

STRENGTHS AND WEAKNESSES OF PRIVATE UNIVERSITIES IN A TRANSITION ECONOMY: A VIEW FROM AZERBAIJAN

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ABSTRACT

In the period of collapse of the Soviet Union Azerbaijan and other countries with transition economies were going through severe political, economic and even military crises. However, paradoxical as it may seem, in several areas, including education, new ideas were spreading and new discourses and models were emerging. Some private universities opened and paved a new way for themselves and for the country in the field of education by offering a new substance and adopting a new form.

Application of a student-centered system is an issue of university culture, and therefore, it is not easy to implement it fast. Inconsistency and contradiction between a rapidly changing environment and growing demands, on one hand, and old, obsolete laws, on the other, play the role of an obstacle and hold back development. Endemic corruption and bribery in the education system is another factor leading to strengthening of central administration and strictly diminishing the autonomy of higher education institutions.

1. Education in Azerbaijan before the Soviet rule

Before the final division of Azerbaijan between the Russian and Iranian empires in 1828 there was basically one Azerbaijan, and its educational system was similar to those in countries of the Middle East. Most schools were religious institutions; however, their curricula contained also secular subjects. Primary languages of instruction were Persian and Arabic; later *Azerbaijani* was introduced gradually. In the 13th century, a research, education and training center with an observatory was established in Maragha, near Tabriz. This center distinguished itself in non-Euclidian geometry, trigonometry, astronomy, physics, and ethics. However, a general decline in scientific research and education began in the Muslim world during the late **Middle Ages**. The number of high quality schools declined, and higher learning institutions continued to exist only in important urban centers of the Muslim East.

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After 1828 the north of Azerbaijan became part of Russia, and South Azerbaijan remained with Iran within the Persian Empire (Northern Azerbaijan is where the modern Republic of Azerbaijan is located today). Educational development in Northern Azerbaijan **from 1828 to 1918 (The Period of the Russian Empire)** was defined through combination of national religious and secular schools as well as Russian type of secular and bilingual schools. Academic programs and curricula were developed in a cooperative effort between Azerbaijani intellectuals and Russian educators. These schools contributed to the rise of the modern Azerbaijani *intelligentsia* (intellectual elite). For higher education, students would mainly go to Russia and Europe.

Azerbaijan's two-years of independence (The Period of the First Republic, 1918-1920) before the country became part of the Soviet Union was not long enough for it to develop a national system of education, but at least Azerbaijan State University was established in Baku in 1919. Also, about one hundred students were sent to Europe for higher education.

2. Higher Education in Soviet Azerbaijan

The Soviet period brought rapid advances in literacy, which rose to 90% within 10-15 years. **Under the Soviet Union (The Period of the Second Republic, 1920-1991), there were two main types of higher-learning institutions:**

1. Universities offering 5-year programs resulting in something like a master degree and higher than bachelor degree. Each Soviet Republic had at least one university, comparable to an American college of arts and sciences, in many cases with Law.
2. Specialized higher learning institutions, such as institutes of Fine Arts, Economics/Finance, Technical, Civil or Petro-Chemical Engineering, Agriculture, Pedagogy/Teacher Training, etc. These offered 4 or 5-year programs leading to something like a bachelor degree or higher.

After graduating from these universities and institutes, scholars could continue with a 3-year **graduate program** (*aspirantura*), leading to the Candidate of Science degree, akin to the American Ph.D. and then, a few of them could continue in pure research for a Doctor of Science degree in certain fields.

The language of instruction in higher learning institutions in Azerbaijan was mostly Azerbaijani, with Russian coming second. For instance, for every 100 students majoring in Mathematics and studying in Azerbaijani, there would be a group of 25 or 50 math students

studying in Russian. In the five Central Asian republics, in contrast, the language of instruction in higher education was primarily Russian.

3. Higher Education in Azerbaijan after Gaining Independence

Post-Soviet Azerbaijan's (The Period of the Third Republic, 1991-) education system has experienced changes, particularly in higher learning. There are now 32 public universities (with Soviet-mode structures) and 15 private universities. **Public universities** get about half their money from the state budget, and the other half from tuitions. **Private universities**, on the contrary, do not get any public funding.

There were a number of **factors that have had a negative impact on the education system**, including:

- The country's economy is in transition and is plagued by corruption and bribery;
- Government funding of reforms in education system is relatively limited;
- The tax system is intricate, at least when it comes to the education system;
- Libraries are poor, engendering weak access to knowledge and information.

On the other hand, globalization has had a positive impact on education.

Attitudes of foreign countries on the Azerbaijani higher education institutions are not simple and differ from each other. As Russia is very familiar with this region and knows internal environment here well, it has not undertaken any initiative to influence the education system, neither positively nor negatively. At the same time Russia does support branches of Russian universities in Azerbaijan, which are not recognized by the Azerbaijani government and undoubtedly are of poor quality. Authorized agencies of Turkey (YÖK) and Iran (Ministry of Research and Education) mainly pursue controversial policies in the recognition of Azerbaijani higher education institutions and their academic programs, namely, by discriminating certain institutions and favoring others. Instead of taking into consideration quality of education, presence or absence of corruption and other important indicators, they act in accordance with their personal acquaintances and linkages and/or in line with the will of Azerbaijani officials. One country that evaluates the education system of the region relatively well by impartially determining who is who and acting accordingly is the United States of America, which also is ahead of European countries in this sense.

The current features of Azerbaijan's education system are twofold-inherited from the Soviet past are quality curricula in such fields as Natural Sciences, some Applied Sciences and Engineering, some fine arts and music, but more with memory based teaching methods than student-centered system. The main weaknesses, which impede the process of change, are rooted in a strongly centralized system, which suffers from corruption and the influence of kinship.

Starting a new private research and education institution in Azerbaijan was, of course, a big challenge. Among the main goals and principles of best private universities I would mention attaining the following: academic freedom, strong and vigorous student and faculty body, quality of academic programs, no corruption, cooperation with North American and West European academic institutions, resistance to cultural imperialism, and an attempt to develop university-industry relations.

3. European Higher Education Area

National system of education is eroding worldwide, just like systems of “national railway” or “national mathematics.” Those higher education institutions that are not integrating into the global education system are candidates to become peripheral learning centers.

The Joint Convention of the European Council and UNESCO on Recognition of Higher Education Qualifications and Documents (Lisbon, April 11, 1997) can be considered as the starting of a new period towards unity in the European Higher Education System. This convention covered such important issues as access to higher education, term of education, and recognition of higher education documents as well as creation of appropriate mechanism for these goals.

After reviewing and discussing the Lisbon Convention, we achieved timely ratification of it by Azerbaijan. Unfortunately, in the following years, important steps taken towards creation of European Higher Education Area, excluding certain exceptions, were not closely observed in Azerbaijan.

A meeting of the Ministers of Education of 29 European countries was held on June 19, 1999, in **Bologna**. In that meeting **The Joint Declaration of European Ministers of Education** was adopted. It aimed at creating a **European Higher Education Area (EHEA)** that would be in a leading position in the global competition by 2010. To

achieve this, the following were proposed (grouping of objectives here is different from the original Declaration):

1. Implementation of easily readable and comparable degrees, applying Diploma Supplement for this purpose that is composed of two cycles. First cycle shall last a minimum of 3 years, and second cycle should lead to masters and/or doctoral degree.
2. Providing free movement of students, faculty, researchers and administrative staff between countries; application of the European Credit Transfer System (ECTS) in the case of movement of students.
3. Establishment of European dimension in higher education including cooperation in the field of preparing criteria and methodologies for the purpose of quality assurance in higher education.

Approaching with respect to various national education systems, a lingual and cultural differences, and autonomy of universities (Magna Charta Universitatum), while implementing this program, was specifically emphasized in the document.

After this the process of creation of the European Higher Education Area was called the **Bologna Process** [in my opinion, Sorbonne-Bologna would be a more correct name due to preliminary important meeting of ministers of four big countries responsible for higher education, namely France, Germany, Italy and United Kingdom on May 25, 1998, held in Paris, Sorbonne]. It has been recognized by everybody that **higher education institutions and students are not objects but the main players in the Bologna Process**.

In order to provide coordination in successful implementation of the Bologna Process and admit countries those are willing to join the Process, Ministers of Education decided to meet within two years. Through the Prague meeting of May 19, 2001 and Berlin meeting of September 19, 2003, a number of European countries joining the Bologna Process reached 40. As a result of the Bergen (Norway) meeting on May 19, 2005, Azerbaijan among 5 new countries joined the Process.

As an advancement of the Bologna Joint Declaration, it was proposed to create a **European Research Area** in addition to the European Higher Education Area and to prepare **joint masters and doctoral programs**. It was accepted that doctorate degree was the third cycle of higher education after the two cycles indicated in the Bologna Process. The ministers decided to attach a Diploma Supplement to the graduate diplomas from 2005 onward and took the commitment of creating access to education for everybody, using all available resources and means.

The main demand of European universities, on the other hand, was **autonomy with responsibility**. Universities demanded independence

for formulating their strategies, prioritizing fields of studies and programs, and choosing faculty members and students in accordance with their own criteria. Application of tightly centralized administration hinders dynamic development of higher education institutions and impedes their capability to compete and respond rapidly to the needs of the changing environment.

5. European Higher Education Area and Azerbaijan

What is the situation in Azerbaijan with regard to the Bologna Process?

However paradoxical it may seem, although in the period of collapse of the Soviet Union Azerbaijan was going through severe political, economic and military crises, in several areas, including education, new ideas were spreading and new discourses and models were emerging.

The first private university in Azerbaijan, Khazar University (one of the first in the former Soviet Union) opened and paved a new way for itself and for Azerbaijan in the field of education by offering a new substance and adopting a new form. Applying American-style credit accumulation model and offering programs leading to bachelor, master and PhD degrees since its establishment in Mart 18, 1991, Khazar has played the role of the field for an experiment and clearing-house for reforms in the higher education system of Azerbaijan. For the first time in Azerbaijan, Khazar University has applied a **student-centered teaching model and credit accumulation system**. That is, students study courses which have certain credit value and they receive a corresponding number of credits for each course they pass. The credit unit applied in Khazar University can be considered as two European credits (ECTS).

Credit accumulation model is based on prioritization of individual study trajectories for each student. But it will not be so simple for higher education institutions in Azerbaijan to move towards application of this student-centered credit system. It is an issue of educational or university culture, and therefore, it is not easy to implement it quickly, starting it from zero.

In 1992, Milli Meclis (the parliament) of Azerbaijan passed the **Law on Education**, which constituted a legal basis for the establishment of the **two-cycle higher education system in Azerbaijan**, namely the system composed of bachelor and master degree studies. Later on all higher education institutions and programs in Azerbaijan, with few exceptions (for medical studies and the like), adopted this system.

However, as transformation to the two-cycle system was not carried out carefully and stage-by-stage, and instead was done in the form of a **quick national-scale campaign**, the purposes, context and differences between bachelor and master programs have not been grasped by many higher education institutions up until now, and remnants of this “incompleteness” can be observed even today. In addition, the contents and form of studies after masters degree, has not been explicitly established yet. Some people talk about a **third cycle of higher education**, that is PhD; some others argue for continuation of the old Soviet model of third and fourth cycles, which lead to the degrees of Candidate of Science and Doctor of Science.

Azerbaijan becomes a member of the Bologna Process; various Azerbaijani universities will likely join **student mobility programs** but gradually and at different times. One of the first and foremost aspects of Azerbaijan’s participation in educational programs of European dimension can be preparation of joint degree programs, especially masters and PhD programs, by European and Azerbaijani higher education institutions, which have experience in ECTS and international partnership programs. The publication of University Catalog and fulfillment of its requirements are also important in student exchanges. Unfortunately, among Azerbaijani universities, only Khazar publishes a standardized catalog on a periodical basis. Of course, autonomy of higher education institutions is an important precondition for achieving success in this direction. But in Azerbaijan even high-reputation private universities are deprived of their right to issue their own diplomas.

The Institute of Education Policy and Strategy is starting to function at Khazar University. The main aim of the institute is to study international practices in education, work on quality enhancement of education and problems related to its evaluation, find out ways of development of educational policy and education system in Azerbaijan, and particularly, closely watch the Bologna Process and assist those interested in its furthering.

6. Current Problems of Azerbaijani Higher Education

As mentioned above, Khazar has been implementing PhD programs for a long time now and is the only university in Azerbaijan in doing this. But in general, the country is still keeping the system of Candidate of Science / Doctor of Science. **Not enacting the new bills on education keeps this issue and other related vital matters in a frozen condition.** Inconsistency and contradiction between rapidly changing environment

and growing demand, on the one hand, and old, obsolete laws on the other, play the role of an obstacle and hold back development.

Unfortunately, the attempts towards promulgation of a new bill on education, which started in 1997, have completely failed [and it is to my great chagrin that that draft law under discussion consists predominantly of such stipulations as “under the full authority of relevant executive bodies”].

As a result, **governance in the field of education** is regulated not by laws, but through personal networks and connections with high-ranking public officials. Furthermore, the success of an initiative mostly depends on the degree of closeness of the initiator to these high-ranking executives. It renders great difficulties in implementing the action plans and strategic development programs of higher education institutions.

In Western Europe, universities are striving for greater independence. The kind of independence they are looking for is not that easy to understand from the standpoint of universities in countries with transition economy. The present level of independence of European institutions, I believe, would suffice for Azerbaijani higher education institutions, including high-quality private universities, for many decades ahead.

Academic freedom in higher education institutions, including private universities, is at a very low level or almost absent. Academic freedom as well as autonomy of universities should be directly proportional to their quality in research and education. Unfortunately, only one higher education institution in Azerbaijan—Khazar University—has been able to incorporate academic freedom into its education policy (while struggling for autonomy without much success at present).

Endemic corruption and bribery in the education system is another factor leading to strengthening of central administration and strictly diminishing the autonomy of higher education institutions. The role of higher education institutions themselves in proliferation of the problems is quite large. Moreover, the absence of joint struggle of universities and the Ministry of Education for assuring quality in education has seriously damaged the autonomy and reputation of both.

The saddest point here is that some higher education institutions that do not ‘deserve’, so to speak, this kind of treatment are also subject to it. The few universities that possess exemplary moral environment, offer high-standard study programs, implement modern teaching methods, maintain broad international relations, and whose graduates’ skills and abilities are appreciated highly by the industries and businesses, have also become **victims of the general situation** prevailing in the Azerbaijani system of education and depend on destiny and fortuity.

Even the most serious and high-standard private university has no **autonomy** in such important issues as student admission, selection of specialization programs, issuing diplomas to its own graduates, etc. **The question here is what private rights does private university enjoy?** What are the things that make it private, after all? Private universities pay V.A.T. (which is unacceptable for educational institutions not-for profit, and which is very high, 18%) to the government, but do not receive anything from the state ...

Although the government does not extend any financial assistance to private higher education institutions, it has monopolized **student admission** to them at all levels of studies and tries to restrict admission to private institutions by any means. In terms of the access to higher education, Azerbaijan's rating is one of the lowest not only in comparison to developed countries, but also among former-Soviet republics. Despite this apparent shortcoming, the government strictly prohibits prospective students to get admission to any university they want at their own expense! Starting from 1968, admission to higher education institutions started to rise rapidly in Europe, as it was the case in North America; everybody who wanted to study was given such an opportunity. At the moment, the proportion of students in higher education from relevant age group is highest in the world in South Korea and USA (82% and 81 % respectively), followed by Canada (59%), European Union (52%) and Japan (49%). In Azerbaijan, approximately 15% of people from the relevant age group are studying in higher education institutions.

It is very important to pass into the system of **financing directly students** entering to the university in forms of scholarships and loans, instead of financing only higher learning institutes. Entering examinations through State Commission on Student Admission may play a role to define who is acceptable for scholarship and/or for loan. Taking this decisive step may create healthy environment in higher education system, nourish the competition between universities.

There are **Rectors Conferences** in European countries, which act as main bodies uniting heads of higher education institutions. They actively participate in the discussion of problems in teaching, research, student and faculty exchange, and in general, on correct formulation of academic policies and development. In Azerbaijan, this body exists only on paper. Each rector is trying to keep his head safe, but keeping one's head safe is getting more and more difficult or more and more expensive. The main reasons for rectors (and universities) not undertaking joint efforts in this direction are differences between their aims and purposes. Thus, Azerbaijani higher education institutions are not able to act as players and are rather played with, like toys.

Although Azerbaijan government has not yet achieved serious success in overall reform of the education system, functioning of some higher education institutions on the basis of diverse ideas and practice, existence of opportunities for development, and individual universities' efforts to push towards higher standards are also realities of the day. The establishment of the **Education Commission under the President of Azerbaijan** recently may be regarded as an indicator of the government's consideration of education policy.

7. Quality Enhancement in Azerbaijani Higher Education

As far as the issue of assuring and increasing the quality of education is concerned, at the moment, discussions on determination of common European criteria and rules as well as activities of corresponding accreditation agencies are going on, and a certain consensus is expected in this area. It is not excluded that the role of certain pan-European and regional accreditation agencies may be increased and new ones may be created. Azerbaijan will have to consider the results of these discussions.

Quality in education is a system of values, a position, and a culture. Quality is changing of the existing form, and permanence of the evolutionary effort. **Quality is a process** and therefore, the concept of quality enhancement is something more important than quality assurance or quality control.

Who measures quality in higher education institutions and why? There are evidently three candidates that are ready to undertake this responsibility – the education institution itself, the government and independent authorized accreditation agencies. Higher education institutions in Azerbaijan almost do not conduct any serious **internal evaluation** themselves; but here again, Khazar University is an exception. Khazar regularly conducts internal evaluation with active participation of students, and results of the evaluation are published both on paper and electronically.

The main result of accreditation for a private university should be the right for that institution to apply for and receive credits or loans from the government on quite favorable conditions, and similar rights should be extended to that university's students as well. On the other hand, state universities, funded by the government, either are not subject to accreditation at all or their accreditation is only formal?!

The experience of the motherland of accreditation – USA shows that there is no need for **direct participation of the state in accreditation**; state interference, in fact, can only cause harm. In transition countries, like Azerbaijan, this issue is even more complicated. As a well-known maxim goes sometimes a child forgets that hammer is for hitting a nail, and starts to hit everything with it. The state, when it controls something, like accreditation, behaves like a child with a hammer. That is why the most expedient form of it after internal evaluation is external evaluation carried out by **independent authorized accreditation agencies**.

8. University – Industry Links

Industry can foster closer ties to the educational system, including funding to upgrade the quality and quantity of manpower.

Khazar University has been a pioneer in Azerbaijan in **prioritizing the nourishing of relations with industries** as an integral part of its development. These help the university to uphold the quality of its programs, faculty, support services and students.

The Center for Economic and Business Research and Education is intended to support Khazar University in developing relations with industries. The Center periodically conducts various training seminars and workshops in Economics, Finance, Marketing, Small Business and alternative disciplines, for small and medium entrepreneurs in Baku and other regions of the country.

In 2003, the School of Economics and Management at Khazar University and the Malaysian Institute of Economic Research (MIER) under the auspices of the Sasakawa Peace Foundation (Japan) launched **the project “Corporate Governance in Azerbaijan.”** The project sets a wide range of goals and purposes. As a result of this joint research project Khazar University and MIER undertook to prepare recommendations on improvement of management for midsize and large businesses and government organizations in Azerbaijan. The project has contributed to the strengthening of relations between Azerbaijan, Malaysia and Japan and promotes development of corporate governance in Azerbaijan. Now Southern Korean scholars are also entering into the project.

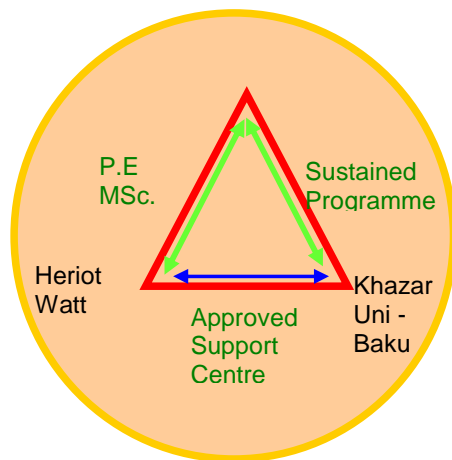
The international exposure set Khazar University up to be a successful partner going forward with **a program of enhanced learning for BP Drilling & Completions Engineers**, offering them the opportunity to replace previously accepted training in specific discipline relevant material with similar material from a Distance Learning M.S. Benefit

comes with **the link between BP, Heriot-Watt University in Edinburgh and Khazar University in Baku**. Given the mainly narrow focus and theoretical nature of many of the tertiary education courses BP wanted to create closer ties with a chosen university to ensure of accessing students with a more rounded educational background.

According to BP, Khazar was chosen to complete this triangular link for several reasons mentioned below:

- A well managed University
- Has introduced western standard curriculum
- Teaches all subjects in English
- Has a Petroleum Engineering & Business undergraduate and M.S. and M.B.A. programs currently running.
- Has a managed Quality Assurance Program for all University Administration & Curriculum Development.
- . Has a willingness to deal with industry in less bureaucratic manner than most.

The ultimate goal of this triangular relationship is to utilize the Heriot-Watt curriculum with lectures and ongoing tutorial support provided, at a much cheaper cost, by Khazar lecturers



Following on from the success of this trilateral relationship, BP has decided to utilize Khazar University in **the first true Industry Sponsored Scholarship Program in Azerbaijan**. BP will pay for up to 16-20 undergraduate Petroleum Engineering Scholarships per annum. Through Khazar's proven approach to Quality Enhancement, a method of performance management has developed for all parties involved to ensure the success of this program going forward.

This University – Industry link was also one of catalysts accelerating and directing the creation of **Advisory Board** of School of Engineering and Applied Science, first this kind of Board in Azerbaijan with broad governance function.

