationally recognized degree systems - as part of the Bologna Process - enhances the competitiveness of the national systems of education on a global scale.

At the present stage of development of education systems become more and more important issues related to the quality of educational services. No by accident occurred in recent years, ranking systems of leading universities have such a strong impact on the process of internationalization. However, the existing rankings have its faults, so - and because of the importance of reliable information - the process of improving the mechanisms and methodologies for comparative research requires further joint efforts of the national educational structures. Ideally, the international rankings should reflect the various aspects of the work of educational institutions taking into account a variety of types and missions of higher education institutions, and should be performed in such an interactive way, that potential participants in the international cooperation could obtain information about the objects of interest to them to meet their needs. The latter includes as issues related to the cost of training and accreditation issues and licensing of institutions and programs. Effective and transparent quality assessment and accreditation and licensing are important in terms of protecting consumers from the risks of incorrect information supplied by low-quality educational product, as well as obtaining qualifications of dubious authenticity. Therefore, in addition to the development of cooperation between national agencies of quality assurance of education at the international level, universities should develop specific mechanisms to support international students both before arrival and during their training in the country providing educational services (consulting, monitoring, performance, etc.).

The activities of higher education institutions in the modern context are inseparably connected with the researches. The possibility of carrying them out at relevant scientific and organizational levels, contributes the development of the export educational export potential. The current state of science and the pursuit of higher education institutions to comply with all speeds up the pace of its development are enabling new forms of research. One of the most promising of these is the establishment of inter-institutional international centers of research.

Along with measures that improve the attractiveness of the national education system and thus create conditions for the expansion of export potential, there is a need to regulate the flow of the mobility of students and teachers to ensure the preservation of the positive impact of these processes on the development of national

systems of education (table 21). It is necessary to develop a “culture of mobility” by expanding exchanges as permanent elements of educational programs, the creation of double degree programs with foreign universities, the development of schemes and mechanisms of credits transfer, recognition of degrees and diplomas, etc.

Table 21 – Types of mobility

Type	The main form	Example	Scope
Students / trainees	Students Mobility.	Full course of study abroad to obtain a foreign degree or qualification. Part of the academic partnership to produce internal or joint degree.	Biggest share of cross-border education.
Faculty members	Academic Mobility.	Professional development. Part of the program of cooperation. Contract with a foreign university. Teaching in a branch abroad.	Old tradition in the education sector, which should evolve as the mobility of professionals and a more general internationalization of
Educational programs	Universities. Partnership. Distance education.	Joint course or program with a foreign institution. Distance Learning Program. Sell/franchising course for foreign university.	Main share of this activity accounts for a partnership of universities, distance learning and franchise also growing rapidly.
Institutions / providers	Overseas campuses, foreign investment.	Opening of the campus abroad. Purchase of (part of) the foreign educational institution. Creating a provider of educational services abroad.	Starting from scratch, the trend is rapidly expanding.

However, it appears that participation in the programs of exchange and mobility programs not available to all. In this regard, the strategy of the international activities of universities should focus on strengthening the process of internationalization in the “home” environment, which involves the integration of an international or intercultural dimension into the curriculum of higher education institutions, the development of language skills and intercultural communication skills of students. It can be achieved through the introduction of a certain part of the teaching curriculum in foreign languages to all students of the university, as well as by attracting foreign students to create a multicultural environment at the university.

The solution of these problems will also contribute to a more active policy to attract foreign teachers to lecture and do research. This approach opens up a number of new opportunities for the development of educational systems in the context of internationalization. For example, the obvious advantage is the opportunity to study abroad for some highly specialized programs that are not specialized or non-existent at their universities.

The international mobility of people contributes to the establishment of direct cross-cultural contacts and experience working and living abroad. Recognizing this, the majority of member countries of the Organization for Economic Cooperation and Development (OECD) countries (especially in the EU) have developed policies and mechanisms to support mobility in order to increase cross-cultural communication and the creation of social networks. The process of developing mobility is an integral and important part of the internationalization of higher education systems and provides distinct advantages for its development, but it is not free from a number of issues that are important for a number of developing countries, and therefore must take into account both positive and negative aspects of the process in the development of educational policy strategies aimed at promoting internationalization and export of educational services.

Presented in the table 22 data formulates the tasks of this trend of internationalization facing education systems at the present stage, obtained from the analysis of strategic materials of different countries as well as international educational sources [298-300; 305].

Table 22 – New challenges for the development and optimization of mobility

Optimization of mobility flows	Support the attractiveness of national systems of higher education: <ul style="list-style-type: none"> <li>- Marketing.</li> <li>- Creation of databases of courses and programs.</li> <li>- Establishment of national centers of expertise.</li> <li>- International cooperation and mobility program.</li> <li>- Grant scheme for foreign students and professionals.</li> <li>- Possibility of getting a job during their studies and after graduation.</li> <li>- Language of teaching.</li> <li>- Support for international students and faculty members.</li> <li>- Expansion of internal students mobility (freedom of movement, the study of foreign languages, a system of tests, credits acknowledgment).</li> <li>- Strengthening the economic expediency.</li> </ul>
Ensuring access and equity	Solving the problem of ousting of internal students by foreign students. Study and consideration of socio-economic composition of the students by mobility program.
Quality assurance and consumer protection	Study and consideration of the impact of internationalization on the quality of education. Development of the international dimension in quality assurance “Guidelines for the UNESCO / OECD to ensure the quality of cross-border higher education”.
Development of HR and brain drain	Contribution of the mobility to the development of human resources. Returning students after studying abroad and the role of immigration. Ways to ensure that the benefits of both receiving and sending countries.

Thus, we can conclude that the development of strategies for internationalization (an essential element of which is the export of educational services), taking into account the above factors as well as the implementation of these strategies should certainly help expand the capacity of national systems of higher education, making

the major contribution to the construction of the foundations of the knowledge economy in the countries - participants of the process.

As we have learned that internationalization in the era of globalization is affected by an increasing variety of driving forces and become more closely linked with the global trends and the socio-economic situation in the countries themselves. Consider the examples of the development and provision of internationalization strategies of Kazakhstan, China and the UK in order to compare their approaches to policy issues, as well as to compare the methods of implementation of the strategic positions [214; 296; 301; 303 - 305; 307; 308]. Tables 23-25 reflect fundamental regulations of the strategic documents of the three selected countries for the analysis contained in national policy documents on education.

For a more detailed analysis was selected countries that differ in almost all parameters (location, size of territory, population, level of economic development, the level of development of higher education systems, etc.), the task of comparative analysis is to identify the common characteristics and trends in the development of internationalization in these countries, and to identify features that may be of interest to the planning and implementation of such activities in other countries.

Table 23 – Fundamental regulations of the United Kingdom internationalization strategy

Aim	Mission	Mechanism
1	2	3
Development of marketing and communication strategies to support the growth of demand for British education provided both in the country and abroad.	Using “Education UK” brand for positioning the country as a leader in international education. Development activities to enhance communication and marketing topics: job opportunities, an innovative approach to learning, the use of the English language, the quality, merchantability, career. Significant increase in the number of foreign students (by 70 th at undergraduate and by the 30 th at the post-graduate levels).	Carrying overseas fairs, festivals, competitions. Development of scholarship programs for the winners. EducationUK web site development on five foreign languages, spread in 50 countries.
Diversification of the international education market.	Double the number of countries that annually sends more than 10 thousand students to the UK. Expanding international cooperation: the target work on establishment links with educational institutions in priority regions and countries. Finding new markets for educational services. Development activity and the number of pressure groups “Agents of British education”.	Organizing the British Council set to group, dating to the education system, the organization of trips to the UK, with the issuance of certificates of training, organizing networking.

Table 23 Continuation

1	2	3
Ensuring the quality of the staying for foreign students in the country.	<p>Improving visa policy.</p> <p>Organization of support systems and advising foreign students.</p> <p>Development sites, “calculator for international students” and “Prepare for Success!”</p> <p>Improving the education of foreign students.</p> <p>Organization of continuing professional development for professionals working with foreign students.</p> <p>Evaluation of quality assurance services for foreign students.</p> <p>Development of programs for employment of foreign graduates in the UK labor market.</p>	<p>Identify areas requiring development.</p> <p>Distribution of positive experience.</p> <p>Piloting new ideas and research studies.</p> <p>Analysis of conditions of staying of foreign students in the country.</p> <p>Self-development of the method of universities for quality of services provided to foreign students.</p>
Sustainable partnerships and strategic alliances establishment between UK universities and other countries.	<p>Significant increase in the number of partnerships with other countries.</p> <p>Organization of joint research projects in the field of development education with leading scientists and experts.</p>	<p>Holding discussions, meetings at the government level.</p> <p>Development the system of grant support for research.</p>

Table 24 – Fundamental regulations of China internationalization strategy

Aim	Mission	Arrangements
1	2	3
<p>Strengthening of the Chinese education openness and the international cooperation and exchanges.</p> <p>Expansion of China’s influence on the world arena and reputation increasing of Chinese Universities.</p>	<p>Development of professional cooperation and the exchange between universities.</p> <p>Recognition of certificates, diplomas and degrees between different countries (regions).</p> <p>Diversification of multilateral relations, support study abroad, encouraging homecoming, freedom-riding in and check-out.</p> <p>Grows of foreign students’ number.</p> <p>Standardization of management and services in the field of teaching foreign students.</p>	<p>Orientation study abroad on government expense for state needs.</p> <p>Expansion of services on the organization of study abroad on the expense of students themselves.</p> <p>Development of programs return specialist after undergoing study abroad.</p> <p>Scholarships for international students studying in China.</p> <p>Improving the study and living conditions for foreign students.</p> <p>Improving the quality of education and the level of educational services.</p>

Table 24 Continuation

1	2	3
	<p>Creating a stable and reliable system of education in China.</p> <p>Providing material support for work with foreign students.</p> <p>Creating world-class Chinese universities.</p> <p>Expansion of programs designed to promote Chinese language and culture.</p> <p>Exports of Chinese educational programs abroad.</p> <p>Creating overseas branches of Chinese universities.</p>	<p>Development of universities autonomy.</p> <p>Running programs encourage foreign students and faculty, “Scholarship of the Great Wall” (proposed by UNESCO), “Scholarships for short-term visits for foreign teachers of Chinese language”, “Scholarship for winners of the Test of Chinese Language”, “Scholarships for conducting cultural studies”, “Scholarships for outstanding students”, etc.</p> <p>Removal of restrictions on work permits for foreign students. Establishment of Confucian institutes abroad.</p>
<p>Research, development and acquisition of information about the development of advanced science and technology, successful experience of educational development and management in different countries.</p>	<p>Enhanced international cooperation and exchanges in all fields.</p> <p>Raising the level of competence of Chinese teachers and their research capabilities.</p> <p>Preparation of highly qualified specialists in the field of higher education.</p> <p>Providing fast growth, variety of shapes and high quality of higher education in China.</p>	<p>Using resources of foreign partners in science, technology and education.</p> <p>The establishment and operation joint educational and research projects.</p>
<p>Internationalization of the curriculum and the establishment of joint educational programs.</p>	<p>Improving the quality of education and standards for more effective training of highly qualified specialists in shorter time. Using the products of the English-speaking universities in China.</p> <p>Teaching some courses in English or in both languages (English and Chinese).</p> <p>Introduction of the international dimension of higher education institutions in the educational process.</p> <p>Development of cooperation and co-teaching with foreign partners.</p>	<p>Translation and using of modern English textbooks used in the U.S. leading universities.</p> <p>Transition to teaching 5-10% of all training courses at leading universities in English.</p> <p>Increasing number of programs related to foreign languages / Intercultural Studies.</p> <p>Development of programs for collaborative learning in Chinese, foreign universities.</p>



Table 25 – Fundamental regulations of Kazakhstan internationalization strategy

Aim	Mission	Mechanism
Integration into the European Higher Education Area.	Development of the principles of the Bologna Process. Promotion of international cooperation on quality of education.	Introduction of a multi-level system of education development and implementation of credit system. Creating a national system of quality assessment. Development of curriculum common parameters. Development of Diploma Supplements.
Facilitating the mobility of students and teachers.	Optimization of the Presidential Scholarship Program “Bolashak”. Expansion and strengthening of relations with host countries and universities. Development of a program of support for inviting foreign experts to work in high schools. Enhance learning opportunities for Kazakh students to study abroad. Increase in the number of foreign students in higher education.	Enhancing the transparency of the selection process. Developing ways to combat with brain drain. Optimizing subjects and disciplines in order to bring them in line with the priorities of the country. Developing mechanisms of the return costs of mobility and the use of affiliate programs with employers and international organizations concerned. Improving the mechanisms for reporting capabilities in higher education.
Liberalization of higher education.	Establishment of foreign universities branches. Create programs of joint / double degrees and diplomas. Development of “Nazarbayev University” on the world education and research levels.	Integration of joint and double degrees in the curricula of universities. Increasing the level of teaching of foreign languages and opportunities for foreign teachers to work with students. Internationalization of curricula. Expanding foreign language teaching. Professional development of staff for International Affairs. Develop strategies for learning English. Installation and strengthening quality control mechanisms of providing educational services.
Empowering higher education system.	Development of research infrastructure. Development of joint research projects. Increasing participation of Kazakhstan in the international educational organizations.	Improvement of access to international sources of funding. Training specialists abroad. Creating incentives for the highly qualified professionals for returning back home.
Development of a multicultural society.	Acquisition of opportunities to interact and work in a multicultural environment.	Inclusion of multi-cultural component in the educational process. Teacher’s professional development for teaching multicultural component.

In table 26 it is shown the contents of the internationalization development goals for each country, which are based on national strategies. From a comparison of the wording obviously descry that the main strategic vision for all countries is to strengthen its competitiveness.

Table 26 – Main objectives of internationalization strategies

Country	Context
United Kingdom	Positioning the country as a leader in the field of international education and international education market.
China	The expansion of China's influence in the world and improvement of the Chinese universities reputation for reaching world-level.
Kazakhstan	Empowerment: the development of education and research infrastructure; joining the list of the 50 most competitive countries of the world.

Britain, which has a large enough positive experience in the international education market, has openly declared its intention to continue to occupy the leadership position in the field of international education, not hiding its focus on revenue generation. Such active and even aggressive position of the educational system of the country and its real achievements make the UK a serious competitor in the provision of international education services.

The goal of China to improve the higher education unlikely corresponds to the actual state of affairs, giving the account of economic expansion of the country all over the world. The slogan “spread effect” may well stand the same purpose as that of the UK, namely to achieve a leading position in the educational market.

Kazakhstan, as a country, the least prepared to enter the international market now, nonetheless, set an aim to become one of its competitive participants, however, with the obvious caveat: firstly it will need to develop its own system of education. Focusing on expansion nowadays clearly prevails in the practice of the international relations of the country, so in the near future is unlikely to Kazakhstan will be able to play a prominent role on the international education market.

We can conclude that these countries are aimed at improving their educational systems to increase their competitiveness and influence in the world, the internationalization strategy are the policy document, which defines the direction of their movement towards agreed goals.

We now consider the specific goals of internationalization strategies of education of selected countries in order to understand how they imagine ways of detail concrete definition the strategies.

For ease of comparison targets were grouped into four target areas.

1. Positioning in the international arena.
2. Readiness for market.
3. The national education systems development.
4. International activities.

These ideas were analyzed in the table 27.

Table 27 – Internationalization objectives of the countries identified in the national strategy

Aim	UK	China	Kazakhstan
Priorities for positioning on the international scene.	Development of marketing and communication strategies to support the growth of demand for British education provided both in the country and abroad.	Expansion of China’s influence in the world and improve the reputation of Chinese Universities.	Integration into the European Higher Education Area.
Readiness for the market.	Diversification of the international education market.	Research, development and acquisition of information about the development of headmost areas of science and technology, as well as on the successful experience of the development and management of education in different countries.	Possibilities extension of higher education system.
Priorities of education systems development.	Ensuring the quality of the stay of foreign students in the country.	Strengthening in the openness of Chinese education, the strengthening of international cooperation and expand academic exchanges.	Liberalization of higher education.
Priorities of international activities.	Establishment of sustainable partnerships and strategic alliances between universities in the UK and other countries.	Internationalization of the curriculum and the establishment of joint educational programs and institutions.	Facilitating in the mobility of students and teachers.

Under the first direction countries develop their basic strategic ideas: for the UK - increasing demand of British education in the world, for China - expanding influence in the world (which is, in essence, indirectly confirms the claim to world leadership in the education market), the purpose of Kazakhstan is the integration into the European educational area by expanding its participation in the Bologna process.

The second direction, conventionally called “readiness for the market”, identifies specific targets of countries associated with access to the international market of educational services and the expansion of activities within its framework. Kazakhstan has a modest goal related to the preparation of the entry into the market economy, which is consistent with the position, which is the country occupied in potential of its educational system.

China’s goal - development of new and advanced what is currently on the market, to increase their market potential. As an experienced player in the market, the UK has set itself new goals related to the search for new markets for their educational

services, realizing the danger that lurks in the operation of the same country for the flow of students and the lack of speed in the diversification of educational programs offered [309].

Development of their own education systems indicated to the internationalization strategy in all countries, and issues as a priority for the UK, while the issues of liberalization and openness are more important for China and Kazakhstan. The presence of the national systems development problems of education through international activities once again emphasizes the role of cooperation in the world today.

With specific reference to international cooperation, the aim of the UK is the development of strategic partnerships in the search for new markets. For China, the goal is the establishment of joint programs and institutions in order to ensure favorable conditions for the development of best practices. Kazakhstan considers an important task for the country's development the mobility of students and teachers, although mobility issues also play an important role for the other two countries.

We can conclude that the goal of internationalization in the three countries are close enough, the differences correspond to differences in the development of education systems in general, and in the experience of international activity as such. It should be noted that UK more focused exports of services, as for China and Kazakhstan, they are going to deal with the expansion of their capabilities according with the goals

In the strategies of selected countries developed a set of tasks which need to realize their goals (table 28). Since the variety of tasks extremely large and comparison of each of them they are not likely to be appropriate, conduct a brief overview of the problem field, bringing together all the tasks into four groups according to their orientation.

Table 28 – Objectives outlined in the national strategy of internationalization

Country	The development of national systems of higher education	Creating the conditions for the export of educational	Development of academic mobility
UK	+	+	+
China	+	+	+
Kazakhstan	+	-	+

Table 28 shows that all countries are willing to make efforts to achieve the goals of their education systems, the United Kingdom and China (except Kazakhstan) consider themselves ready and willing to work to improve the export potential for a more active introduction to the market of educational services. Full agreement is observed in all countries in the formulation of development objectives, development and diversification of programs of academic mobility and stability as a prerequisite for the process of internationalization of education systems, as well as an effective means of enhancing the export potential in the provision of educational services.

Table 29 shows the geographical areas of priority for the countries in the context of national development strategies of higher education internationalization [310].

Table 29 – Geopolitical orientation of internationalization strategies

Geopolitical orientation strategies	UK	China	Kazakhstan
Region	EU countries, Russia Asia-Pacific region (Australia, Bangladesh, China, India, Indonesia, Japan, Korea, Malaysia, Pakistan, Singapore, Sri Lanka, Thailand, Vietnam), Middle East (including Saudi Arabia and Turkey), Latin America (Brazil), Africa (Ghana, Nigeria).	Germany, France, Great Britain, Spain and other European countries, USA, Canada, Russia, Asia-Pacific (Japan, Korea, Australia, New Zealand and other countries in the region).	Britain, China, Germany, France, Czech Republic, Poland, USA, Russia, CIS.
Framework for implementation of strategies	British Council and its group of agents in support of the British education abroad (EducationUK agents) - more than 5 thousand in 40 countries.	Confucian institutions Network (500 in more than 50 countries around the world), network of research centers of the study of Russia (in Chinese universities).	Center for International Programs (within of the Presidential Scholarship Program “Bolashak”).

Common for all countries become the European direction that is not surprising when you take into account the reputation of European universities, traditionally provided high level of education, the prevalence of languages (English, German, French, Spanish), the convenience of geographical location of Europe, the well-known cultural traditions and high standards of living and personal safety.

China and Kazakhstan have identified the U.S. as a priority for international cooperation, as follow through the strategic documents, in connection with the intent to expand its capabilities through the use of educational and scientific potential of the country, as well as taking into account the historical popularity of these destinations around the world.

Kazakhstan named the priority of development of educational cooperation with the countries of the CIS that means, on the one hand, the presence of a real partnership between the countries, sufficiently accurate weight fraction of the mutual penetration of population, as well as increasing the authority of the organization at the international level.

Kazakhstan and the United Kingdom have identified a priority in China, which is probably due to the large economic and financial capacity of the country, as well as China’s leading position in the world, the country is closed and complex enough to

understand for the foreigners but at the same time very attractive and promising for cooperation.

It should be noted that the UK choose its priorities, which are quite extensive: includes almost all regions of the globe, which is consistent with a tradition of political history, and the orientation of the country to engage in a leading position in the export of educational services.

Table 29 also shows the organizations and institutions through which countries are planning to implement their strategies. It should be noted the serious scale of the British Council and the new growing network of Confucian institutions that implement two major objectives: the promotion of the language and culture of their country in the world, and the promotion and dissemination of information about education systems.

These tools seem to be quite promising for solving the expansion of export capacity of the higher education systems, and diversified sources of funding for their activities make them a very sustainable.

In each of the strategies mentioned the importance of language policy for the success of internationalization and strengthening of the export higher education capacity. On the one hand, the emphasis on learning foreign languages, especially English, is presented in the strategies as a precondition for participation in international activities.

On the other each country feels the need to spread his native language, but the scale of this activity may be an indicator of the true plans of the role and scope of the country's presence in the education market (table 30).

Table 30 – Language policies in the internationalization strategies

Country	Study language	Language of used educational products	Development and distribution of the native language abroad
UK	English	English	Program of activities to spread English language teaching programs and test programs for determining the level of English language proficiency worldwide (British Council).
China	Chinese + 10% of lessons in English at the leading universities of the country.	Chinese, English (textbooks used at universities in the U.S. and the UK). Translations into Chinese from English teaching, research and instructional materials.	Study programs of Chinese language and culture, testing the level of knowledge of the Chinese language (Confucian institutes - 500 institutions in more than 50 countries around the world).
Kazakhstan	Kazakh, Russian. In perspective: the use of English.	Russian, Kazakh.	Project on the development of Abai Institutes.

As can be seen from table 30, countries provide teaching in their universities in native language, and some fraction of studies conducted in a foreign language - English for Chinese, Russian - for Kazakhstan. It is interesting to note that China historically did not acknowledge foreign influence but it has allowed to increase the proportion of teaching in English in their universities to 10% (although this only applies to a few leading universities included in an intensive program of exchanges and cooperation). Indicative the fact that these countries are increasingly used training materials and manuals in English, which directly or indirectly contributes to the development of the export potential of the UK and the U.S [311].

Interestingly measures of extending their language in the world. Here Britain is far ahead of other countries, because of the versatility of the language. However, with regard in the internal situation in the UK higher education the process of leadership revealed its weakness: the British did not want the students to learn foreign languages and, therefore, their interest in the mobility program is not too large. China is rapidly expanding its influence.

Despite the generally acknowledged of the difficulty in learning Chinese, the country has invested heavily in its promotion and for a short period of time has managed to create over 500 Confucian Institutes around the world, systematically promoting Chinese language and culture.

It is not quite sincere statement that China's internationalization interested him only from the point of view of the development opportunities of its higher education system. Apparently on the international market of educational services is expected emergence of a strong competitor in the near future.

Over the last decade, the economic component of the development strategic plan is becoming increasingly important for the countries - participants of the internationalization process. The economic benefits are becoming the target of the international cooperation development in the education field.

However, the concept of economic benefits is not straightforward and requires separate consideration. There is a short-term benefit from educational potential increasing, which is the universities direct income or increase revenues to the national budget, a situation characteristic for countries with charged fees, such as the UK.

In some countries, international competitiveness strengthening of the education system is seen above in the long term, as the area of investment to take advantage in the development of society and economy. Other countries are interested in the problem of positioning of national education systems in the world and the growing recognition of their degrees abroad.

There are other approaches to this issue, which characterize countries less prepared to enter the international market and also have less-developed higher education systems (up to a certain extent, Kazakhstan), which are expressed in the prevalence of consumer aspects.

To some extent the cooperation between the countries in education acquires the features of the competition.

Economic globalization is accompanied by growth demand for international competence of graduates to compete successfully in the labor market and the

increasing number of students studying wholly or partly abroad. Therefore, the role of trade in education services is constantly increasing.

Attracting foreign students to study in the country, development of programs and courses for foreign consumers have become important factors in the formation of the national education policy. Currently, the most openly it is claimed by the United Kingdom. Economic incentives can make to improve the national education system in order to make them more attractive to foreign consumers, improve the quality of educational services, and enhance the competitiveness of graduates in the labor market [312]. Countries such as the UK are designed not only short-term but also long-term perspective on the economic component of internationalization strategies. This is reflected in the intensification of the struggle for talented students and graduates, especially in the areas of science and technology, where there has been a serious lack of interest on the part of the national staff. Often, the search is conducted for foreign researchers in order to maintain its level of research and standards.

UK puts the strategic objectives to attract human capital in the country and increase its export potential, and to receive economic benefits from the sale of educational services. Therefore the goals of British educational policy include increasing market supply of foreign students and help universities to develop programs for cross-border education, including distance education. Hence clear parameters for the economic component of the internationalization strategy of Great Britain [305]:

The economic impact derived from the export of UK education services is:

- 200 million pounds - cross-border higher education;
- more than 5,6 billion pounds - foreign students in the higher education sector (with the exception of cross-border education);
- about 6 billion pounds - foreign students in the higher education sector (including cross-border education);
- more than 1.2 billion pounds - foreign students in graduate education sector (excluding the sector of English language);
- more than 1 billion pounds - foreign students studying in the sector of English;
- about 315 million pounds - foreign students in independent schools sector;
- about 8,5 billion pounds - international students.

But not many countries consider their strategy in such a single-minded focus economic aspect, as the United Kingdom. Most countries recognize the economic benefits in the long term, as the impact of research programs and the success of the labor market, and to ensure the development of higher education. These countries are China and Kazakhstan, which do not limit their political strategy of economic framework. In strategies of China and Kazakhstan, there are missing a detailed description of the economic component, although it appears that the data on the anticipated expenses are important for determining the prospects for the country's advancement to the market, and for a more precise formulation of goals and objectives. Based on data in table 31 and our analysis it's possible to make some conclusions about the effectiveness of the implementation of national strategies for the higher education internationalization in United Kingdom, China and Kazakhstan.



Table 31 – Effectiveness of realization of national strategies for the higher education internationalization

Country	Aim	Mechanism	Evaluation of effectiveness: advantages	Performance review: disadvantages
1	2	3	4	5
UK	Development of marketing and communication strategies to support the growth of demand for British education provided both in the country and abroad. Establishment of sustainable partnerships and strategic alliances between universities of Great Britain and other countries.	Development of marketing (brand, British Council and the agents of British education, website). Finding new markets. Improving quality of staying for foreign students. Increasing the number of partnerships. Attracting high-level specialists.	Focus on leadership and export. Efficient use of resources (human, information, brand, language). Reasonableness actions for developing the country's attractiveness for foreign educators and students.	Dependence on the market. Provoking the brain drain from the partner countries. Aggressive behavior in the educational market high cost of services. Selfishness of aspirations.
China	Expanding opening up of Chinese education and the strengthening of international cooperation and exchanges. Extension of China's influence in the world and improve the reputation of Chinese Universities.	Empowerment and capacity building for development of Chinese education system of higher education world-class. Development of projects to return home specialists of high qualifications.	Rapid improvement of the higher education system through the development of international experience.	Rigid centralization of management education. Involvement in the process of converting a portion of the leading universities.

Table 31 Continuation

1	2	3	4	5
	<p>Obtaining, studying and mastering the information about the development of cutting-edge areas of science and technology, as well as the successful experience of educational development and management in different countries.</p> <p>Internationalization of curricula and joint educational programs.</p>	<p>Development of joint programs and the establishment of joint institutions.</p> <p>Promoting mobility.</p> <p>Expanding the influence of the Chinese language and culture in the world.</p>	<p>Successful experience in promoting Chinese language and culture through the Confucian institutes.</p> <p>Optimization of mobility flows.</p>	<p>One-sided slope towards copying the American system of higher education.</p>
Kazakhstan	<p>Integration into the European Higher Education Area.</p> <p>Facilitating the mobility of students and teachers.</p> <p>Liberalization of higher education.</p> <p>Empowering higher education system.</p> <p>Development of a multicultural society.</p>	<p>Participation in the Bologna process.</p> <p>Development of mobility and exchanges.</p> <p>Development of the infrastructure of universities and ways of managing.</p>	<p>Expanding opening up of the higher education.</p> <p>Use of foreign experience for the development of higher education institutions.</p>	<p>Centralization of management processes.</p> <p>Lack of transparency in the procedures for selecting participants in mobility.</p> <p>Absence of a systemic approach to internationalization.</p>

Maximum efficiency of the internationalization strategy is achieved with set of interrelated tasks formulations which articulated in a clear purpose and include:

- interests of the development of national education systems;
- interests of development the education systems of the partner countries;
- positioning the country in the international educational space;
- consideration of marketing development of the national education system;
- improvement of the political, economic and social conditions for the students, teachers, programs and institutions mobility development;
- development of human resources to work with foreign experts;
- development of infrastructure of universities;
- greater autonomy and the development of management processes for international cooperation;
- creation of conditions to ensure the quality of services provided;
- elaborate language policy (the feasibility formulation of the problem of sharing the national language and culture in the world, the choice of teaching language), etc.

It is advisable to have a national organization which would coordinate and manage the implementation of internationalization strategies, in order to avoid excessive concentration of management in the hands of the authorities that have, as a rule, known rigidity and lack of responsiveness.

A significant role in the implementation of strategies should belong to Information Management: the creation of websites, databases, promoting forms of networking.

In view of established traditions in higher education in the country, it is necessary to determine the level of involvement of regional and local authorities in the implementation of the internationalization program, the degree of institutional autonomy in the conduct of international activities, as well as mechanisms for monitoring the process, evaluation and reporting.

### **3.3 Organizational and managerial model of increasing of educational services competitiveness of Kazakhstan**

Socio-economic development of Kazakhstan and consequently the strengthening of the political situation in the world significantly expand the opportunities for effective international cooperation for the realization of geopolitical and geostrategic interests of our country.

Kazakhstan has the absolute potential to occupy the leading position in the global economy. To do this, the government of the country initiated plans for the transition of Kazakhstan's economy from export of raw materials to the innovation - oriented type of social development. Such a transition is to be carried out on the basis of expansion of the competitive potential of the country and build on its comparative advantages in science, education and high technology. In these circumstances, education policy is an important tool for innovative development to ensure its competitiveness in the global space [313].

Globalization as an objective factor in the development of national economy and social sphere in a large extent determines not just the unity, but the common approach to the solution of similar problems, the degree of application of which depends on the capacity of individual countries, economies and institutions. Moreover, the external, “global” mechanisms / scenario of any sphere development can significantly affect the choice of priorities in national decisions.

In the field of international education, to a such common solutions can be referred the use of the internationalization strategy - the consistent development of the international potential of the national high school, intensive increase the country’s presence in the international educational space: politically, financially and institutionally effective use of cross border education.

International trade in education services has experienced important growth in particular at the tertiary level. This is demonstrated by the increasing number of students going abroad for study, exchanges and linkages among faculties and researchers, increased international marketing of curricula and academic programs, the establishment of “branch campuses”, and development of international mechanisms for educational cooperation between academic institutions in different countries.

The competitiveness of Kazakhstan’s education system can be achieved by implementing an effective strategy of internationalization and export of educational services, which in many countries is a lucrative sector of the economy, important direction of policy and an indicator of social and cultural development, in terms of internationalization of Kazakhstan education, which ensuring a higher level and quality of it.

Education is one of the major competitive advantages of Kazakhstan, at the same time, against the background of a high level of education of the population and a growing domestic market for educational services, the share of Kazakhstan in the international education market is almost not growing. It’s not only lost of economic benefits, but also missed political opportunities of Kazakhstan influence to the international arena through the distribution of domestic achievements in science and technology, the Kazakh culture, through training of professional and political elites for the other countries.

Development of education export should also help to accelerate the exchange of scientific developments and the introduction of new technologies, the development of research capacity and improve the quality and sustainability of educational programs of Kazakh scientific and educational institutions.

Strengthening the international position of Kazakhstan, as well as solving problems related to the establishment of equal and mutually advantageous partnership relations with all countries, the successful promotion of Kazakhstan’s foreign economic interests, providing political, economic, informational, and cultural influence abroad require the inclusion of all available levers of the state.

Policies aimed at internationalization and export development of Kazakhstan's education is an important tool for the implementation of key national policy objectives, which we recorded as follows (table 32):

Table 32 – Main aims of the national policy in international position of Kazakhstan

Goals	Objectives
Promote the implementation of the foreign policy of Kazakhstan.	Approval of the strong position in the global community, that best meet the interests of Kazakhstan, necessary for the growth of its political, economic, intellectual and spiritual potential; Promote good neighborly relations with other states; Support and popularization of the Kazakhstan science, education, culture and language in foreign countries.
Expansion and strengthening of Kazakhstan's external economic position, improving the efficiency of its participation in the international division of labor.	Extension of realization opportunities of the comparative advantages of Kazakhstan in foreign markets and the use of current conditions in the country to attract capital, technology and skilled personnel; Formation of stable diversified relations with the world's economic centers in order to ensure the sustainability of development of Kazakhstan's economy in the long term, with the growing global risks; Strengthening the role of Kazakhstan in addressing global social and economic problems and the formation of effective mechanisms for the global economy.
Assistance in formation of a competitive knowledge economy and high-tech.	Achievement of the strategic objectives of the government policy in the field of education: - improving access to quality education that meets the requirements of an innovative model of economic development, and meeting the needs of society; - improving the quality, attractiveness and competitiveness of Kazakhstan's education system in the world and regional educational space; - ensuring the effective participation of the national system of education in the global process of educational development; - increasing the level of income from the export of educational services; - involvement to the country qualified personnel in accordance with the needs of the economy and the labor market ; - participation in international activities of Kazakhstan, based on the state of geopolitical and socio- economic interests.

The priority direction of the education export is to promote bilateral and multilateral cooperation with the states - participants of the CIS, in particular in the framework of the Common Economic Space. The development of relations with the EU determines the need to strengthen the export potential of the educational services of Kazakhstan at the European high education space framework in Europe. The development of relations with the United States and Canada, taking into account their enormous potential, for mutually beneficial bilateral economic, cultural, scientific, technical and other cooperation provides further integration of Kazakhstan education in the world educational space. Strengthening of the SCO, promoting its initiative to establish a network of partnerships between all integration organizations in the Asia-Pacific region defines the priorities for cooperation in the field of education in this area. The development of bilateral and multilateral relations with world leaders in the field of education provides additional opportunities to strengthen the export potential of Kazakhstan education system in the world market of education services.

Analysis of different country approaches to the development strategies of internationalization / export of educational services, presented in previous paragraph shows that they can be directed to:

- improving the international competitiveness of national higher education, improving its reputation;
- transformation of education system in a meaningful segment of the international education market;
- making a profit.

The definition of strategic objectives and the implementation of government policy goals to improve competitiveness and increase the share of export of educational services in Kazakhstan we see as follows (table 33):

Table 33 – Main aims of the policy in internalization

Goals	Objectives
1	2
Improving the competitiveness of educational services on a global and regional educational space.	Objective and comprehensive understanding of statistical and qualitative analysis on the Kazakh system of education; Formation of all levels infrastructure and institutional conditions of mobility of students, teachers and researchers; Introduction of a modern system of qualifications, ensuring compatibility with systems, developed and agreed upon in the framework of international organizations and associations; Introduction of a quality assurance system, to ensure compatibility with the systems and procedures agreed in the framework of international organizations and associations.
Ensure the effective participation of Kazakhstan in the internationalization.	Raising the level of integration of education and science of Kazakhstan in the international educational and research networks at various levels (expert communities, professional associations, at universities, at the national level); Improving the quality of participation of Kazakh educational organizations in international and regional organizations, projects, programs and processes, use their potential to promote Kazakhstan's system of higher education, postgraduate and professional education, also research on best experiences and the implementation of best practice developments in Kazakhstan; Dissemination of the achievements of Kazakhstan's science, technology and culture; Support the development of overseas studies, research projects, research networks in the area of the Kazakh culture.

Table 33 Continuation

1	2
<p>Increasing the share of export of educational services in Kazakhstan's GDP.</p>	<p>Formation of monitoring demand and supply analysis of educational services and the needs of global, regional and national labor markets;</p> <p>Establishment of a mechanism of interaction of key government authorities, regional authorities, business, generate an order for the training staff from foreigners, based on the priorities of the external economic and geopolitical development;</p> <p>Participation in international rankings of comparative research, development and approval of new collective documents and recommendations of international organizations and associations;</p> <p>Creation of a specialized agency “EduKaz” to promote Kazakhstan’s education, the organization set of foreign students, their integration into the system of national and international agencies, organizations, information resources;</p> <p>Modernization of the legal framework governing the export of educational services, including the rules for admission of foreign students, the system of licensing opportunities of university education for foreign students;</p> <p>Create a network of educational institutions on a bilateral and multilateral basis;</p> <p>Inclusion in international agreements of Kazakhstan the positions, with activities aimed at promoting the export of educational services and staffing of the relevant international economic projects;</p> <p>Establishing a system of forecasting needs and national staff training for the implementation of projects and contracts of Kazakh government and private enterprises abroad;</p> <p>Support of national associations of foreign graduates of Kazakhstan universities;</p> <p>Support the accreditation of Kazakhstan educational institutions programs in international associations;</p> <p>Support the program for development mobility of students, teachers and researchers;</p> <p>Creation of a system (infrastructure, mechanisms, programs) of training for foreign graduates of universities of Kazakhstan;</p> <p>Create a legal and social environment for attracting of foreign students, as well as the best foreign teachers and researchers to the educational institutions of Kazakhstan;</p> <p>Development of programs of internationalization of higher education at the national, regional and institutional levels.</p>

Describing the current position of the Kazakh higher education in the international market of educational services must be noted not only its inadequacy to the existing potential, but also the negative reducing trend of the Kazakhstan presence in this market, both in important economic and in the political field. According to reports, today the global market of higher education, student's population is more than 4 million people, of which Kazakhstan accounts for about 10 thousand people.

Successful implementation of the strategy of strengthening the presence and increasing participation share in international education can be defined in various "internal" and "external" factors, with respect to the educational service (table 34).

Table 34 – Factors contributing to the implementation of strategies to enhance the presence and increasing interest in international education

Internal	External
<p>The presence of the unique offerings in the existing market:</p> <ul style="list-style-type: none"> <li>- presence of a significant number of proposals (educational services), balanced in terms of price / quality;</li> <li>- degree of diversification of proposals for target audiences, methods of delivery, formats.</li> </ul>	<p>Significant resource support, including a scholarship fund:</p> <ul style="list-style-type: none"> <li>- existence of an effective system of support presence abroad (resource, information, institutional);</li> <li>- availability of government measures to create favorable conditions of stay in the host country.</li> </ul>

Maximum efficiency is achieved when the coincidence of the two groups of factors occurs and examples of such coherence can be demonstrated by the experience of the most successful in the export of educational services countries - Australia, New Zealand, USA, UK, Germany, etc. Moreover, if the "external" factors are determined by many objective conditions of political, economic and financial issues at the national and international level, the "internal" are the responsibility of the education system itself and can evolve independently, affecting most effectively at a time when there was a favorable external situation.

Especially the "internal" factors may be described in terms of the internationalization of education and basic indicators of its level include:

- number of joint programs and programs in foreign languages;
- level of knowledge of foreign languages;
- transparency and clarity of the content, organizations of the educational process and the quality assurance system;
- amount and terms of academic mobility;
- presence of strategic partnerships and alliances, including joint institutions;
- amount and terms of the implementation of joint projects and research.

Taking into account, an analysis given earlier, can hardly say about the sufficiency of internationalization level of Kazakhstan's higher education system as a whole, especially in terms of export of educational services. Internationally, there are four strategies of internationalization of higher education [314].

1. Coordinated approach.
2. Approach that focuses on attracting skilled labor.



3. Approach of gaining revenue.
4. Approach, that aims to opportunity expansion.

Correlation of these strategies with the Kazakh practice shows that in Kazakhstan, in fact there are elements of all of these strategies, but they do not fully ensure the achievement of the objectives of internationalization. In accordance with the objectives listed above, and from the standpoint of available resources - time, financial and other - a different approach may be used for the selection of scenarios.

1. Full-scale export strategy and program of its implementation.
2. Strategy and program to existing features optimization.
3. Strategy and program to university's initiatives support.
4. Phased deployment strategy.

*The first scenario* involves the implementation of a new system of measures and optimization of existing programs, projects, and international obligations. Highlighting the main advantages of this approach, it should be noted such effects of its implementation, as the inclusion of Kazakhstan in the global education market, improving the image of Kazakhstan education abroad and objective improvement in its quality. Getting higher education institutions an additional source of funding could be considered as an advantage, but requires time and substantial initial investment.

At the same time apparent complexity and risks of the proposed approach, related primarily to the additional resources required for the implementation of targeted measures for export and to enhance the effectiveness of existing programs and processes. The lack of funding in this case may be a significant risk to the success of the chosen scenario. To the additional risks of this approach can also be considered a quality management at all levels, as well as the guarantee of the quality of educational services (reputational risk).

*The second scenario* involves the emphasis on the optimization of existing programs, projects, and international obligations. If you choose this scenario is not allocated additional funding to implement targeted measures for export, but provides resources to improve the effectiveness of existing programs and processes for the purpose of export education. The objective pluses of this approach include the relatively low-cost strategy in financial terms, and the fact that the strongest universities will be able to receive additional government support. On the other hand, the "optimization" slightly will change the actual state of affairs and will increase Kazakhstan's education lag from the most advanced countries because of the wasting of time.

*The third scenario* involves a strategy and program to support initiatives of universities. New in this approach is to take into account not only the institutional interests and opportunities, but also the interests of the regions, which in Kazakhstan can have various territorial, sector, and therefore human features. The strategy identifies priorities and sets the direction of the main tasks and mechanisms of education export, supporting the initiatives of their formation by universities. The current practice of joint development of regional programs with the justification for their implementation on the principles of co-financing and the selection of the best offers on a competitive basis will be supported by the most powerful members of the

international cooperation, and the maximum effect will be achieved in that case, when as original will be regional interests, but in the national context.

The negative consequence of this scenario can be contradictions between individual universities, on the one hand and the interests of the country, on the other hand; by supporting of individual institutions may lose the integrity of the strategy, at the regional level corruption may develop for the right of higher education institutions to provide educational services to foreigners, and, finally, it may be further strengthened inequality between the Kazakhstan regions and regional universities.

*The fourth scenario* provides a strategy for the phased deployment of a system of measures aimed at promoting internationalization and export of educational services. In fact, the strategy lays the ability to move from strategy to optimize existing facilities (the second scenario) and / or Strategies to support the initiatives of universities (the third scenario) to full-blown multi-level strategy of export of higher education internationalization (the first scenario). This is possible because they generally do not contradict each other. However, too much tightness in time will not give the feel of final result of the adoption of the strategy. In addition, because of the duration of the strategy may increase lag of Kazakhstan’s education from most advanced countries.

To select the optimal scenario from the point of view of the interests and current capabilities necessary to observe the rigid sequence of steps that are schematically shown in Figure 29.

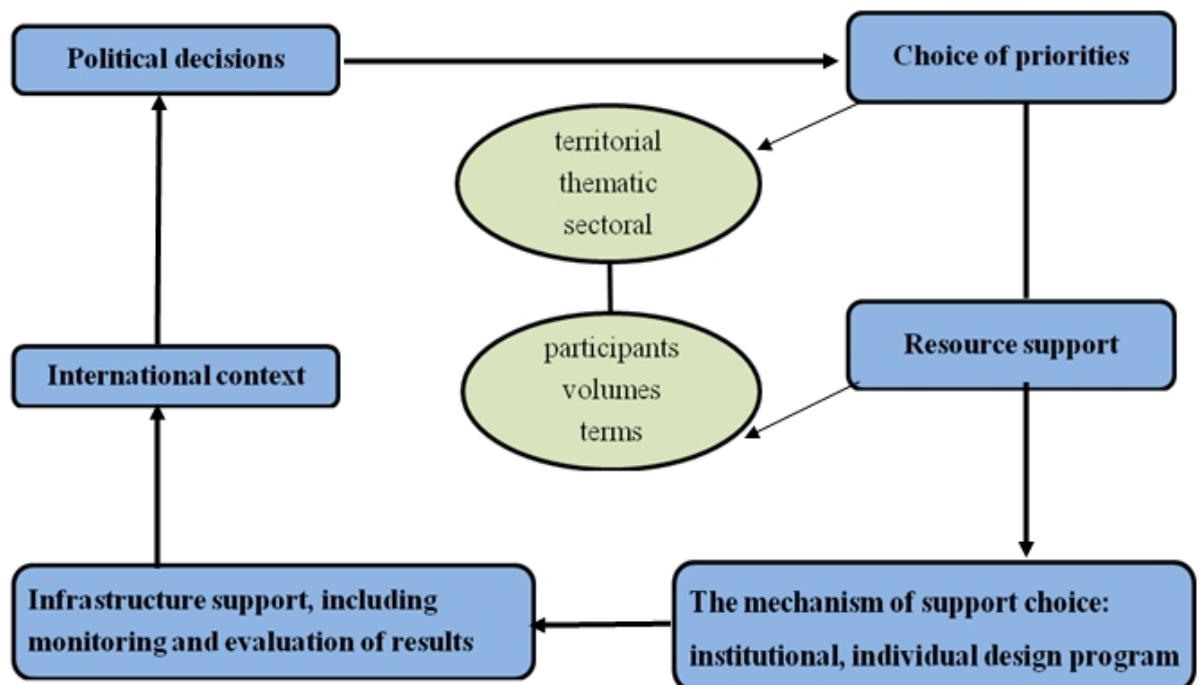


Figure 29 – Steps in the design/selection of scenarios for internationalization

The first and indispensable step should be a political decision at the government level, defining priorities for the development of international cooperation in the

country or for the Kazakh education. Priorities may be in the context of current or projected territorial interests, and from a position of areas of research and training.

This “priority” may be one of the steps in the optimization of the existing approaches and the transition from a set of individual elements of the internationalization strategy for system solutions that will improve the efficiency of export, regardless of the scenario.

This step should lead to the adoption of the strategic document of the national or sector level, which establishes a framework for the rapid follow-up development.

The next step in the selection of the scenario is to determine the resources allocated. In addition to optimizing costs through choice and agree on priorities for deployment, support and ongoing maintenance of export services a significant financial investment required. Depending on the specific amount, should be clarified participants in this process and the conditions of their support (for example, “input” quality indicators for higher education from the perspective of limiting the number of participants or the share of co-financing by regions and businesses as a measure of state support). Decisions on the amount of support will influence the terms on which the education system can account to implement the chosen strategy. It is important to note that the principle in this case is the need for continued government support for sustainable and long-term strategy of internationalization.

Speaking about the participants of the internationalization strategy, only after the determination of priorities and possible resources allocated, it is possible to consider options for the mechanisms of its implementation:

- project, program (including the grant);
- institutional and / or individual.

Choice of mechanisms largely determines the operational solutions - real support for the format declared strategy in the short and long term. In such a way, the development of the state program of internationalization / export of educational services can only occur at this stage and should be reflected in relevant program documents.

The most important element in the implementation phase of the strategy should be the appropriate infrastructure, and, consider the international dimension, not only in Kazakhstan, but also abroad. In addition to the direct executors strategy - universities and other educational institutions providing educational services should include other organizations in the infrastructure network, which provide ‘satellite’ services such as information, advertising, methodology, monitoring and other to ensure a consistent, coordinated approach, as well as permanent assessment and evaluation of its implementation. The practice shows that without such support the implementation of major national initiatives in higher education in recent years, may be lost their complexity measures.

And the last - internationalization is international dimension of the national higher education development. This is the only possible response to global challenges. And it is not a choice of one or several countries. This is a common approach, and working in this general international educational space, you need to constantly adjust your steps to assess your position not only in terms of the promotion

of individual institutions in the country relative to the other, or even the whole of higher education on the interim stages, but mainly in relation of global trends and key international partners / competitors. Therefore, the system of international benchmarking should be management strategies of internationalization / export of Kazakhstani educational services.

Considering the OECD approach to predictive analysis of higher education in 2030 [315], in the globalization section, first should be noted, the allocation of international experts internationalization as an obvious trend - a reaction of higher education to global challenges, and secondly, they are distributed approach to the analysis of the individual components. Thus, the scenario of internationalization in the OECD countries in total made up of scenarios:

- cross-border education;
- program and institutional mobility;
- academic research.

Analysis of the measures system taken at the state level in Kazakhstan in the field of international education in recent years, allows allocating some clear trends:

- measures of Kazakhstan higher education involvement in global trends regarding to the using of common approaches to the structure of education, technology, training and quality assurance procedures. Joining the Bologna Process is the most striking example in this context, and analysis of the introduction of the basic mechanisms and approaches confirms that this movement continues;

- measures directed to strengthen the Kazakhstan's presence in the South-East and Central Asia, the CIS countries. Examples of such measures are government initiatives to establish universities of SCO, EurAsEC, CIS, and others;

- measures for the returning former compatriots - the scientists and researchers to conduct and guide research;

- measures designed to support country's leading universities, strengthening their capacity and quality of education and research, including the further promotion of educational services in the international market.

Assessing the overall basic development trends of higher education in Kazakhstan at the moment, it should be noted important aspects such as:

- Optimization of high schools, the introduction of a three-tier system of education;

- Concentration of resources directed not to finance current operations but to develop of leading universities;

- Significant development of the material base of leading universities with an emphasis on science, technology and engineering education, innovation;

- Support for the "involvement" of Kazakh researchers and institutions in the international area through inviting leading scholars in Kazakh universities, and through the support of projects for joint research;

- Strengthening the "link" of university science, research and development with the real sector of the economy, including by developing innovation infrastructure in universities and support integrated projects for the creation of high-tech production.

We believe that in order to coordinate the implementation of measures aimed to increasing the share of exports and the competitiveness of educational services it is appropriate to form a government commission which should include representatives of ministries, departments, regional authorities who are responsible for the development of education.

Next, the Government Commission design the policy aimed on the export of educational services in accordance with national interests, approves strategic and targeted programs, coordinates the planning, implementation and reporting. In turn, the Ministry of Education and Science is developing strategies, concepts of educational services export, and relevant proposals of the Government Commission for approval and organize the work on its implementation. Preparing solutions in the field of export promotion of educational services executive agencies interact with the academic community, with the regional authorities, universities and non-profit organizations, thereby expanding the involvement of civil society in the internationalization of the education system of Kazakhstan. Universities carry out arrangements for admission of foreign students. Financial support for implementation of the Strategy is funded from the national budget in the prescribed manner (figure 30).

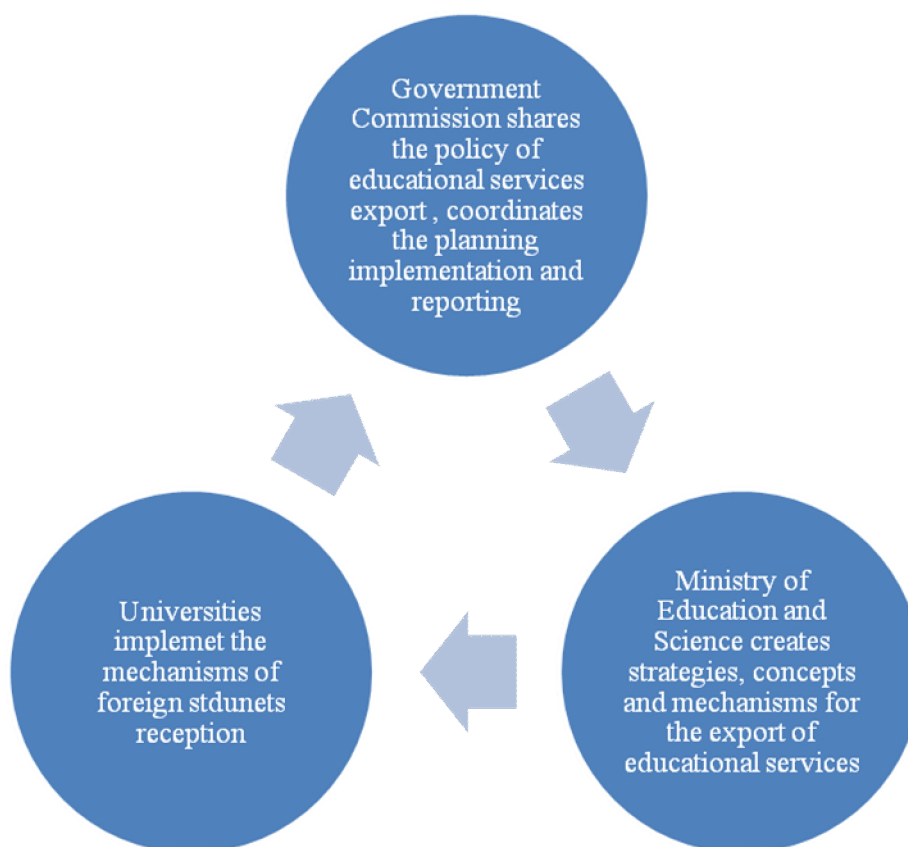


Figure 30 – Mechanism of the formation and implementation of Kazakhstani policy in the export of educational services

The strategy may be supplemented, corrected and be upgraded depends on the changes in Kazakhstan socio-economic and political situation in the world, and with

the possibility of changes in trends in the globalization and modernization of the education sector.

Planning and coordination of educational services export activities in Kazakhstan, including setting priorities for countries and regions, the degree of political and economic feasibility, scope, methods of providing educational services provided by the Ministry of Education and Science, with the active assistance of the specialized agencies in conjunction with the departments concerned in the activities of the Government Commission.

To implement activities to promote the export of educational services should be involved representatives of universities, academia, the public and the private sector. The executive authorities should ensure these representatives information about the possibilities of export promotion programs of education, provide support to investors and exporters, and create the conditions for private sector involvement in project implementation.

Evaluating the effectiveness of budget using to promote the export of educational services should be provided by the Ministry of Education and Science in cooperation with other concerned bodies of executive power through the application of the relevant rules and criteria, the most important of which are:

- achievement of planned results;
- ratio of the actual costs and benefits;
- stability of the positive effect;
- planned and unplanned results.

The Ministry of Education and Science together supporting with other relevant bodies of the executive authorities are preparing an annual report for submission to the Government Commission. An important activity for educational services export promotion is distribution of full and accurate information on its implementation, effectiveness of current processes and development plans to the Kazakhstan and world public. The realization of promoting the export of educational services events provides is strengthening the information influence on the academic community and public opinion abroad, the positions of Kazakhstan mass media in the global information space, and active participation in the most influential journals and international forums on education and science, participation in international educational cooperation information field. Information support should encourage higher education institutions to develop their own programs of education internationalization, promoting Kazakhstan's higher education, and competition in the export of educational services.

The main tasks of universities and academics are, creating the preconditions for increasing the export of education, on the basis of:

- adequate evaluation of its export potential and prospects of its development through the development of business investment plans, considering the diversification of opportunities;
- creation of competitive educational services;
- development of infrastructure that guarantees the possibility of providing a quality educational services;

- participation in the monitoring and shaping the conditions that ensure attractive to consumers of social infrastructure.

Associations contribute to the development of export of educational services within the context of cooperation with the public and charitable organizations abroad, cultural and humanitarian links, provide information support, promote the formation of measures and conditions to attract talented young people to universities from abroad. Local and international business operating in Kazakhstan, help to ensure the quality of educational services according with the requirements of the labor market.

The realization of all these goals is possible provided the infrastructure of creating a comfortable life of foreign students and professors in Kazakhstan, social protection, health care, security. Key importance is the strengthening of the capacity of academic community integration of Kazakhstan into the international educational space, as a result of:

- increasing the amount of funds allocated on a competitive basis to educational institutions for the implementation of the educational services export strategies;

- introduction of a system of annual support on a competitive framework for organizations that implement the best programs to promote the export of educational services;

- implementation a system of annual support for organizations that implement innovative continuing education programs for foreign nationals;

- development of programs and courses in foreign languages (especially English), increasing the proportion of programs in Kazakh universities in foreign languages;

- creation and implementation of innovative educational products, including joint programs with leading foreign universities, programs that have received validation of leading universities, other forms of international recognition;

- creation and developing a network of branches and representative offices of the Kazakhstan educational institutions abroad;

- improve the competence of the teaching staff in mastering foreign languages;

- development and implementation of training programs for senior management of universities (“internationalization of education”) to improve the management of international educational cooperation and enhance the competitiveness Kazakh universities in the international market of educational services;

- support the expansion and improvement of the infrastructure of host Kazakh universities, including the improvement of living conditions and social protection that increase the attractiveness education in Kazakh universities.

The realization of these objectives will ensure:

- strengthen the position of higher education in Kazakhstan in the global education market (increase in market share to 3.2% by 2020);

- improving the positions of Kazakh universities in the international rankings;

- increasing in the income structure of universities and education system share of funds derived from the export of educational services.

It is obvious that with a comprehensive and successful completion of the tasks listed above, the attractiveness of Kazakhstani universities to conduct research and

education should increase substantially, especially for the most developed countries and talented researchers. And it can be called one of the scenarios of internationalization development.

However, for most universities more 'live' form of international cooperation will be the development and implementation of educational services, balanced in terms of quality and price. Moreover, the concept of quality is not only the content of the program, but also the language of study recognized qualification, "delivery method" of educational services, the conditions are not only learning, but also the arrival and stay in the territory of Kazakhstani university.

In this regard, in order to achieve the strategic goals of internationalization and implementation of public policy goals to improve competitiveness and increase the share of export of educational services in Kazakhstan, a system of additional measures, include:

- formation of export infrastructure;
- creation of conditions for the implementation of academic, including international, mobility;
- expanding the range of export educational services;
- improvement of mechanisms for attracting foreign agencies (organizations) experts to monitor and evaluate the quality of education;
- participation in international comparative studies;
- increase the representation of Kazakhstan in the international accreditation procedures;
- improving the procedures for the recognition of foreign qualifications.

Comparing the predictive approach of OECD international experts [311] and the current measures in Kazakhstan in terms of higher education, it should be noted quite a large number of common solutions, and therefore the comparable indicators of their performance.

In the end, the promotion of Kazakhstan's higher education on the international education market will be largely determined by the adequacy of the government measures. However, without a sufficient level of internationalization of Kazakhstani universities any additional measures would be meaningless and ineffective, and this trend should be a priority in today's agenda of higher education in Kazakhstan.

Thus, we have identified the main Kazakhstan's targets in the development of the internationalization of education, which include:

- improving the quality, attractiveness and competitiveness of Kazakhstan's education system in the world educational space;
- ensuring the effective participation of Kazakhstan in the global and regional development processes of education;
- increasing the share of educational services export in the Kazakhstan GDP.

We believe that the scenarios of the internationalization can be viewed as a tactical approach to solving the problems, as a tool of entry and retention in the international educational space. And efficiency in of achieving the goals largely depends on the correctness of the choice scenarios of its development.



## CONCLUSION

This research enabled us to formulate some conclusions in the thesis, develop the following recommendations and suggestions.

The definitions in relation to the economic substance and nature of the concepts of “educational service” “competitiveness of educational services”, “educational services’ market” and “internationalization” have a lot of detailing treatments, which, however, cannot be considered sufficiently complete and up to date. Scientists have proposed approaches to the characterization of these categories, which address only certain aspects and consider various properties and parameters by which universities are able to compete in the international education market.

As a result of the review and synthesis of the above mentioned concepts found that the effective functioning of higher education institutions and the stability of the market are to increase the competitiveness of the educational services by providing competitive advantages to satisfy the requirements of their customers.

Thus, the educational service, in our opinion is the socio-economic benefit, expressed in gaining knowledge, skills and competencies within a particular educational program and aimed at meeting the needs of consumers, employers and the state.

We propose to consider the competitiveness of educational services as a set of competitive advantages, allowing up to interaction with customers, ensuring maximum satisfaction of their needs and preferences, and determines the level of competitiveness of graduates in the labor market.

Also it can be formulated that education market is a set of economic relations and communications between private and legal individuals while the production, delivery and consumption of educational services.

We agreed with the Knight’s [142] definition of internationalization is as follows: “Internationalization of higher education is the process of integrating an international dimension into the teaching/learning, research and service functions of a university or college. An international dimension means a perspective, activity or service which introduces or integrates an international/intercultural/global outlook into the major functions of an institution of higher education”.

Research includes the analysis of the system of higher education market of Kazakhstan, the impact of globalization on the development of higher education, the as well as the impact of globalization on the competitiveness of educational services.

Socio-economic development of Kazakhstan and consequently the strengthening of the political situation in the world significantly expand the opportunities for effective international cooperation for the realization of geopolitical and geostrategic interests of our country. Kazakhstan has the absolute potential to occupy the leading position in the global economy.

The case study of Kazakh British Technical University shows that HEIs on a new stage of development can set goal of creating a world-class innovation-research university with internationalization components to educate the competitive

specialists, focused on solving the problems of the economy's industrial-innovative development.

The financial and reputational stakes of international recruitment are getting higher. Competition for international students coupled with the complexity of navigating different markets and using new outreach channels is compelling higher education institutions to better understand the differences of their international applicants. Research has addressed this institutional imperative by empirically defining international student segments in terms of their academic preparedness and financial resources, as well as by highlighting inter-regional and inter-country differences in international students' information-seeking behavior. Our findings and recommendations can help higher education institutions prioritize their outreach strategies and map their recruitment channels within target student groups.

There is obvious tendency to increase the number of activities to promote the educational services of higher education at all levels - institutional, regional, national and global. National reports confirmed the tendency to organize promotional campaigns, and delegate to the agencies activities to enhance the attractiveness and competitiveness of the national educational system.

As research analysis of the international experience, the most importantly for the purpose of strengthening the position of Kazakhstan education in the international market of educational services is to develop a system of measures to support the export of educational programs and academic mobility.

We can conclude that the goal of internationalization in the three countries (Kazakhstan, China and UK) are close enough, the differences correspond to differences in the development of education systems in general, and in the experience of international activity as such. It should be noted that UK more focused exports of services, as for China and Kazakhstan, they are going to deal with the expansion of their capabilities according with the goals.

Correlation of international strategies with the Kazakh practice shows that in Kazakhstan, in fact there are elements of all of these strategies, but they do not fully ensure the achievement of the objectives of internationalization.

In accordance with the objectives of internationalization a different approach may be used for the selection of scenarios.

1. Full-scale export strategy and program of its implementation.
2. Strategy and program to existing features optimization.
3. Strategy and program to university's initiatives support.
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We believe that the scenarios of the internationalization can be viewed as a tactical approach to solving the problems, as a tool of entry and retention in the international educational space. And efficiency in of achieving the goals largely depends on the correctness of the choice scenarios of its development.

Education is one of the major competitive advantages of Kazakhstan, at the same time, against the background of a high level of education of the population and a growing domestic market for educational services, the share of Kazakhstan in the international education market is almost not growing. It's not only lost of economic benefits, but also missed political opportunities of Kazakhstan influence to the international arena through the distribution of domestic achievements in science and technology, the Kazakh culture, through training of professional and political elites for the other countries. Development of education export should also help to accelerate the exchange of scientific developments and the introduction of new technologies, the development of research capacity and improve the quality and sustainability of educational programs of Kazakh scientific and educational institutions.

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## APPENDIX A

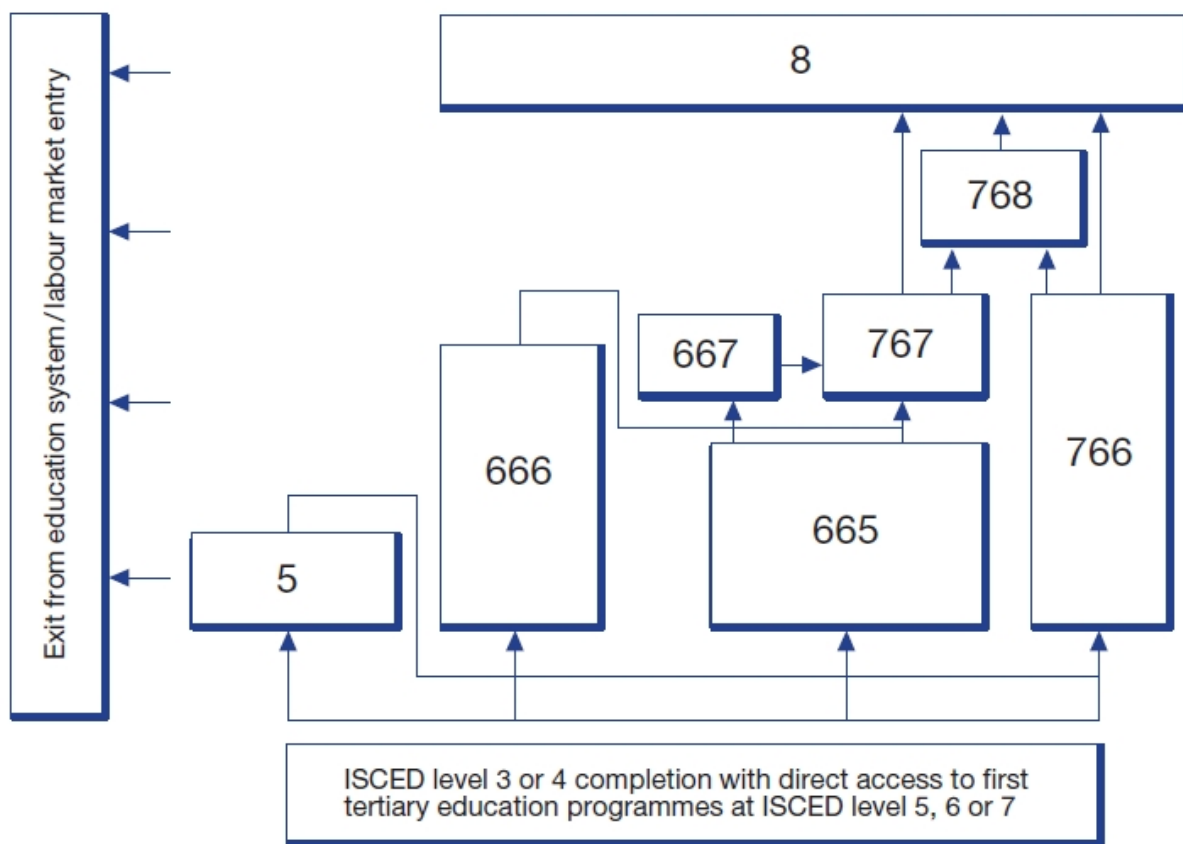
### International Standard Classification of Education ISCED 2011 [62]

#### TERTIARY EDUCATION

200. Tertiary education builds on secondary education, providing learning activities in specialised fields of education. It aims at learning at a high level of complexity and specialisation. Tertiary education includes what is commonly understood as academic education but also includes advanced vocational or professional education. It comprises ISCED levels 5, 6, 7 and 8, which are labelled as short-cycle tertiary education, Bachelor's or equivalent level, Master's or equivalent level, and doctoral or equivalent level, respectively. The content of programmes at the tertiary level is more complex and advanced than in lower ISCED levels.
201. First programmes at ISCED level 5, 6 or 7 require the successful completion of ISCED level 3 programmes that give direct access to first tertiary education programmes. Access may also be possible from ISCED level 4. In addition to qualification requirements, entry into education programmes at these levels may depend on subject choice and/or grades achieved at ISCED level 3 or 4. Further, it may be necessary to take and succeed in entrance examinations.
202. In tertiary education, an education programme is always classified at the same level as the level of the qualification awarded on its successful completion (unless a programme is partly classified as ISCED level 3, see Paragraph 173). Therefore, in contrast to ISCED levels 0, 1, 2 and 3, the concept of programmes spanning ISCED levels is not applicable for the tertiary levels.
203. There is usually a clear hierarchy between qualifications granted by tertiary education programmes. However, unlike programmes at ISCED levels 1, 2, 3 and 4, national programmes at ISCED levels 5, 6 and 7 can exist in parallel rather than as one ISCED level building sequentially on another. Completion of an ISCED level 3 or 4 programme may provide access to a range of first tertiary education programmes at ISCED level 5, 6 or 7, depending on the availability in a specific education system and/or on additional entry requirements which may be specified. These include:
- short-cycle tertiary education programmes at ISCED level 5 (at least two years);
  - Bachelor's or equivalent first degree programmes at ISCED level 6 (three to four years);
  - Bachelor's or equivalent long first degree programmes at ISCED level 6 (more than four years);  
or
  - Master's or equivalent long first degree programmes at ISCED level 7 (at least five years).
204. The transition between programmes at the tertiary level is not always clearly distinguished and it may be possible to combine programmes and transfer credits from one programme to another. In certain cases, credits received from previously completed education programmes may also be counted towards the completion of a programme at a higher ISCED level. For example, having obtained credits in an ISCED level 5 programme can reduce the number of credits or study duration required to complete a level 6 programme. In some systems, individuals may transfer to an education programme at ISCED level 6 after completion of an ISCED level 5 programme, which may reduce the time required for an individual to complete an ISCED level 6 programme. Others may directly enter ISCED level 6 or 7 from ISCED level 3. In many education systems, most students must first complete ISCED level 6 before gaining entry into ISCED level 7.
205. The successful completion of ISCED level 7 is usually required for entry into ISCED level 8.

206. **Figure 1** illustrates the categories of tertiary education programmes and the pathways between them.

**Figure 1. Tertiary education pathways in ISCED**



## ISCED LEVEL 5 SHORT-CYCLE TERTIARY EDUCATION

### A. Principal characteristics

207. Programmes at ISCED level 5, or short-cycle tertiary education, are often designed to provide participants with professional knowledge, skills and competencies. Typically, they are practically-based, occupationally-specific and prepare students to enter the labour market. However, these programmes may also provide a pathway to other tertiary education programmes. Academic tertiary education programmes below the level of a Bachelor's programme or equivalent are also classified as ISCED level 5.
208. Entry into ISCED level 5 programmes requires the successful completion of ISCED level 3 or 4 with access to tertiary education. Programmes at ISCED level 5 have more complex content than programmes at ISCED levels 3 and 4, but they are shorter and usually less theoretically-oriented than ISCED level 6 programmes.
209. Although ISCED level 5 programmes are usually designed to prepare for employment, they may give credit for transfer into ISCED level 6 or 7 programmes. Upon completion of these ISCED level 5 programmes, individuals may in some education systems continue their education at ISCED level 6 (Bachelor's or equivalent level) or long first degree ISCED level 7 programmes (Master's or equivalent level).
210. Programmes classified at ISCED level 5 may be referred to in many ways, for example: (higher) technical education, community college education, technician or advanced/higher vocational training, associate degree, or *bac+2*. For international comparability purposes the term 'short-cycle tertiary education' is used to label ISCED level 5.

### B. Classification criteria

211. For the definition of short-cycle tertiary education, the following criteria are relevant:

#### Main criteria

- a) Content of short-cycle tertiary education programmes (*see Paragraph 212*);
- b) Entry requirements (*see Paragraph 208*); and
- c) Minimum duration of level (*see Paragraph 213*).

#### Subsidiary criteria

- a) Institutional transition point (*see Paragraph 214*); and
- b) Typical duration of level (*see Paragraph 213*).

212. ISCED level 5 captures the lowest level of tertiary education. The content of programmes at this level is more complex than in secondary (ISCED level 3) or post-secondary non-tertiary education (ISCED level 4), but less than in ISCED level 6 (Bachelor's or equivalent level) programmes.
213. ISCED level 5 has a minimum duration of two years and is typically but not always shorter than three years. For education systems with modular programmes where qualifications are awarded by credit accumulation, a comparable amount of time and intensity would be required.



214. The transition point from non-tertiary to tertiary educational institutions can help to identify the boundary between upper secondary education (ISCED level 3), post-secondary non-tertiary education (ISCED level 4) and tertiary education. ISCED level 5 programmes are often provided by different educational institutions than ISCED level 6, 7 and 8 programmes.

### **C. Programmes spanning ISCED levels**

215. Education programmes spanning ISCED levels 3 and 5 need special consideration for classification. Only those grades, stages or cycles corresponding to the criteria given in Paragraph 211 should be classified as ISCED level 5. Grades, stages or cycles corresponding to the criteria given in Paragraph 166 should be classified as ISCED level 3. If use of the classification criteria does not result in a clear boundary between ISCED levels 3 and 5, criteria to determine the end of ISCED level 3 and the beginning of ISCED level 5 are provided in Paragraph 173.

### **D. Complementary dimensions**

216. Two dimensions differentiate education programmes at ISCED level 5:

- Programme orientation (*see Paragraph 217*); and
- Level completion (*see Paragraph 218*).

#### **Programme orientation**

217. The following two orientation categories are defined in Paragraphs 55 and 54:

- General; and
- Vocational.

When definitions for academic and professional programmes have been developed, they will be used for the orientation categories at ISCED level 5 instead of general and vocational.

#### **Level completion**

218. Two level completion categories are defined for ISCED level 5:

- *No completion of ISCED level 5*: stage (or programme) at ISCED level 5 of less than two years' duration, therefore insufficient for completion of ISCED level 5.
- *Completion of ISCED level 5*: programme at ISCED level 5 with duration of two or more years, therefore sufficient for completion of ISCED level 5.

### **E. Other programmes included in ISCED level 5**

219. This level includes adult or continuing education programmes equivalent in complexity of content to the education given in programmes already classified at this level.

### **F. Classification of education programmes at ISCED level 5**

220. The use of two complementary dimensions allows for reporting using categories for orientation and sub-categories for level completion. The codes to be used for ISCED level 5 are provided in **Table 11**.

**Table 11. Classification codes for education programmes at ISCED level 5 (ISCED-P)**

Category (orientation)		Sub-category (level completion)	
54	Short-cycle tertiary general education <sup>1</sup>	541	Insufficient for level completion
		544	Sufficient for level completion
55	Short-cycle tertiary vocational education <sup>1</sup>	551	Insufficient for level completion
		554	Sufficient for level completion
1. To be used at ISCED level 5 in the absence of internationally agreed definitions for academic and professional orientations at the tertiary level.			

### G. Classification of educational attainment at ISCED level 5

221. For educational attainment, recognised intermediate qualifications from the successful completion of a stage (or programme) at ISCED level 5 which are insufficient for ISCED level 5 completion are classified at ISCED level 4. Participation without recognised successful completion in a programme at ISCED level 5 is disregarded for the purposes of determining educational attainment levels.
222. Recognised intermediate qualifications from the successful completion of a stage of programmes (prior to the first degree) are not considered as sufficient for ISCED level 6 completion and are classified at ISCED level 5 for educational attainment.
223. The classification codes for educational attainment related to ISCED level 5 are provided in **Table 12**.

**Table 12. Classification codes for educational attainment related to ISCED level 5 (ISCED-A)**

Category (orientation)		Sub-category (level completion and access to higher ISCED levels)	
44	Post-secondary non-tertiary general education	444	Recognised successful completion of a short-cycle tertiary general <sup>1</sup> programme (or stage) insufficient for level completion
45	Post-secondary non-tertiary vocational education	454	Recognised successful completion of a short-cycle tertiary vocational <sup>1</sup> programme (or stage) insufficient for level completion
54	Short-cycle tertiary general education <sup>1</sup>	540	Not further defined <sup>2</sup>
55	Short-cycle tertiary vocational education <sup>1</sup>	550	Not further defined <sup>2</sup>
56	Short-cycle tertiary education, orientation unspecified <sup>3</sup>	560	Not further defined <sup>2</sup>
1. To be used at ISCED level 5 in the absence of internationally agreed definitions for academic and professional orientations at the tertiary level.			
2. Including recognised successful completion of a programme in short-cycle tertiary education sufficient for ISCED 5 level completion or of a programme or stage of a programme at Bachelor's or equivalent level which is insufficient for ISCED 6 level completion.			
3. To be used at ISCED level 6 in the absence of internationally agreed definitions for academic and professional orientations at the tertiary level.			

## ISCED LEVEL 6 BACHELOR'S OR EQUIVALENT LEVEL

### A. Principal characteristics

224. Programmes at ISCED level 6, or Bachelor's or equivalent level, are often designed to provide participants with intermediate academic and/or professional knowledge, skills and competencies, leading to a first degree or equivalent qualification. Programmes at this level are typically theoretically-based but may include practical components and are informed by state of the art research and/or best professional practice. They are traditionally offered by universities and equivalent tertiary educational institutions.
225. Instruction at this level often takes the form of lectures by staff who are typically required to have attained ISCED levels 7 or 8 or have achieved experience as a senior professional in the field of work. Programmes at this level do not necessarily involve the completion of a research project or thesis, but if they do, it is less advanced, less independent or is undertaken with more guidance than those at ISCED level 7 or 8.
226. Entry into these programmes normally requires the successful completion of an ISCED level 3 or 4 programme with access to tertiary education. Entry may depend on subject choice and/or grades achieved at ISCED levels 3 and/or 4. Additionally, it may be required to take and succeed in entry examinations. Entry or transfer into ISCED level 6 is also sometimes possible after the successful completion of ISCED level 5. Upon completion of ISCED level 6 programmes, individuals may continue their education at ISCED level 7 (Master's or equivalent level), although not all ISCED level 6 programmes provide access to ISCED level 7. ISCED level 6 programmes do not usually give direct access to programmes at ISCED level 8 (doctoral or equivalent level).
227. Programmes classified at ISCED level 6 may be referred to in many ways, for example: Bachelor's programme, *licence*, or first university cycle. However, it is important to note that programmes with a similar name to 'bachelor' should only be included in ISCED level 6 if they satisfy the criteria described in Paragraph 228. For international comparability purposes the term 'Bachelor's or equivalent level' is used to label ISCED level 6.

### B. Classification criteria

228. For the definition of Bachelor's or equivalent level, the following criteria are relevant:

#### Main criteria

- a) Theoretically- and/or professionally-based content (*see Paragraph 224*);
- b) Entry requirements (*see Paragraph 226*);
- c) Minimum cumulative duration of (first degree) programme (*see Paragraph 229*); and
- d) Position in the national degree and qualification structure (*see Paragraph 230*).

#### Subsidiary criteria

- a) Staff qualifications (*see Paragraph 231*); and
- b) No direct access to ISCED level 8 programmes (*see Paragraph 226*).

229. First degree programmes at this level typically have a duration of three to four years of full-time study at the tertiary level. For systems in which degrees are awarded by credit accumulation, a comparable amount of time and intensity would be required.
230. Programmes at this level typically lead to first degrees and equivalent qualifications in tertiary education (although individuals may have completed an ISCED level 5 qualification prior to enrolling in an ISCED level 6 programme). They may include practical components and/or involve periods of work experience as well as theoretically-based studies. Long first degrees of more than four years' duration are included at this level if equivalent to Bachelor's programmes in terms of complexity of content. In addition, programmes leading to a second or further degree may be included in ISCED level 6 if they are equivalent in complexity of content to programmes already classified at this level in the same education system *and* fulfil the other main criteria. Second or further degree programmes at this level are typically of one to two years' duration, often professionally-oriented offering more specialisation than the first degree, but do not include substantially more complex content. Programmes at ISCED level 6 do not necessarily require the preparation of a substantive thesis or dissertation.
231. Where appropriate, the requirement of ISCED level 8 qualifications for some of the teaching staff may be a good proxy criterion for education programmes at this level in education systems where such a requirement exists. This serves to distinguish ISCED level 5 programmes from ISCED level 6 programmes.

### **C. Programmes spanning ISCED levels**

232. Not applicable.

### **D. Complementary dimensions**

233. Two dimensions may be used to differentiate education programmes at ISCED level 6:

- Programme orientation (*see Paragraph 234*); and
- Programme duration and position in the national degree and qualification structure (*see Paragraph 235*).

#### **Programme orientation**

234. The following two orientation categories are available:

- Academic; and
- Professional.

#### **Programme duration and position in the national degree and qualification structure**

235. The following four sub-categories for programme duration and position in the national degree and qualification structure are defined for ISCED level 6:

- *Stage (or programme) within a first degree at Bachelor's or equivalent level with a cumulative theoretical duration (at tertiary level) of less than three years, therefore insufficient for completion of ISCED level 6;*
- *First degree programme at Bachelor's or equivalent level with a cumulative theoretical duration (at tertiary level) of three to four years;*

- *Long first degree programme at Bachelor's or equivalent level with a cumulative theoretical duration (at tertiary level) of more than four years; and*
- *Second or further degree programme at Bachelor's or equivalent level (following successful completion of a Bachelor's or equivalent programme).*

#### E. Other programmes included in ISCED level 6

236. This level includes adult or continuing education programmes equivalent in complexity of content to the education given in programmes already classified at this level.

#### F. Classification of education programmes at ISCED level 6

237. The use of two complementary dimensions allows for reporting using categories for orientation and sub-categories for programme duration/position in the national degree and qualification structure combined. The codes to be used for ISCED level 6 are provided in **Table 13**.

**Table 13. Classification codes for education programmes at ISCED level 6 (ISCED-P)**

Category (orientation)		Sub-category (duration/position)	Description
64	Bachelor's or equivalent level, academic	641	Insufficient for level completion
		645	First degree (3-4 years)
		646	Long first degree (more than 4 years)
		647	Second or further degree, following successful completion of a Bachelor's or equivalent programme
65	Bachelor's or equivalent level, professional	651	Insufficient for level completion
		655	First degree (3-4 years)
		656	Long first degree (more than 4 years)
		657	Second or further degree, following successful completion of a Bachelor's or equivalent programme
66	Bachelor's or equivalent level, orientation unspecified <sup>1</sup>	661	Insufficient for level completion
		665	First degree (3-4 years)
		666	Long first degree (more than 4 years)
		667	Second or further degree, following successful completion of a Bachelor's or equivalent programme

1. To be used at ISCED level 6 in the absence of internationally-agreed definitions for academic and professional orientations at the tertiary level.

## G. Classification of educational attainment at ISCED level 6

238. For educational attainment, recognised intermediate qualifications from the successful completion of stages of programmes (prior to the first degree) which are insufficient for ISCED level 6 completion are classified at ISCED level 5. Participation without recognised successful completion in a first programme at ISCED level 6 is disregarded for the purposes of determining educational attainment levels.
239. Recognised intermediate qualifications from the successful completion of stages of a first programme at ISCED level 7 (at the Master's or equivalent level – either a long first degree, or a second degree following a Bachelor's programme) which are insufficient for ISCED level 7 completion are classified at ISCED level 6 for educational attainment.
240. The classification codes for educational attainment related to ISCED level 6 are shown in **Table 14**.

**Table 14. Classification codes for educational attainment at ISCED level 6 (ISCED-A)**

Category (orientation)		Sub-category	Description
54	Short-cycle tertiary general education	540	Not further defined <sup>1</sup>
55	Short-cycle tertiary vocational education	550	Not further defined <sup>1</sup>
56	Short-cycle tertiary education, orientation unspecified <sup>2</sup>	560	Not further defined <sup>1</sup>
64	Bachelor's or equivalent level, academic	640	Not further defined <sup>3</sup>
65	Bachelor's or equivalent level, professional	650	Not further defined <sup>3</sup>
66	Bachelor's or equivalent level, orientation unspecified <sup>2</sup>	660	Not further defined <sup>3</sup>
<p>1. Recognised successful completion of a programme or a stage of a programme at Bachelor's or equivalent level insufficient for ISCED 6 level completion.</p> <p>2. To be used at ISCED levels 6 and 7 in the absence of internationally-agreed definitions for academic and professional orientations at the tertiary level.</p> <p>3. Including recognised successful completion of a programme at Bachelor's or equivalent level sufficient for ISCED 6 level completion or of a programme or a stage of a programme at Master's or equivalent level insufficient for ISCED 7 level completion.</p>			

## ISCED LEVEL 7 MASTER'S OR EQUIVALENT LEVEL

### A. Principal characteristics

241. Programmes at ISCED level 7, or Master's or equivalent level, are often designed to provide participants with advanced academic and/or professional knowledge, skills and competencies, leading to a second degree or equivalent qualification. Programmes at this level may have a substantial research component but do not yet lead to the award of a doctoral qualification. Typically, programmes at this level are theoretically-based but may include practical components and are informed by state of the art research and/or best professional practice. They are traditionally offered by universities and other tertiary educational institutions.
242. Instruction at this level often takes the form of lectures by staff who are typically required to have attained ISCED levels 7 or 8. Programmes at this level may involve the completion of a research project or thesis that is more advanced than those expected at ISCED level 6 and less advanced than those expected at ISCED level 8.
243. Entry into ISCED level 7 programmes preparing for a second or further degree normally requires the successful completion of an ISCED level 6 or 7 programme. In the case of long programmes that prepare for a first degree equivalent to a Master's degree, entry requires the successful completion of an ISCED level 3 or 4 programme with access to tertiary education. Entry into such programmes may depend on subject choice and/or grades achieved at ISCED levels 3 and/or 4. Additionally, it may be required to take and succeed in entry examinations. ISCED level 7 programmes have a significantly more complex content than programmes at ISCED level 6 and are usually more specialised. Upon completion, individuals may continue their education at ISCED level 8 (doctoral-level education) although not all ISCED level 7 programmes give direct access to ISCED level 8.
244. Programmes classified at ISCED level 7 may be referred to in many ways, for example: master programmes or *magister*. However, it is important to note that programmes with a similar name to 'master' should only be included in ISCED level 7 if they satisfy the criteria described in Paragraph 245. For international comparability purposes the term 'Master's or equivalent level' is used to label ISCED level 7.

### B. Classification criteria

245. For the definition of Master's or equivalent level, the following criteria are relevant:

#### Main criteria

- a) Theoretically- and/or professionally-based content (*see Paragraph 241*);
- b) Position in the national degree and qualification structure (*see Paragraphs 246 and 247*); and
- c) Entry requirements (*see Paragraph 243*).

#### Subsidiary criteria

- a) Minimum cumulative duration of long first degree programme (*see Paragraph 247*); and
- b) Direct access to ISCED level 8 programmes (*see Paragraph 249*).

246. Programmes at this level typically prepare for a second or further degree, following a first degree from ISCED level 6 or 7 programmes. Equivalent qualifications, such as post-graduate professional qualifications, are also classified at ISCED level 7 unless already classified at ISCED level 6 (see *Paragraph 230*).
247. Programmes of at least five years' duration preparing for a long first degree/qualification are included at this level if they are equivalent to Master's-level programmes in terms of their complexity of content. Such programmes usually involve the preparation of a substantive thesis or dissertation. In this case, the degree/qualification awarded gives direct access to ISCED level 8 or the programme is equivalent to a second or further degree programme already classified at the ISCED 7 level. Highly-specialised professional studies of similar or greater cumulative duration in tertiary education (e.g. medicine, dentistry, veterinary science and in some cases law or engineering) which cover – in both breadth and depth – an equivalent amount of content, though typically without the preparation of a thesis or dissertation, are also included at this level.
248. Second or further degree programmes at this level typically have a duration of one to four years of full-time study. For education systems in which degrees are awarded by credit accumulation, a comparable amount of time and intensity would be required. The cumulative duration of studies at the tertiary level thus lasts from usually five to eight years or even longer.
249. Tertiary education programmes providing direct access to ISCED level 8 are normally classified at ISCED level 7. However, not all ISCED level 7 programmes provide access to ISCED level 8.

### **C. Programmes spanning ISCED levels**

250. Not applicable.

### **D. Complementary dimensions**

251. Two dimensions differentiate education programmes at ISCED level 7:

- Programme orientation (see *Paragraph 252*); and
- Position in the national degree and qualification structure (see *Paragraph 253*).

#### **Programme orientation**

252. The following two orientation categories are available:

- Academic; and
- Professional.

#### **Position in the national degree and qualification structure**

253. The following four categories for a programme's position in the national degree and qualification structure are defined for ISCED level 7:

- *Stage (or programme) within a first degree at Master's or equivalent level with a cumulative theoretical duration (at tertiary level) of less than five years, therefore insufficient for completion of ISCED level 7;*



- *Long first degree programme at a Master's or equivalent level with a cumulative theoretical duration (at tertiary level) of at least five years (that does not require prior tertiary education);*
- *Second or further degree programme at Master's or equivalent level (following successful completion of a Bachelor's or equivalent programme); and*
- *Second or further degree programme at Master's or equivalent level (following successful completion of another Master's or equivalent programme).*

#### **E. Other programmes included in ISCED level 7**

254. ISCED level 7 includes programmes leading to the award of research qualifications that are designed explicitly to train participants in conducting original research but are below the level of a doctoral degree. These programmes will often meet many of the same criteria as an ISCED level 8 programme, although they tend to be of shorter duration (cumulative duration of five to six years from the start of tertiary education), typically lack the level of independence required of students seeking an advanced research qualification, and prepare for entry into ISCED level 8 programmes. Within the level, they are classified depending on their position in the national degree and qualification structure.

#### **F. Classification of education programmes at ISCED level 7**

255. The use of two complementary dimensions allows for reporting using categories for orientation and sub-categories for position in the national degree and qualification structure. The codes to be used for ISCED level 7 are shown in **Table 15**.

#### **G. Classification of educational attainment at ISCED level 7**

256. For educational attainment, recognised intermediate qualifications from the successful completion of stages (or programmes) within a first degree at a Master's or equivalent level but insufficient for ISCED level 7 completion are classified at ISCED level 6. Participation without recognised successful completion in any first degree at ISCED level 7 or a second or further degree at ISCED level 7 following successful completion of a Bachelor's or equivalent programme is disregarded for the purposes of determining educational attainment levels.
257. Recognised intermediate qualifications from the successful completion of stages (or programmes) at the doctoral or equivalent level but insufficient for ISCED level 8 completion are classified at ISCED level 7 for educational attainment.
258. The classification codes for educational attainment related to ISCED level 7 are shown in **Table 16**.

**Table 15. Classification codes for education programmes at ISCED level 7 (ISCED-P)**

Category (orientation)		Sub-category (position)	Description
74	Master's or equivalent level, academic	741	Insufficient for level completion
		746	Long first degree (at least 5 years)
		747	Second or further degree (following successful completion of a Bachelor's or equivalent programme)
		748	Second or further degree (following successful completion of a Master's or equivalent programme)
75	Master's or equivalent level, professional	751	Insufficient for level completion
		756	Long first degree (at least 5 years)
		757	Second or further degree (following successful completion of a Bachelor's or equivalent programme)
		758	Second or further degree (following successful completion of a Master's or equivalent programme)
76	Master's or equivalent level, orientation unspecified <sup>1</sup>	761	Insufficient for level completion
		766	Long first degree (at least 5 years)
		767	Second or further degree (following successful completion of a Bachelor's or equivalent programme)
		768	Second or further degree (following successful completion of a Master's or equivalent programme)

1. To be used at ISCED level 7 in the absence of internationally-agreed definitions for academic and professional orientations at the tertiary level.

**Table 16. Classification codes for educational attainment at ISCED level 7 (ISCED-A)**

Category (orientation)		Sub-category	Description
64	Bachelor's or equivalent level, academic	640	Not further defined <sup>1</sup>
65	Bachelor's or equivalent level, professional	650	Not further defined <sup>1</sup>
66	Bachelor's or equivalent level, orientation unspecified <sup>2</sup>	660	Not further defined <sup>1</sup>
74	Master's or equivalent level, academic	740	Not further defined <sup>3</sup>
75	Master's or equivalent level, professional	750	Not further defined <sup>3</sup>
76	Master's or equivalent level, orientation unspecified <sup>2</sup>	760	Not further defined <sup>3</sup>

1. Recognised successful completion of a programme or a stage of a programme at Master's or equivalent level insufficient for ISCED 7 level completion.

2. To be used at ISCED levels 6 to 8 in the absence of internationally-agreed definitions for academic and professional orientations at the tertiary level.

3. Including recognised successful completion of a programme at Master's or equivalent level sufficient for ISCED 7 level completion or of a programme or a stage of a programme at doctoral or equivalent level insufficient for ISCED 8 level completion.

## ISCED LEVEL 8 DOCTORAL OR EQUIVALENT LEVEL

### A. Principal characteristics

259. Programmes at ISCED level 8, or doctoral or equivalent level, are designed primarily to lead to an advanced research qualification. Programmes at this ISCED level are devoted to advanced study and original research and are typically offered only by research-oriented tertiary educational institutions such as universities. Doctoral programmes exist in both academic and professional fields.
260. ISCED level 8 usually concludes with the submission and defence of a thesis, dissertation or equivalent written work of publishable quality, representing a significant contribution to knowledge in the respective field of study. Therefore, these programmes are typically based on research and not only on course work. In some education systems, ISCED level 8 programmes contain very limited course work, or none at all, and individuals working towards a doctoral degree engage in research mostly independently or in small groups with varying degrees of supervision. In some education systems, doctoral research is undertaken by individuals employed by the university as junior researchers or research assistants, in addition to their being enrolled as doctoral students.
261. Entry into ISCED level 8 programmes or junior research positions normally requires the successful completion of specific ISCED level 7 programmes. ISCED level 8 qualifications give access to professions with high academic skill requirements and research posts in government and industry, as well as research and teaching positions in educational institutions offering education at ISCED levels 6, 7 and 8.
262. Programmes classified at ISCED level 8 may be referred to in many ways, for example: PhD, DPhil, D.Lit, D.Sc, LL.D, Doctorate or similar terms. However, it is important to note that programmes with a similar name to 'doctor' should only be included in ISCED level 8 if they satisfy the criteria described in Paragraph 263. For international comparability purposes, the term 'doctoral or equivalent level' is used to label ISCED level 8.

### B. Classification criteria

263. For the definition of doctoral or equivalent level, the following criteria are relevant:

#### **Main criteria**

- a) Written work requirements (*see Paragraph 264*);
- b) Entry requirements (*see Paragraph 261*); and
- c) Minimum duration of level (*see Paragraph 265*).

#### **Subsidiary criteria**

- a) Doctoral degree/qualification required for specific occupations (*see Paragraph 266*).

264. Successful completion of an ISCED level 8 programme requires the submission of a thesis, dissertation or equivalent written work of publishable quality that is the product of original research and represents a significant contribution to knowledge in the respective field of study.
265. ISCED level 8 requires at least three years of full-time equivalent study, making a total cumulative duration of at least seven years of full-time education at the tertiary level.
266. Achievement of an ISCED level 8 qualification is often a condition for entering into faculty posts in educational institutions that offer ISCED level 6, 7 and 8 programmes, as well as research posts in government and industry.

### **C. Programmes spanning ISCED levels**

267. Not applicable.

### **D. Complementary dimensions**

268. One dimension may be used to differentiate education programmes at ISCED level 8:

- Programme orientation (see Paragraph 270).

#### **Programme orientation**

269. The following two orientation categories are available:

- Academic; and
- Professional.

### **E. Other programmes included in ISCED level 8**

270. Second advanced research qualifications or higher doctorates may also be classified at ISCED level 8. These qualifications require the submission of a second substantial piece of research (further to the first doctoral thesis) usually at a considerably later stage of an academic career and often without formal supervision. Examples are the *habilitation* or *doktor nauk* qualifications, although most education systems only have one advanced research qualification granting doctoral degrees or equivalent qualifications. They are not usually linked with an education programme (i.e. candidates are not usually enrolled in a programme which leads to these qualifications). Second research qualifications are not coded separately within ISCED. Honorary doctorates given by universities on the basis of other considerations and not any research work are not covered under ISCED 8.

### **F. Classification of education programmes at ISCED level 8**

271. Education programmes at ISCED level 8 are either full doctoral-level programmes or stages (or programmes) at the doctoral level insufficient for completion of ISCED level 8. The use of one complementary dimension allows for reporting using categories for orientation. The codes to be used for ISCED level 8 are shown in **Table 17**.

**Table 17. Classification codes for education programmes at ISCED level 8 (ISCED-P)**

Category (orientation)		Sub-category (level completion)	Description
84	Doctoral or equivalent level, academic	841	Insufficient for level completion
		844	Sufficient for level completion
85	Doctoral or equivalent level, professional	851	Insufficient for level completion
		854	Sufficient for level completion
86	Doctoral or equivalent level, orientation unspecified <sup>1</sup>	861	Insufficient for level completion
		864	Sufficient for level completion
1. To be used at ISCED level 8 in the absence of internationally-agreed definitions for academic and professional orientations at the tertiary level.			

**G. Classification of educational attainment at ISCED level 8**

272. For educational attainment, recognised intermediate qualifications from the successful completion of stages (or programmes) within a first degree at doctoral or equivalent level but insufficient for ISCED level 8 completion are classified at ISCED level 7. Participation without recognised successful completion in any first programme at ISCED level 8 is disregarded for the purposes of determining educational attainment levels.

273. The classification codes for educational attainment related to ISCED level 8 are shown in **Table 18**.

**Table 18. Classification codes for educational attainment at ISCED level 8 (ISCED-A)**

Category (orientation)		Sub-category	Description
74	Master's or equivalent level, academic	740	Not further defined <sup>1</sup>
75	Master's or equivalent level, professional	750	Not further defined <sup>1</sup>
76	Master's or equivalent level, orientation unspecified <sup>2</sup>	760	Not further defined <sup>1</sup>
84	Doctoral or equivalent level, academic	840	Not further defined
85	Doctoral or equivalent level, professional	850	Not further defined
86	Doctoral or equivalent level, orientation unspecified <sup>2</sup>	860	Not further defined
1. Recognised successful completion of a programme or a stage of a programme at doctoral or equivalent level insufficient for ISCED 8 level completion.			
2. To be used at ISCED levels 7 and 8 in the absence of internationally-agreed definitions for academic and professional orientations at the tertiary level.			