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## Economics education in Russia at the present stage: Problems and ways of their solution

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### Abstract

The relevance of the research is substantiated by social and economic changes that took place after the collapse of the Soviet Union, and which in their turn, generated great demand for educational services, in particular, for economics education. However, the system of modern economics education encounters unavailability to form a personality possessing necessary competences of rational economic behavior in the conditions of global labor market. In this regard, this paper aims to reveal modern problems of economics education and ways of their solution in the conditions of its integration into international educational space. The leading research methods were historical, retrospective, system and structural analysis and synthesis of relevant literature on the issues of educational system modernization in general, and economics education, in particular; that made it possible to identify a contradiction between the available researches considering shortcomings of modern economic education and absence of recommendations and proposals on their elimination. This paper reveals modern problems of economics education in Russia and suggests recommendations on their solution, among which the author specifies the following: social partnership of higher education institutions and real production sector, integration of educational and research activity of higher education institutions of an economic profile, promotion of their grant activity, the unity of natural-science and humanitarian components of future economists' training, scientific and methodological support of training and professional development of faculty members dealing with economic disciplines. Materials of the paper can be used by governmental authorities in the sphere of education, institutions of supplementary vocational education.

Keywords: economics education, problems, higher education, history of economics education

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## **1. Introduction**

The past decades after the disintegration of the Soviet state have led to significant changes in the system of Russian education. The concept and content of the educational process, approaches and methodology have completely changed. Due to this processes pedagogical science has received a powerful impulse for its development; it has incorporated advanced achievements of the world educational thought.

But at the same time some “weak points” of a new system have been gradually revealed; according to some results the country has not moved ahead, it has even lost the positions acquired earlier. Attempts to reform the native system of education are, in general, of a situational character. There is no long-term and well-thought-out strategy to support these changes; it is not surprising as reforms are not accompanied with world-view and philosophical understanding of education issues challenged by modern, dynamic and contradictory world (Prokhovnik, 2006).

Financial and organizational issues of education in Russia compete with the issues of education quality (Shurkina et al., 2015; Levina et al., 2015). Processes of Russia’s integration into international education space cause some difficulties; in particular, different methodological foundations of vocational education should be correlated. These processes are the result of change of methodological basis created in Russia; the specificity of Russian education, students’ and faculty members’ mentality are not considered (Ivanov et al., 2015).

At present, there is an urgent necessity to study some issues of the education system. The present paper is an attempt to investigate some issues of concern in the system of economics education in the Russian Federation, and to develop proposals to improve them.

## **2. Methodological Framework.**

### **2.1. Main approaches and principles**

The methodological basis of the designated issue is presented by an integrated approach to the study of modern processes in the system of economics education; it includes such principles as objectivity and historicism. These principles reflect the development of economics education system in historical succession; it is free from one-sided estimations and judgments. Traditional methods of scientific knowledge, namely, comparative, contrastive, logical and problem-chronological, that allow specifying and streamlining of issues of economics education in Russia, are applied to implement the above principles.

### **2.2. Background**

To understand the reasons of some faults in Russia’s economic education, it is necessary to analyze the past, to perceive the peculiarities of the Soviet system of training experts for national economy.

Some major stages of the soviet system of economics education have to be specified (History of economy development, 2015):

1. 1917-1930 – a revolutionary reformist period. The nation’s leadership undertook attempts to combine the content of education with life and labour, with the participation in the construction of future society. Polytechnic school – development of some knowledge and skills in economics, formation of civil and labour self-determination.

2. 1930-the 50s of the XXth century. The content of economics education included some elements of economic knowledge about the system of socialist production, the study of main production principles, and knowledge of some production and technological processes. Economics education

developed skills of practical application of economic knowledge, saving, thrift, and skills of conscious discipline.

3. The mid 50s - 60s of the XXth century. Despite an attempt of the advanced pedagogical thought to attract attention to issues of economics education, neither documents and resolutions of the CPSU, nor decrees and laws formulated by the system of public education considered the necessity to provide economic knowledge and develop learners' economic thinking.

4. The end of 60s – the 80s of the XXth century. The development of education within this period is characterized by some reforms implementation. During this period, issues of economics education at political, philosophical, sociological, psychological, and pedagogical levels are set and solved. Knowledge of state economic strategy, objective laws of the development of society, principles and methods of managing economy were supposed to make the content of economics education. The attention was focused on education of saving and thrifty attitude to public property.

It is important to note that economics education, even at the stage of soviet system crisis, was in high demand in the Soviet Union. This fact is explained by the necessity to account the achievements of the state's economy; consequently, officials and experts at all levels of the national economy management had to be highly qualified and responsible.

In one of the resolutions of the CPSU Central Committee, Council of ministers of the USSR, All-Union Central Council of Trade Unions and the Central Committee of All-Union Leninist Young Communist League "About further improvement of economic training and education of workers" of May, 1982 it was stated that "the increase of the level of economic training at the present stage of the national economy development is an indispensable condition to enhance the efficiency of managing, its scientific level, development of the initiative, activity of workers in production management" (Mitrofanova, 1982). In 1981 a new training course "Improvement of Economic Mechanisms in Construction" was introduced; it had to promote the completion of the transfer of economy to a mainly intensive way of development, to improve planning and management, cost accounting, distribution of a brigade form of labor organization, ability to work effectively and qualitatively. Thus, the number of experts, who received economic education, constantly increased. So, if in 1970 the number of economy graduates made 492,5 thousand people (or 7,2% of the total number), in 1980 it made 1091,8 thousand (9,0%), in 1987 – 1480,5 thousand (9,5%). At the same time the number of medical graduates decreased from 8,8% to 7,4% (to say nothing of other experts) within the period of 1970 to 1987. Graduates of secondary specialized colleges experienced the same situation. Let us compare some figures: the number of graduates specialized in planning and statistics made 9.5% in 1970; in 1987 it made 12,3% (teachers and educational workers made 14,6% and 10,6% and physicians made 18,6% and 15,5% respectively) (Public education, 1989).

Despite care that the state rendered to economics education, the subsequent events turned the "army" of employees working in the sphere of economy practically into unskilled experts (though, not everybody probably agrees with that). The matter is that the education was based on Marxism-Leninism principles of centralized management, planning, lack of market mechanisms and competition. And, as for the Soviet system of managing, it was mainly as such. When the country (USSR) collapsed, knowledge that experts had gained earlier was in many respects not applicable in new conditions of market economy. This situation was exacerbated by the fact that teachers of specialized secondary and higher education institutions could not quickly adapt to new conditions of managing and, as a result, to teaching "new" economy. It took rather a long time to improve the situation.

### **3. Results**

#### **3.1 Current state and problems of economics education**

The research does not cover such area as insufficient financing of economics education, poor logistic support, etc. (which were important factors preventing the productive development of the system of economics education); the paper will be focused on an uneven distribution of students in favor of economic and legal specialties. The number of students who wished to receive economics education at higher and specialized secondary education institutions increased incredibly; as a result, many education institutions (to meet the market demands) opened faculties of economy and management education. Thus, the number of experts in the sphere of economy and management grew from 55.5 to 248.2 thousand people in the period from 1990 to 2006 (Statistics of education in Russia, 2015). As for other groups of specialties, there was an insignificant growth in the country, within several percent.

This tendency could hardly be called problematic if it had not resulted in the emergence of a huge number of economists, managers and lawyers in the country. At the same time, there were not enough experts in the sphere of technology and engineering. By the beginning of the 2000s, the demand of the national economy in such sort of experts had almost completely disappeared.

On top of that, the quality of educational process and requirements to graduates sharply decreased. Traditional guidelines of the system of economics education were lost due to a great influx of those wishing to get economics education. Kirillovykh (Kirillovykh, 2011) gives a comprehensive account of that.

These processes brought about a new round of crisis in the Russian economics education. Since the 2010s, the leaders of the country directed their efforts on the decrease of economics education significance; they reoriented the public consciousness towards technical and engineering education. In this regard, the requirements to an organizational process began to become tougher, the number of students studying economics on a state-subsidized basis was reduced, etc. Therefore, many education institutions had to stop their work or to close their faculties (departments) of economy and management; teaching staff were made redundant; the equipment was not used to its full capacity, etc. We agree that such measures were necessary (because of a large number of education institutions that offered low-quality education), but the period of their implementation should have been extended for a longer time. A new reforming of economics education was carried out "clumsily"; the experience gained during the previous 20 years was not taken into consideration.

The situation was partly aggravated by the introduction of the Bologna Process into the Russian system of education, and the transition from a specialist's degree to a Bachelor's degree and Master's degree. Graduates of baccalaureate lost one year of training; according to many criteria they do not conform to the level of knowledge and competences received by previous generations of students. It was most noticeable in the 2014-2015 academic year, when the last graduates of economic profile and the first graduates of baccalaureate took final state exams.

Besides, the specificity of Russian education is incomparable to the requirements of the Bologna system. So, according to the Western system, the Bachelor's degree in the accountant profile provides skills only for some branches of accounting. Russian realities assume that the accountant should also master other sections of accounting (e.g., during holidays, illnesses, maternity leaves of workers) (Pakhomova, 2007).

Another unfavorable feature of the Bologna process came to light. Within the frames of higher vocational education, students have to receive, first, basic higher vocational education; secondly, specialized higher education. On the one hand, it has some positive characteristic and assumes that students will receive different levels of competences, and therefore, different levels of education, that will give employers an opportunity to structure their requirements for graduates. However, a

specialist with a Bachelor's degree cannot seek for a leadership position. According to the level of competences required for such positions, only graduates having Masters' degree can be appointed.

In conclusion, there is one more issue to be specified: graduates do not have social guaranties for their future employment. In general, the modern system of education is not effective when it comes to the results of graduates' employment. So, in 2009 the All-Russian Public Opinion Research Center conducted a research that brought about the fact that every other (50%) of Russian citizens does not hope to get a job (24% of respondents were graduates) (Gorodskov, Fedorov, 2014)..

### *3.2. Ways to improve economics education in Russia*

The set of unfavorable factors specified in the paper can lead to further degradation of economics education, and it makes it necessary to keep the accumulated potential and its gradual enhancement. To overcome this situation, it is required to refuse an extensive way of development in the sphere of economics education that was observed in the 1990s and 2000s in favor of a gradual transition to an intensive way of the development based on quality indicators. In today's situation, there is not much hope for the increase of students-economists and managers, state-funded places in educational institutions; the set of measures aimed to optimize an educational process, to create an effectively operating mechanism of qualified specialists training for the Russian economy is required. We offer the following as important actions:

#### **3.2.1. System of grants**

Due to the existing tendency of decreasing state financing of economic directions in education institutions, it is necessary to apply a grant system to ensure that education institutions will receive state-subsidized places not according to the principle of their location (central, Moscow higher education institutions), but on the basis of high rates (one of which is the percent of graduates' employment). Besides, the results should be reconsidered every three years to review the number of issued grants.

Grant policy within educational institutions has to be encouraged. Taking into account foreign experience, it is necessary to sign contracts with enterprises to support talented students, to provide the opportunity of their subsequent employment at these enterprises.

#### **3.2.2. Interaction of education institutions and real sector of economy**

With reference to the previous item, it is necessary to strengthen the interaction of educational environment and real economy. Though we observe that these processes are taking place, they are very slow. Enterprises, referring to a difficult economic situation, do not wish to cooperate with education institutions. In this case, the state has to become the third part of this process, and to promote links between education and business.

#### **3.2.3. Profound study of some academic subjects**

Graduates' competitiveness should be supported by the improvement of their language preparation, and knowledge on linear algebra and mathematical analysis. As practice shows, students poorly understand mathematical science though this knowledge is crucial for accountants and economists. Most students (and teachers) are not capable to understand speech and to translate texts of foreign scientists; therefore, it interferes with contacts establishment. As a result, many experts have no opportunity to adopt advanced foreign experience in the sphere of economy, management,

accounting, etc. It takes some time before new ideas and technologies are translated into Russian, and experts obtain them.

#### **3.2.4. Integration of education and science**

Synthesis of educational and scientific process is necessary to promote students and pupils' creative thinking. The system to motivate students to take part in scientific and research work has to be worked out within secondary and higher education institutions. Victory in competitions has to be stimulated with grants and surcharges.

#### **3.2.5. Advanced training and vocational retraining of the teaching staff delivering economic disciplines**

State support to create a system of continuing vocational education of the teaching staff and specialists is required. At present, this process is not effective; foreign funds (institutions) deal with specialists' retraining in Russia in most cases; besides, these funds finance the translation of textbooks and educational programs into Russian.

All these measures along with traditional ones (introduction of new educational programs, traineeships, on-the-job training) will have to promote an educational process and to bring the system of economics education up to a high-grade standard.

### **4. Discussions**

Research work conducted in the Soviet period by some scientists and devoted to the issues of economics education have lost their significance in modern conditions. Among those who develop these issues nowadays are Rudenko (1991), Domennikova (1992), Falevich (2005), Zemlyachenko (2001), Ahrkhanghelskaya (2004), Starikova (2009), Prokhovnik (2006) and other researchers. At the same time, there are just few papers written in the same information field as the given article, in many cases they have a polemical character.

### **5. Conclusion**

The following should be specified in the conclusion:

- Modern system of economics education in Russia is in a rather difficult situation due to the reasons existed in the period of the Soviet Union;
- Exacerbation of crisis in economics education caused, among other reasons by the adoption of the Bologna Convention, is taking place;
- As for measures aimed to improve the situation are structural changes in the system of economics education; introduction of grant support, close interaction of education and business, change of approaches to language and mathematical disciplines, creation of the system of lifelong education etc.

In general, the transition of economics education in Russia to a new level of its development is connected with the necessity to implement a complex of things to develop a completely new competitive educational environment that will meet all standards of economy innovative development. Complex approach to the creation of such environment should be linked with the realization of financial-economic education model, the goal of which is to develop students' creative and analytical thinking, their ability to conduct scientific researches, initiatives necessary for innovative activity in financial-economic sphere and in economy of Russia in general. The future of modern Russian system of economics education will depend on the way how quickly these changes will be implemented.

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