

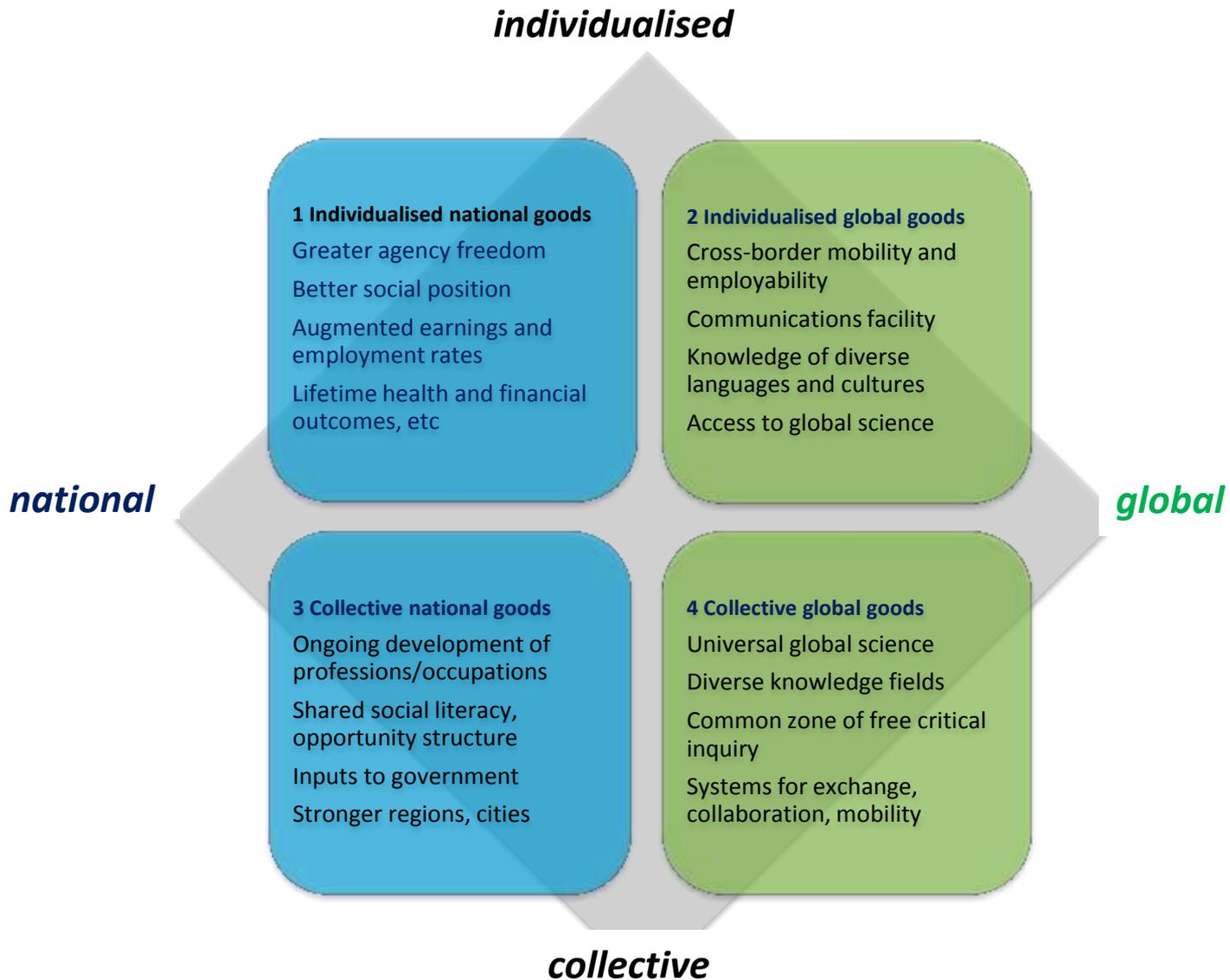


НАЦИОНАЛЬНЫЙ ИССЛЕДОВАТЕЛЬСКИЙ  
УНИВЕРСИТЕТ

***State policies  
and contribution of higher education  
June 12 2018***

***Isak Froumin and Pavel Sorokin***

# Individual and collective contributions



# Contribution: supply and demand

1. Key stakeholders:
  - Students
  - Civil society
  - Business
  - Academics
  - State (including local authorities)
2. Heterogeneous and conflicting demands and expectations
3. The stakeholders are active. High role in the production function

# Structure of the presentation

1. Role of the state
2. Demands, expectations and needs of the state
3. Policies as the reflection of the demands
4. Higher education research as the instrument to shape the demand
5. One attempt to shape the demand and to suggest policies to respond
6. Human capital 2.0

# Role of the state

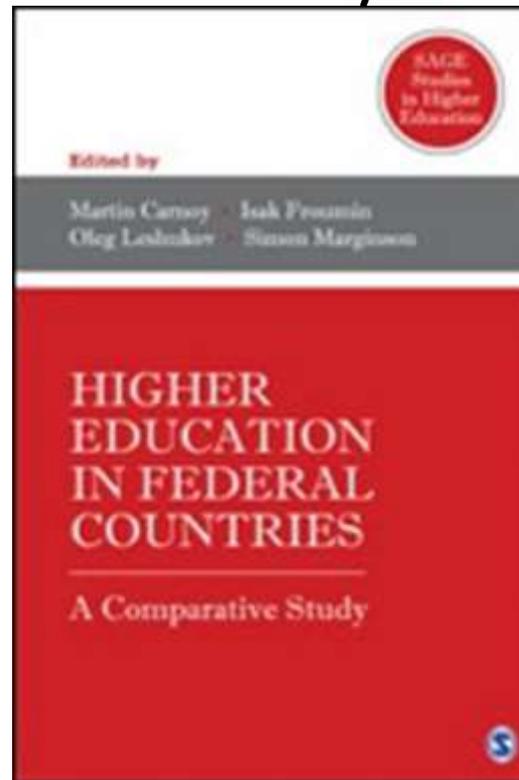
1. Financing
  2. Regulating
  3. Governing
- 

Additional factors to consider:

- multi-level governance
- scale
- private/public
- vertical/horizontal diversity

# Multi-level governance models

<https://uk.sagepub.com/en-gb/eur/higher-education-in-federal-countries/book263092>



# Governance models

- State control model and state supervising model (van Vught, G. Neave, 1992)
- «Steering from the distance» (quasi-market) (Marginson, 1997)
- Coordination through regulation or diversification through competition (David M. Cameron, 1990)
- Complexity theory (OECD, 2013): what are the elements of complexity system?

# State demands and expectations

Lyceum was created in 1811 in Tsarskoe selo to build new generations of civil servants for Russian Empire

It gave to Russia great writers, ministers, revolutionaries...



# State demands and expectations - not from the slogans but from real policies

Policies	Expectations

# Higher education reforms in post-Soviet countries

<https://www.palgrave.com/gp/book/9783319529790>



# State/government policies (reforms):

- Quasi-market (governance and funding)
- National access (entrance exam)
- Accountability and control
- Affirmative actions (including financial aid)
- Mergers (France, Nordic countries, Russia)
- Research universities (France)
- Curricular (Bologna, Hong Kong)
- Excellence initiatives

# State/government policies aim in:

Universally

- Efficiency
- Research productivity and innovations
- Labor market satisfaction
- Legitimization
- Global alignment

# State/government policies aim in:

In some cases:

- Nation state building
- Political control
- Elite preservation /change
- Regional/urban development
- Global influence
- Export of HE

# Dialogue of deaf

Supply and demand do not meet

Role of higher education research in informing  
(influencing) policies or demand?

# Russia policy development case

- 2016 Putin assigned the Center for Strategic Development to prepare a Strategy for the next term (2018-2024) with 2035 horizon
- Chair of the Center Alexey Kudrin (former Minister of Finance) asked the Higher School of Economics to prepare the Education part
- The Education part should **respond to the challenges of the Russian economic and social development**

# How should education respond to the “Grand Challenges”?

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- **social inequality and social tensions,**
- **slow economic growth,**
- **technological backlog,**
- **global competition...**

# OBJECTIVE



To reform Russian educational system in order to contribute to:





# DEMOGRAPHY AND MIGRATION

CHALLENGES	QUESTIONS	SOLUTIONS
Aging and decreasing population, increase of the demographic “burden” on the working age people	How to make each person more productive? Shall we increase the flow of migrants to Russia?	?
Inter-regional migration	Shall we try to limit the spatial mobility in Russia?	?
Rural-urban migration (with Moscow as a specific case)		?
“brain drain”	How to make the best Russian human capital stay in Russia?	?
Incoming migration from other countries	How to integrate migrants in Russian society and economics?	?



# LABOR MARKET AND THE STRUCTURE OF RUSSIAN ECONOMY (1)

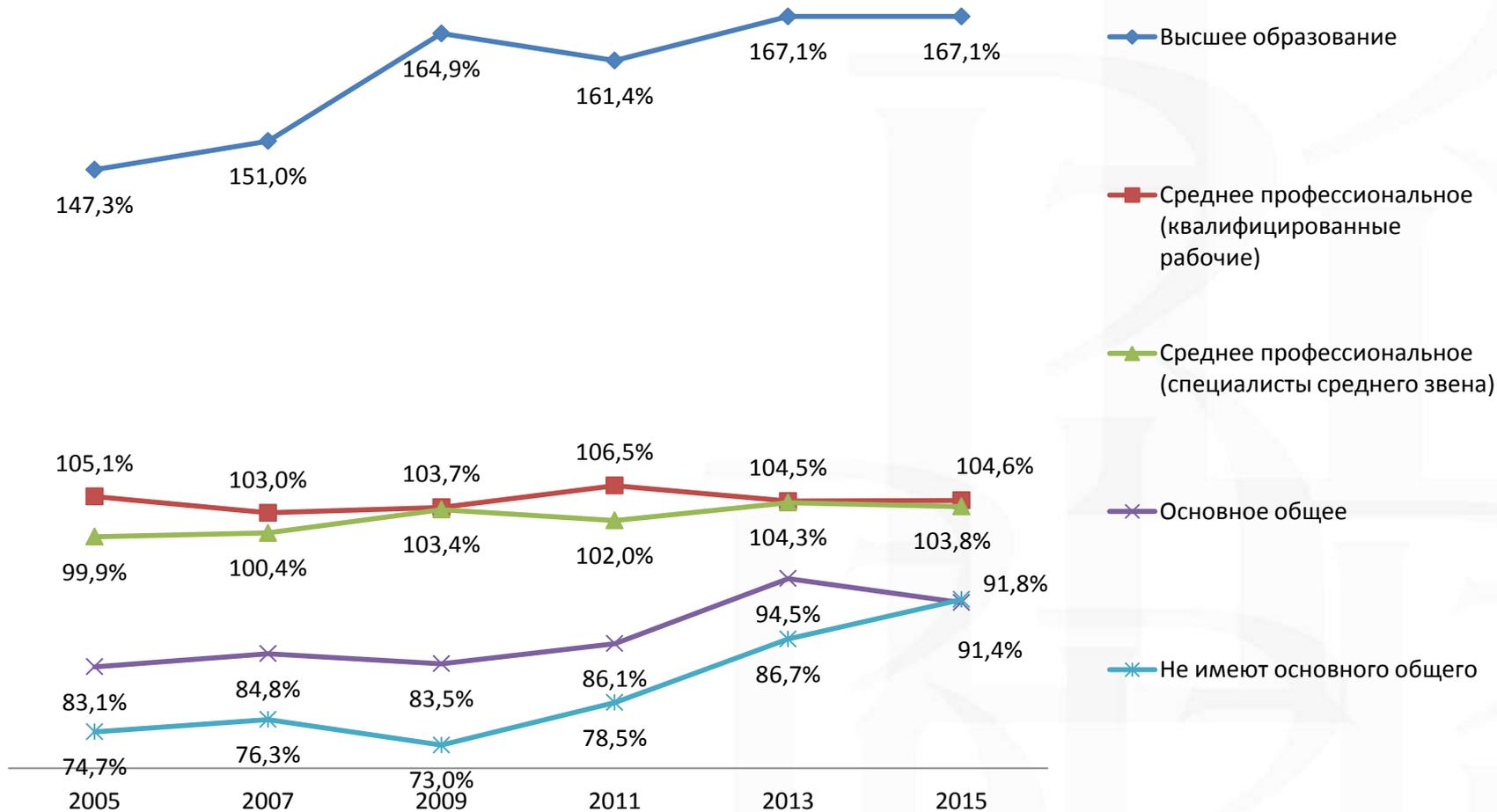
CHALLENGES	QUESTIONS	SOLUTIONS
Low productivity in the absolute majority of companies	How to increase productivity?	?
Insufficient development of entrepreneurship in the economy (and the situation gets worse)	How to stimulate entrepreneurship?	?
The lack of incentives for innovative industries development (e.g. IT)	How to stimulate the development of innovative industries?	?
The lack of incentives for developing innovations in all the industries	How to make innovations succeed in all the other industries?	?



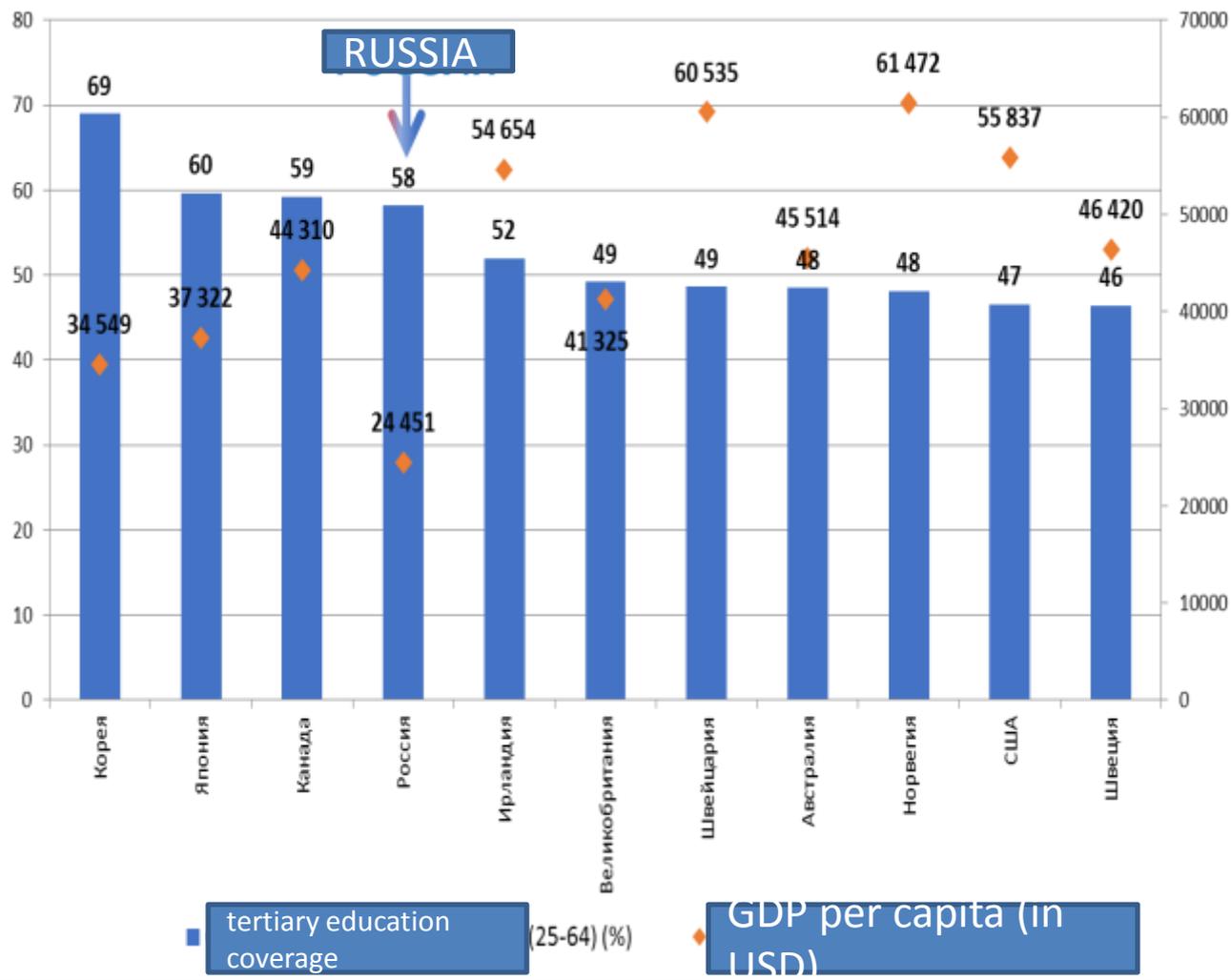
# TECHNOLOGY

CHALLENGES	QUESTIONS	SOLUTIONS
Fundamentally new global technological context (environment) that radically changes all sectors of society	How Russia can quickly adopt new technologies?	?
Russia has to begin producing novel technologies	How can we stimulate the new “technological revolution” in Russian economy?	?

# Can Russian higher education contribute? Rate of return...



# The enrollment is not enough



# Technological breakthrough



## What can higher education do?

- Designing and mass deploying globally competitive technology (research universities)
- Fostering environments of ingenuity and technological savvy, with a special emphasis on 21<sup>st</sup>-century, advanced-technology skills (school – vocational training – university – continuing adult learning)
- Expanding inflow of innovations and innovators (supporting technological & social partnership and entrepreneurship, including through project-focused regional universities)

## What we should count on?

- Russia's increased exposure to the global R&D market
- Resource, commitment, and proactivity of the younger generation
- Improved integration of community education and economy

## Key Steps

**Fostering universities' advanced R&D centers targeting global technology markets (40 universities)**

**Developing a network of innovative R&D hubs at community level, in cooperation with "backbone" (industrially important) universities (incl. business acceleration programs, project teams, etc. (150 universities))**

# Social cohesion



## What can education do?

- Higher social mobility of the younger generation
- Improved talent gains, social equity & inclusion, and productivity; increased social & labor participation of the most disadvantaged population groups

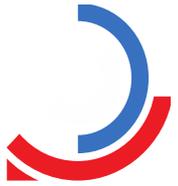
## What we should count on?

### Key Steps

**Targeted support to disadvantaged schools; personal-assistance support & guidance to challenging and high-risk students (20% of schools)**

**Well-coordinated, nation-wide program to foster gifted children development (100% of children)**

# economic growth through the human capital



## What can education do?

- Reduce the lack of basic skills for living and working in contemporary society in mass population (finance, law, healthcare, environment, IT, etc.)
- Reduce the human capital losses (i.e., share of population lacking basic skills required for effective labor)
- Ongoing skill & competency updates in line with the changing socioeconomic landscape
- Adequately qualified immigrant workforce

## What we should count on?

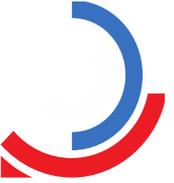
- Growing demand for new competencies from various stakeholders
- Greater competency & qualification transparency – fair assessment of achievements, meaningful signals for the labor market
- Proactive liaison of the academic and business communities in upgrading skill agendas

## Key Steps

**Public- and private-financed lifelong learning market (over 50 LLL centers)**

**Open 'new literacy' courses for adult learners (incl. older-generation people and immigrants) (over 80 non-for-profit vendors)**

**Curriculum upgrades in line with new literacy & skill agendas**



## What can education do?

- Contributing to Russia's global attractiveness by effectively marketing the most competitive national R&D and educational outputs on various international venues
- Supporting foreign talent inflows
- Fostering export of education

## What we should count on?

- Growing demand for highly qualified immigrant labor
- Thriving online education solutions

### Key Steps

**Growing share of Russian online education in the global market**

**Developing academic hubs to attract top doctoral prospects and international researchers (infrastructure, cross-border R&D consortiums, etc.)**

# Bad news

- **The projects aimed on the increase the productivity and positive social role of human capital will not work because Russia has weak institutes**

# Limitations of the classical theory of Human Capital

1. It implies the relative **stability** of the **institutional structure** of the economy and the **technological mode** (Denison 1974). Most of all – **efficient and stable institutions of labor market.**)
2. HCT puts a human in the position of **controlled means**, rather than **ends** (**criticism of utilitarianism** in the works of A. Sen, the concept of **governmentality** (M. Foucault))
3. The emphasis is on the "**special**" human capital rather than on the "**general**" capital
4. **Empirically observed inconsistencies:**
  - A) **middle-income trap: reduced productivity growth** in middle-income countries with high level of education (Doner)
  - B) even though higher education enrolment substantially increased in **Mexico, El Salvador, Venezuela Bolivia, Jamaica, Peru, and Jordan** from 1965 to 2000, only a **slight improvement or even negative growth** took place in the aggregate production levels of these countries (Pritchett, 2009)

# The statistically captured shifts in the nature of labor

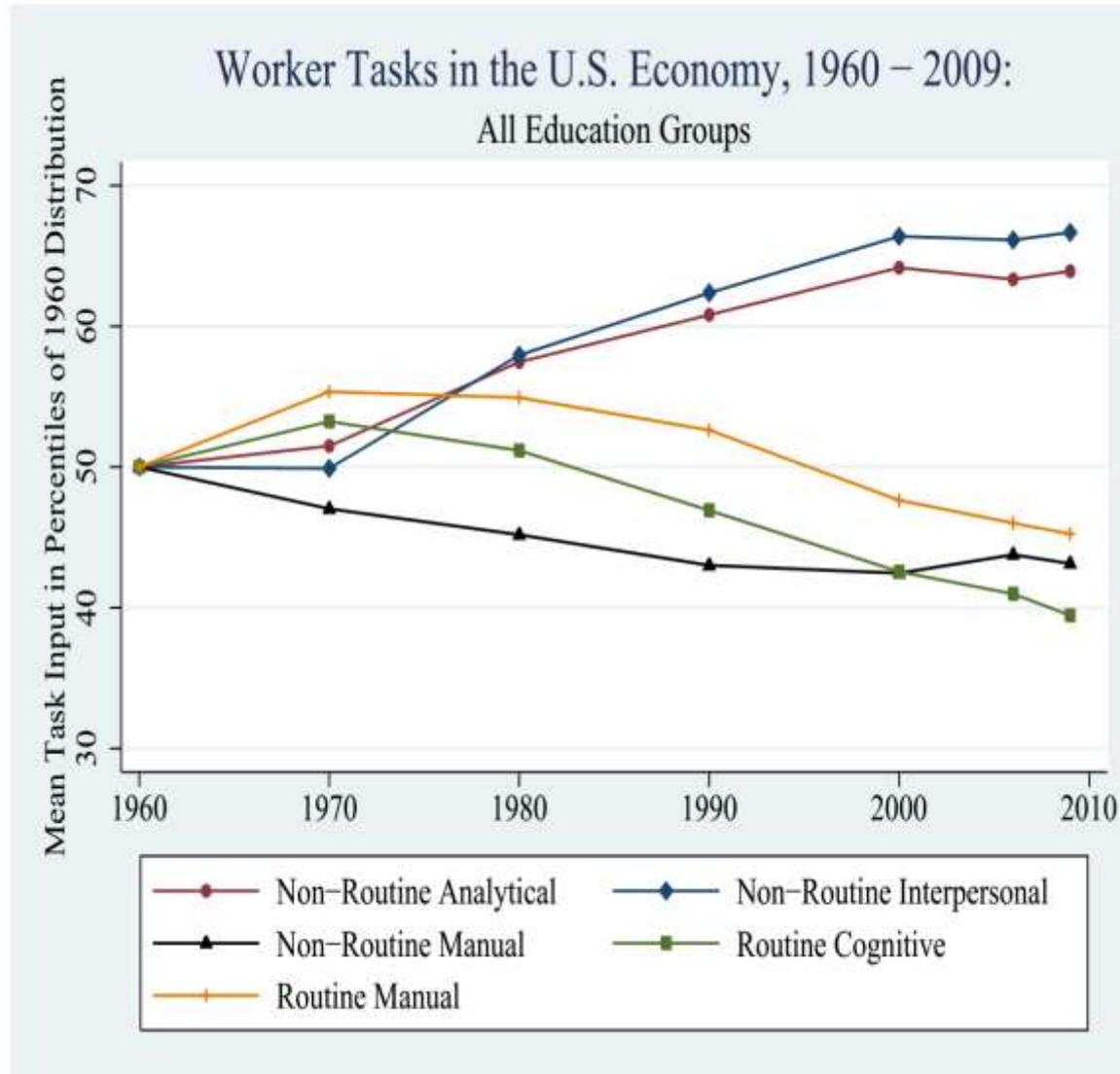
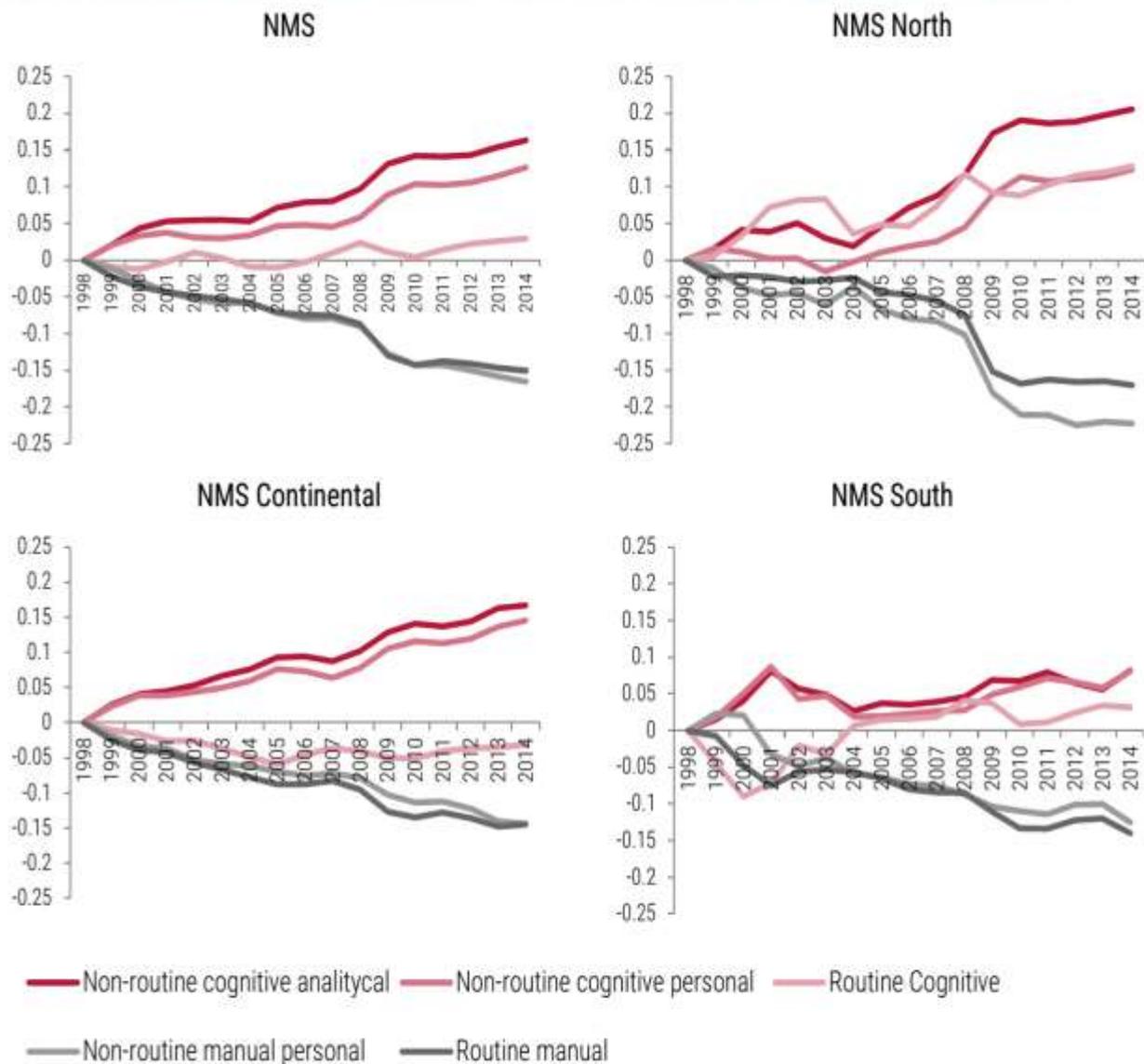


Figure 2. The evolution of task content of jobs (among employed) in the NMS between 1998-2014\*



Note\*: The regions include: EU15 North (IE, DK, FI, SE, UK), EU15 Continental (BE, AT, DE, NL, FR), EU15 South (IT, ES, EL, PT), NMS North (EE, LV, LT), NMS Continental (SI, HU, SK, PL), NMS South (RO, BG, CR, CY).



"Human Capital 2.0.": focus on "human agency"

- The mission of education is to produce such human capital, that will **not only become a resource** for economic growth, but **the driving force** of socio-economic development.
- "Human Capital 2.0.": the primary goal is **not to efficiently adapt to existing institutions**, but **to transform them**
- Particularly important is to operate "**ahead of the curve**" in relation to the labor market.



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## J. Meyer:

The theory of “Expanded Actorhood”:

In the interdependent global world (World Society) there is a fundamental transition:

**from an action that reproduces existing structures**

(institutions) through the repetition of routine practices (“path-dependence”) -

**to action, transforming institutions and overcoming**

**routine practices**, empowered by the **new identity** of the actor, which is constructed by the education system (**ethical vision + competences**).

# Human capital 2.0: how can it be possible?



## A. Sen:

The theory of "capabilities": development - through **the expansion of real opportunities and practices (moving from the formal rights to the real capabilities)**.

Theoretically, HC 2.0 approach solves the traditional antagonism in policy discourse:

**orientation on economic growth VS. orientation on human development.**

At the center of education is not a reproduction of "good institutions" but an active and responsible individuals, co-creating institutions anew.

**Social mobility is becoming an essential characteristic** of economic growth (inclusive growth)



## Human Capital 2.0: what does it mean for the current policy debates?

- 1) Instead of trying to build “good” educational institutions producing proper human resource for the labor market – support creativity and critical thinking in individuals through education. These individuals will transform all institutions, including labor market.
- 2) Instead of elaborating sophisticated “efficient” educational programs nurturing specific highly demanded by employers qualities – unbundle education, allow individuals to construct their own educational tracks responding not only to the labor market requirements but to the tastes, values and preferences of a person
- 3) Instead of searching for the “best practices” – create a culture of diverse practices and activities.
- 4) Instead of seeing education as a “preliminary stage” before the “real job” in individual life course – see it as a life itself because an upgrade of skills and competences will be our central daily activity in the future



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**Is the Human Capital 2.0 the contribution that resolves the imbalance between the supply and demand**

~~He created us, he nurtured~~  
our flames. He put the  
foundational stone and  
burned eternal light

