Education NEW ZEALAND

KAZAKHSTAN: A MARKET RESEARCH STUDY

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Kazakhstan: Main indicators:

Area:	2,699,800 sq km
People:	Kazakh (61%), Russian (25%), Uzbek (3%), Ukrainian (3%), others include Germans, Chinese and Korean ethnic groups
Languages:	Kazakh and Russian with English for international engagement
Religion(s):	Muslim (65%), Russian Orthodox (30%), Protestant (1.3%), Other (3.7%)
Population	16.2 million (est 2010)
Cities	Capital: Astana (700,000) other major cities are Almaty (1.4 million), Symkent, Karaganda, Aqtobe, Taraz.
Education	Literacy rate: >98% Gross Enrolments Rates Secondary education: 87% (Female: 91%) Higher education: ±33% (Female: 38%) Nos of universities: 177 (2010)
GDP	US$136.7 bn (estimated 2010)
GDP per capita (PPP)	US$11,986 (estimated 2010)
Annual GDP growth	7% (estimated 2010)
Currency	Kazakh Tenge: NZ$ 1 = KZT 120 (May 2011)
Head of State	President Nursultan Nazarbayev
Prime Minister	Karim Masimov
Ruling party	Nur Orlan

TABLE OF CONTENTS

EXECUTIVE SUMMARY AND MAIN RECOMMENDATIONS

There is much potential for New Zealand to attract Kazakhstani students to its education institutions, given the recent high growth in demand for international education by Kazakhstanis, particularly to English speaking destinations. This demand is predicted to continue, driven by greater disposable wealth in those families most likely to invest in international education which, in turn, is due to the booming economy and high export earnings associated with the exploitation of the country's large oil, gas and mineral reserves.

Education provision and investment in Kazakhstan has been expanding again after the declines of the 1990s that directly followed the country's independence. There are very high enrolment rates, levels of literacy and numeracy are excellent and higher education provision continues to grow. Recent investments in the latter have derived from private finances, from student fees and investment in new private universities. A number of English medium universities have also been established, most in partnership with foreign institutions.

The Kazakhstan government is encouraging greater foreign involvement in the university system and requires all universities to grow international partnerships as part of a national strategy for quality improvement, international benchmarking and research cooperation. This might offer opportunities for New Zealand institutions.

The technical and vocational education system remains underfunded and the demand for places is low compared with that for more academic studies leading to university education. The oil, gas and mineral related sectors have skill shortages and invest to meet their specialist training requirements.

English has been officially declared as the language for international research and communications. To cater for its increasing popularity a large number of English language schools now operate; there are also a few private English medium secondary schools.

The demand for international education by Kazakhstani students has two distinct groups: the first is the government funded Bolashak scholarship holders and the second, and fastest growing, are privately funded students. Any New Zealand strategy must reflect and relate to both these groups and their needs. Overall demand for international education is dominated by higher education with some possibilities for English language providers, particularly for university preparation programmes. There is a small but definite interest in secondary school education and New Zealand schools should address this through promoting to parents, mainly through working with agents, and attending select exhibitions. The opportunities for the technical and vocational sectors would seem limited at present but might expand in the future given the demands of the specialist industries.

Most Kazakhstani students require some form of preparatory programme before entering a full undergraduate course in a foreign university; typically the need is for English language study combined with discipline specific courses. At Master's level most foreign universities accept students with first degrees from Kazakhstan direct to their programmes, although the large majority will require pre-programme English language study.

Students in Kazakhstan seeking international study do so by accessing information from a mix of sources: university websites and international rankings are of greatest importance; students are influenced by current course tutors, lecturers, 'trusted' officials and agents; education exhibitions are well attended; national websites are accessed and more recently social networking sites are growing in popularity. Parents have a strong influence on privately funded students and typically will seek the advice of agents and others they consider to have 'expert' knowledge of the intended destination country and institution.

There would seem only to be limited price sensitivity in the Kazakhstan market as fees and living costs are not considered by students to be of great importance. However some students are attracted to low cost private higher education providers in the UK, particularly for MBA degrees. There is low demand for post-study employment in the country of study.

Currently the total number of Kazakhstani students in New Zealand is only about fifty, which compares with one thousand three hundred in Australia and nearly three thousand in the UK. The main need for New Zealand education providers, if they wish to attract students from Kazakhstan, is to raise their profile across the country as currently little is known about New Zealand education and its opportunities. Education agents reported that they would welcome working with New Zealand providers, as they consider they offer an attractive alternative destination to USA and the UK, where there are increasing visa problems.

A clear strategy and with appropriate investment should result in good growth in enrolments from Kazakhstan. While the Bolashak scholarship's programme remains important and must be targeted, the main priority for New Zealand should be to attract the faster growing group of privately funded students particularly those seeking Bachelors' and Masters' programmes, particularly in business, management, economics and finance. There is also a small demand for research degrees and New Zealand institutions would be well placed to attract doctoral students.

The main messages for any New Zealand campaign should reinforce the high international standing of its universities; demonstrate employability of qualifications; profile individual successes, including for Kazakhstan students; and promote the attractive, secure and exciting life style. The '*Learn More Stress Less'* campaign would have good resonance.

To gain student market share in Kazakhstan will require investment to increase awareness of New Zealand education and its institutions across the country and to all target groups. This is essential as new competitor countries are increasingly active: Australia is growing enrolments and Malaysia, Ireland, Canada and Denmark have all been visible recently.

The following are the main <u>recommendations</u> for priority activities within a targeted New Zealand strategy for Kazakhstan; others are described elsewhere in this study.

National impact

- A senior delegation of New Zealand officials/academics should visit to promote New Zealand and its education opportunities.
- A proposal should be submitted to the Bolashak scholarship's authority for inclusion of a select group of New Zealand universities on its approved list; this needs to occur by the end of this year.
- A number of scholarships should be initiated, both from institutions and establishing a prestigious 'New Zealand-Kazakhstan' awards.

Appoint agents:

- Support the training and recognition of recognised agents in Kazakhstan as New Zealand Specialist Agents (NZSA).
- Appoint just one or two agents to represent interests so that they might offer a strong New Zealand focus in their marketing and counselling.
- Groups of New Zealand institutions might seek block agreements with a specific agent to represent their interests.

- Use appointed agents to ensure 'good New Zealand stories' appear in the local press, including for the activities proposed in these recommendations.

Attend education exhibitions

- Participate in one or two of the main education exhibitions in Almaty and Astana.
- These are also important for secondary school and English language school recruitment.

Develop marketing materials:

- A selection is needed in Kazakh and Russian and is important for both institutional and national websites.
- Hard copy materials are also important for parents, agents and exhibitions.

Web promotion

- Institutional and national websites are very important and search engine optimisation should ensure they are easily accessed in Kazakhstan.
- There should be Kazakhstan targeted pages, including in Russian and Kazakh

University partnerships:

- New Zealand academics should visit to initiate a selection of university collaborations

Technical and vocational education:

- The possibility of sending a delegation to explore opportunities with the government should be considered, this to include visits to the main employers in industry and business.

SECTION 1: KAZAKHSTAN: A BRIEF INTRODUCTION

1.1 GEOGRAPHY

Kazakhstan is the ninth largest country in the world and with 2.7 million sq km it is larger than Western Europe. It spans two continents, Europe and Asia, and is essentially land-locked unless its border on the Eastern side of the Caspian Sea is included. It has long common borders with Russia (6,846 km), Uzbekistan (2,203 km). China (1,533 km), Kyrgyzstan (1,051 km), and Turkmenistan (379 km).

The topography varies considerably and comprises a large flat steppe extending over several thousand kilometers, high peaks of Khan Tengri (7,010m) in the South East and Belukha (4,506m) in the North East and extensive areas of desert and semi-desert. Along the Caspian Sea elevations are below sea level and in this western and less populous region of the country are located the large oil and gas fields. The north of the country is the most industrialised and the south the most fertile. The climate is continental with cold winters and hot summers.

Astana was declared the capital in 1997 and its current population is about 700,000, although it continues to grow fast. The largest city remains Almaty (previously called Alma-Ata) with about 1.4 million people; other significant cities are Symkent (604,000) and Karaganda (460,000).

1.2 HISTORY AND PEOPLE

The name Kazakh derives from the ancient Turkic word meaning 'independent, a free spirit' and reflects the Kazakh's nomadic and horseback tradition. Located at the crossroads between Europe and Asia, with cities on the Silk Road, it was subject to frequent conflict and conquest and it was in the 13th Century that Kazakhstan as an entity closest to its current day size was first defined. However the demographic mix of modern day Kazakhstan derives from the expansion of the Russian empire into Central Asia in the 18th century. A strong Russian military presence was established in the 19th Century to support Russia's interests in the region, particularly to counter the spread of the British Empire (the 'Great Game'). Also through the 19th Century migration from Russia was encouraged and the use of the Russian language became compulsory. From the 19th century and through the first half of the 20th century about four hundred thousand Russians followed by about one million 'Russified' Slavs, Germans, Jews, and others migrated to Kazakhstan.

The Kazakh Republic was formed as an autonomous republic within the Russian Federation and became a Republic of the Soviet Union in 1936. Kazakhstan was the location of several major Soviet projects, including Khrushchev's 'Virgin Lands' project, the Baikonur Cosmodrome and the Soviet Union's main nuclear weapon's testing site. The 'Virgin-Lands' project, through which Soviet citizens from other republics were encouraged to settle to cultivate the land, also resulted in considerable migration. The net effect of the various migrations was that, by the late 1950s, ethnic Kazakhs made up about thirty percent of the population and those of Russian origin some forty-three percent.

Since the declaration of independence in 1991 (the last Soviet Republic to do so) many ethnic Russians have returned to Russia. Nowadays Kazakhstan remains ethnically diverse and Kazakhs make up about sixty percent of the population, Russians comprise just over a quarter, and smaller minorities of Uzbeks, Koreans, Chechens and others account for the rest. These groups generally live in harmony, though those of Russian origin tend to resent the lack of dual citizenship and having to pass a Kazakh-language test in order to work for state agencies.

The majority religion, Islam, was suppressed, like all others, under Communist rule, but has enjoyed a revival since the collapse of the Soviet Union. Kazakhs are predominantly Muslim and citizens of Russian origin are mainly Christian (Russian Orthodox). President Nazarbayev is credited with successfully preserving the delicate inter-ethnic balance in the country and the teaching of religion remains prohibited in schools. The Russian community exists not as a narrow ethnic group but as a part of larger Russian-speaking society that includes Russified Ukrainians, Germans, Tatars and Jews, as well as some Russified Kazakhs. The Russian community is still very influential in Kazakhstani society, as they remain active in the public, military, cultural and economic life of the country.

1.3 ECONOMY

The economy of Kazakhstan is the largest in Central Asia but it had inherited a mixed legacy in 1990 from its period within the former Soviet Union and initially suffered major economic and educational setbacks. Real GDP fell by forty percent over the first five years and there was a collapse in exports but, since 1999, strong global oil and other raw material prices combined with good macro-economic performance have contributed to a period of high economic growth. The global slowdown in 2009 did impact but recovery appears to have been good and the government estimates that real GDP growth was seven percent in 2010; it is forecast that this rate should continue in 2011 and beyond.

There has also been good growth in GDP per capita (corrected for purchasing power parity) and current estimates suggest it is over US$11,000. However income distribution and patterns of expenditure are very skewed, with average incomes as high as US$20,000 in Almaty compared with less than US$7,000 in some rural areas. The sectoral contribution to GDP and levels of employment are given in Table 1.1 below, from which the important role of the agriculture sector as an employer is clear, although its share has been declining due to increased productivity and the sustained growth of the services and industry sectors.

Table 1.1: GDP and labour force composition by sector (2010 estimates)

Sector	**GDP composition by sector**	**Labour force (composition by sector)**
Agriculture	5.4%	28.2%
Industry	42.8%	18.2%
Services	51.8%	51.8%

Source: CIA World Factbook

Kazakhstan continues to face a number of challenges for, while diversification of the economy has been a major government priority, the share and reliance on the oil and gas sector continues to grow. The country's manufacturing base remains weak and even though some social indicators, notably education, have improved others give rise to concern. The total labour force was estimated to be about 8.7 million in 2010. Average recorded unemployment is expected to remain stay at about eight percent although to this needs to be added hidden unemployment.

Kazakhstan has an abundance of natural resources including oil and natural gas, uranium, chromium, lead, zinc, manganese, copper, coal, iron, and gold. Kazakhstan's industrial sector is primarily focused on the exploration, extraction and processing of these resources. The agricultural sector remains important, particularly for livestock and grains and the sector overall is a key rural employer, although its proportional contribution to GDP has declined over the years.

Export revenues are dominated by oil and gas as Kazakhstan has the Caspian Sea region's largest oil reserves; these are currently estimated to be about three percent of global reserves and Kazakhstan is set to become one of the world's largest suppliers. It has larger identified reserves than both Qatar and the USA and with indications of even more that are yet to be fully assessed. Oil production is expected to expand in 2012 with the commencement of commercial production from new fields as well as increases in production from some existing wells.

The proportional contribution to exports (2009) by product was: oil and energy related (59%), ferrous metals (19%), chemicals (5%) and machinery (3%).

The shares of exports according to major recipient country were (in 2009): China (16.3%), France (9.2%), Germany (8.3%), Russia (6.9%), Ukraine (5.5%), Romania (5.3%) and Italy (5.1%).

Imports, mainly machinery and equipment, metal products and foodstuffs, came from Russia (29%), China (27%), Germany (6.6%), Italy (5.6%) and Ukraine (4.8%).

Doing business in Kazakhstan: the operating environment for business is difficult although the government is seeking reforms; the private sector suffers from limited competitiveness and major concerns remain regarding corporate governance and transparency. Business activities and the establishment of new operations continue to be hindered by the need for unofficial payments, amongst other obstacles. Transparency International's Corruption Perception's Index placed Kazakhstan at 120th out of the 178 nations reviewed.

1.4 POLITICS

Kazakhstan is a Presidential Republic with a bicameral parliament: the Lower House (Majilis) and the Upper House (Senate). President Nursultan Nazarbayev, the former First Secretary of the Central Committee of the Communist Party of Kazakhstan, was elected the first President of Kazakhstan in 1991 and he has retained the post since then. The President's party, Nur Orlan, is by far the largest in the country and has consistently held most (sometimes all) the seats in Parliament.

In 2010, legislation came into force making President Nazarbayev the life-long 'Leader of the Nation' that meant that he and his immediate family would enjoy immunity from investigation and prosecution. The legislation also gave President Nazarbayev the right of veto over legislation and with an agreement to be able to address Parliament, even when no longer President. After criticism from Europe and the USA regarding the 2010 changes, he called a snap election in early 2011. The result was that he was re-elected with a sweeping majority taking ninety six percent of the votes and with a ninety percent voter turnout. Even one of the rival presidential candidates admitted that he and his family had voted for Nazarbayev! Although there were some concerns over irregularities, as identified by the official observers, the result has on balance been considered valid.

The largest political concern remains who might succeed the 70 year-old Nazarbayev; as the Economist suggested:

'The pressing matter is Mr Nazarbayev's failure to resolve his own succession. He will, he says, serve as long as his health and people allow, ie, for ever. So everyone, from the elites to ordinary folk to foreign investors, worries that he will take the country's stability with him when he goes. The name of a new chairman of the Senate is expected soon. He will be the formal successor should the president die or be incapacitated in office. Rarely do long-serving strongmen make a habit of nurturing successors with ambition and talent.'

International relations: Kazakhstan has taken a major role in the promotion of regional economic and political integration in the Central Asian region, as part of its important strategy to encourage stability across the region. This is vital for the country given the length of the borders surrounding the essentially land-locked country. President Nazarbayev and the government have pursued what has been termed a 'multi-vector' foreign policy that has relatively successfully maintained very good relations with the global powers (China, Russia and USA) and has demonstrated commitment and respect to international bodies (for example NATO, EU, CIS, the Shanghai Co-operation Organisation and the Organisation of the Islamic Conference). Russia remains an important partner with close ties, both official and unofficial through their long-standing friendship and shared heritage. Kazakhstan continues to host Russia's Baikonur Cosmodrome through a long-term leasing arrangement.

Human development indicators: Kazakhstan's current human development index ranking places it at 80th in the world table. This is significantly less than other countries with comparable levels of GDP per capita; the differences are mainly due to economic inequalities, for example there is considerable poverty in some rural areas and there has been little recent progress on improving the non-income dimensions of poverty. Unemployment at about eight percent coupled with disguised unemployment only serves to exacerbate economic and social inequalities.

Human Rights: In spite of assurances made by Kazakhstani officials in the run-up to Kazakhstan becoming Chair of the Organisation for Security and Co-operation in Europe (OSCE) in 2010, concerns remain over human rights and governance in the country. President Nazarbayev's record on human rights has been patchy for, on the positive side, while NGOs are tolerated, civil society is developing steadily, there has been an abolition (almost) of the death penalty and a limited jury system has been introduced, the negative aspects include the harassment of opposition activists, strict limitations on freedom of assembly, particularly for political rallies, and severely curtailed freedom of the press. In addition a 2009 controversial 'internet law' subjects the internet to the same tough restrictions as mass media, meaning that individuals can be prosecuted under libel laws. This approach has given rise to strong international criticism.

SECTION 2: EDUCATION IN KAZAKHSTAN

2.1 INTRODUCTION

School level education in Kazakhstan is mandatory and free. All appropriately qualified students also have the right to tertiary education. Essentially eleven years of schooling are compulsory for children from the age of six and this has resulted in considerable successes with high gross enrolment rates (GER) for schools, the highest for all the Central Asian Republics, good gender equity and good completion rates. While enrolment and completion rates do differ between urban and rural provision and across different income groups, these differences are relatively small. The overall provision of education in the country might be summarised (note this is illustrative as there are some regional differences):

Pre-primary education: While some children will commence kindergarten at the age of three, most follow a one-year pre-school programme at age five.

Primary education: This is of four year's duration and covers ages from about six to ten.

Secondary education: This is of seven year's duration with pupils in the final two years dividing into 'General Secondary' and 'Vocational/Professional' streams.

In 2005 participation rates stood at almost one hundred percent for seven to fifteen year olds and about eighty seven percent for sixteen and seventeen years old.

Tertiary education: This is best described in terms of four levels of provision:

- Basic higher (Bachelors degree) of four years duration
- Specialist degree: typically five years in duration and more intensive than the Bachelor's degree
- Master's degree: two year programme offered post Bachelor's degree,
- Doctoral degree: normally of five year's duration

There are one hundred and seventy seven universities and of these sixty-eight are state owned, one hundred and nine are private sector and there are five branches of Russian universities. Most private sector providers are for-profit.

2.2 BACKGROUND TO EDUCATION PROVISION

There have been good levels of literacy and numeracy in Kazakhstan for many decades as a result of innovations influenced by the former Soviet Union's prioritisation of education and literacy. Through these policies students were able to access free school and tertiary education and with priority given to science, mathematics and technical skills. The efforts provided the foundation for some of the current successes seen in the high levels of literacy, the achievement of Universal Basic Education and low levels of dropout.

For the first ten years of independence from 1990 there were major set-backs due to the large drop in real GDP (estimated at forty percent over five years) and the associated large declines in public spending which, for education, resulted in a fall from six percent of GDP in 1990 to three and a half percent in 2000. A number of policy changes were made including:

- large cuts across all state education financing
- the role of the Kazakh language as the medium of instruction was increasingly

emphasised.

- attempts to make the education system more responsive to economic and labour market changes

The 1995 constitution reinforced the policy of state control of education and this included: setting compulsory standards for all schools, both public and private; national examinations; approval of budgets; and defining centrally curricula, textbooks and the related support needs for delivery. This has effectively put all education institutions, both public and privately funded, under state direction. The constitution also required the separation of church and state; no religious education is offered in state schools.

Since 2000, as the economy has grown, overall expenditure on education has increased with these reforms, but most additional expenditure has derived from private investment particularly from student fees. New programmes have been introduced and there have been innovations in approaches to delivery. Currently state education allocations remains at about three and a half percent of GDP, which remains below the level of six percent of GDP recommended by international organisations. However, in spite of underinvestment by government overall results have been good, as UNESCO has reported[1]:

> '*….. in realization of Article 30 of the current Constitution of 1995, Kazakhstan has also achieved impressive results in providing all school-aged children with access to free compulsory secondary (eleven-year) education.'*

2.3 SCHOOL LEVEL

General education is offered in three stages: primary (Years 1 to 4), basic (Years 5 to 9) and senior (Years 10 to 11). Attendance is compulsory and all secondary schools are required to follow the Basic Education Plan approved by the Ministry of Education. It is a highly prescriptive approach, for example it sets out in some detail the number of lessons to be delivered weekly for each core subject.

There are over eight thousand schools in the country, most either primary or secondary, although some single schools in rural areas with small populations provide education from Year 1 up to Year 11. The total enrolment in secondary schools is about 1.8 million and there has been decline over the last few years due to falling birth rates and some migration (eg to Russia).

Secondary education is provided in five main languages of instruction: Kazakh, Russian, Uigur, Uzbek, and Tajik. The proportion of schools with Kazakh as the language of instruction has increased to nearly fifty percent while the number of schools where Russian is the only language of instruction has decreased to about a quarter. A new strategy of prioritsing three languages is being implemented; this is aimed at promoting official languages (Kazakh and Russian) for inter-ethnic communication and supporting English for international engagement, including for higher education and research.

Funding: The majority of the funding for school education is provided through regional (oblast) budgets and these depend upon allocations from the national budget. While the large majority of schools are state owned and funded there are now a few private schools; in 2007 one hundred and thirty three were operating, although they only accounted for less than one percent of total school enrolments.

[1] UNESCO: World Data on Education. 6th edition, 2006/07

Years 10 and 11: As previously mentioned, after nine years of schooling, students have three options for their further two years of compulsory education and these are in brief outline:

- General (academic): the majority of students (eighty percent) enter this stream;
- Vocational schools (or professional lyceums);
- Specialist or professional colleges.

Technical and vocational education opportunities are discussed below.

Upon graduation from secondary education, after Year 11, students can access higher education, follow technical and/or vocational education at a more advanced level or enter the labour market.

2.4 SOME CHALLENGES IN SCHOOL LEVEL PROVISION

There are a number of concerns that the government is seeking to address with regard to the quality and coverage of school level provision in the country, these include

- Shortage of schools and with many of the existing ones suffering from poor facilities and maintenance (eg lack of sanitation and heating). The government is investing to repair school buildings but some of this has been at the expense of spending on other areas of education (eg learning materials).
- While compulsory education is free by law, in practice parents and communities often contribute through purchasing textbooks, school meals, paying additional fees and sometimes contributing to school maintenance.
- There is a shortage of trained teachers, particularly in more remote rural areas, as city-trained teachers are often unwilling to leave urban centres. Teacher shortages are also a result of low teacher salaries, given that they are only approximately sixty percent of the national average wage.

While evidence of learning outcomes is limited, a 2005 survey indicated that over three quarters of students were meeting the required proficiency standards in both literacy and mathematics, however rural students performed significantly worse than those from urban schools. Additionally students attending Russian medium schools out-performed those attending Kazakh schools.

2.5 TECHNICAL AND VOCATIONAL EDUCATION

Following nine years of basic education, students have the choice of entering either general education or technical and vocational education. Two types of institution provide technical and vocational education: vocational schools (including professional lyceums) and colleges. About twenty percent of the age group of students enter these types of institution after Year 9 and all are funded directly by the state.

- **Lyceums and Vocational schools:** they offer basic vocational education as well as provide general academic studies. Typically programmes are of two (sometimes three) years in duration and their aim is to prepare students to enter the labour market as skilled workers in technical and service support areas.
- **Colleges** provide students with a greater understanding of science and mathematics and

prepare them to become technicians and technical supervisors. The programmes they offer are normally of three to four years in duration. In addition it is possible for a student leaving general secondary education after Year 11 to enter a TVE programme in a college at a more advanced level.

World Bank advisers have commented[2] that the current TVE system, originally developed to support the command economy of the Soviet Union, is generally unresponsive to changing patterns of demand in a dynamic labour market. Specific skills' shortages were identified as an impediment to the growth of business and industry, and according to a 2008 World Bank survey[3] of five hundred firms, sixty-four percent of employers stated that insufficient levels of education and lack of skills in the workforce were among the principal barriers to business development. While this lack was reported to be across all sectors, construction industries, food production and oil and gas extraction were singled out as in most need. The survey reported that the skills' gaps in the labour market had resulted in chronic vacancies, loss of productivity and led to the import of expensive foreign technicians. Employers also reported that the need for a more highly skilled workforce is growing, driven by advances in technologies, increasing competition and demand for higher-quality goods and services,

Difficulties are exacerbated by the location of the oil and mineral industries, in which there is very high demand for well-trained staff, as these are mainly in the relatively under-populated west of the country. Professional and technical staff are often unwilling to move away from the 'more comfortable' life style they can experience in urban centres such as Astana or Almaty. Mining and energy industry companies have very specific needs for skilled technicians and they do invest in staff training, including sending some for international study. However it is not possible to assess the level to which this might be happening without detailed employer interviews.

In summary a critical comment from the World Bank appraisal:

> *'……. businesses claim the TVE system does not produce sufficient graduates with the required competencies. Why do shortages and vacancies for technicians and skilled workers persist in the economy? The simple answer is that the TVE system produces neither the quantity nor quality of skills needed in the market economy. Rigid institutional structures and inefficient financing mechanisms make for an inflexible system that does not provide incentives for effective and efficient use of resources.'*

2.6 Higher Education

Over the last decade much effort has been made to modernise the higher education system and improve its quality and relevance. There have been notable advances including greater access, increased diversity of provision, new initiatives in funding, expansion of existing institutions and the establishment of new (mainly private) universities. Currently there are 177 universities in Kazakhstan: sixty eight public, one hundred and nine private plus five branch campuses of Russian universities. In 2004-05 there were reported to be about three quarters of a million students enrolled in higher education[4]; there is a high female enrolment and women students account for about sixty percent of all enrolments. Additionally about half

[2] 'Project Proposal Document on a proposed loan in the amount of US$29.23 million to Kazakhstan for a Technical and Vocational Education Project'; (June 2010) World Bank Report No: 50768-KZ
[3] *ibid*
[4] UNESCO Institute of Statistics (Kazakhstan country pages)

of higher education students study through some form of distance learning and/or part time arrangement. Unfortunately there would not seem to be a readily available a full and current list of all the higher education institutions and universities in Kazakhstan; the largest publicly accessible listing is through the 'International Universities and Colleges' website[5] that provides links for ninety-five institutions; a Wiklist[6] details seventy-four.

In general most universities in Kazakhstan follow the inherited Russian approach, which means they focus almost entirely on teaching and with no research. The higher education legacy from the old soviet Union is mixed but, on the positive side, Kazakhstan was an important part of the Soviet scientific research community, it was the most industrialised of the former Central Asian republics and the Russian Cosmodrome is still located in the country. Central control is maintained through direct government regulation of curricula and content for undergraduate education through the setting of 'State Standards' that are defined by panels of specialists. All institutions are required to follow these State Standards and for all core courses. This approach has been criticised both internally and externally as it involves the specification of inputs rather than setting standards for outputs or learning outcomes. About half of all undergraduate teaching programmes are regulated through the 'State Standards' and this applies to both public and private providers. Even the 'non-regulated' other half of the programmes result in indirect central control, given that there are specific requirements for teaching contact hours and also, crucially, nationally set second year exams that reinforce the central curriculum. All students must pass if they are to progress to the third year.

Lecturers and students are required to spend long hours in formal lectures (by most international comparisons) and while academics are well respected in Kazakhstani society, they are poorly rewarded and have very limited access to professional development. Public universities are in many ways a branch of government, as heads of institutions are appointed directly by government and they are required to follow national regulations regarding policy, salaries, procedures and structures.

As was summarised previously, there are four levels of tertiary education provision:

i. Basic higher education leading to a Bachelor's degree and is of four years duration;

ii. Specialist institutions that are typically of five years in duration; their programmes are more intensive academically than those for a Bachelor's degree and students in these institutions might typically be expected to move into a career in research, a specialist profession or similar.

iii. Master's degree institutions that offer two year programmes after a Bachelor's degree;

iv. Doctoral degree through research in a specialist institution which is normally of five year's duration

The main language of instruction for universities had always been Russian but over recent years Kazakh has been increasingly promoted and is likely soon to be the majority (see Table 2.1). It is also apparent from Table 2.1 that the use of English is on the increase, driven also by the establishment of a number of international universities.

Table 2.1: Distribution of higher education students according to language of instruction

	2000-01	**2003-04**	**2005-06**
Kazakh	30.1%	38.6%	42.6%

[5] http://www.4icu.org/kz/universities-kazakhstan.htm
[6] http://en.wikipedia.org/wiki/List_of_universities_in_Kazakhstan

Russian	69.3%	60.5%	56.5%
English	0.5%	0.6%	0.9%
Other	0.2%	0.3%	0.1%

Source: OECD/World Bank 'Reviews of National Policies for Education': Higher Education in Kazakhstan (2007)

Leading universities in Kazakhstan include Al-Farabi Kazakh National University in Almaty, the Eurasian National University in Astana, Karaganda State University and Nazarbayev University (also in Astana). Additionally there are international collaborative universities including KIMEP[7], the Kazakh-British Technical University and the Kazakh-American University all of which deliver their programmes in English. The University of Central Asia, founded jointly by the governments of Kazhakstan, Kyrgyzstan and Tajikistan and supported by the Aga Khan Foundation, has a Kazakhstan campus. A number of specialist universities also exist that include such institutions as the Kazakh National Pedagogical University and others covering specialist subject areas such as construction, railways and agriculture.

The newer mix of private institutions are mainly for-profit but they are required to meet the same centrally set regulations regarding curricula and programmes as state providers, however they are able to set their own tuition fees and salary levels for staff.

In spite of these developments there remain considerable imbalances in terms of enrolment and achievement between students from rural areas and from poorer communities as compared with their more wealthy urban counterparts. While the quality differences in school level provision is a major factor, the move to greater dependence on student fee revenues and obtaining loans would seem to have widened inequalities (see Section 2.8 below).

2.7 EXAMINATIONS AND UNIVERSITY ENTRY: KAZAKHSTAN AND INTERNATIONAL EQUIVALENCES

Since 2004, school leavers have been required to sit for a final exam, commonly referred to as the Unified National Test (UNT). This is taken on completion of the 11-year period of compulsory schooling and it is employed both as a school leaving examination as well as an entry test for higher education. All students must achieve a government defined national pass mark to be able to access higher education.

There are only very limited analysis and comment on international equivalents of Kazakhstani exams and diplomas available, however the National Recognition Information Centre for the United Kingdom (UK NARIC) advises that they regard a pass score in the Unified National Test as approximately equivalent to passing the UK GCSE exams with 'high grades'. By this measure, to gain admission to a university programme at the Bachelor's level in UK or continental Europe, Kazakhstani students are normally required to follow a preparatory programme of a year or more, which usually includes significant English language instruction. Reference to a number of UK university admission regulations supports this observation, for example Newcastle University is typical and requires a Kazakhstani student with a pass in the UNT to follow a minimum one-year foundation programme before admission to their normal undergraduate programmes[8]. Direct admission to year one of a Bachelor's programme is possible at most UK universities but only after successfully completing one year of an undergraduate programme in a university in Kazakhstan.

[7] Kazakhstan Institute of Management, Economics and Strategic Research: a private not for profit initiative involving a number of north American university partnerships

[8] http://www.ncl.ac.uk/international/country/asia/kazakhstan/entry.htm

University examinations: In the second year of undergraduate study all Kazakhstani undergraduate students in higher education are required to complete a 'National Mid-term Test' and only those students who pass are allowed to progress to the third year. In spite of criticism of the approach, the government claims it to be an important contribution towards maintaining standards and assuring comparability across the system.

On successful completion of four years of undergraduate studies students receive a Bakalavr (Bachelor's) degree. The presentation and diploma for the final Bakalavr award for all Kazakhstani universities is made directly by the national government, as part of state policy to demonstrate that all Kazakhstani degrees are considered to be of equal standard.

A further award, the 'Diploma of Specialised Higher Education', is made following a five-year post-school university programme that is delivered in a 'specialist institution'. This is a more advanced qualification than the Bachelor's degree.

The degree of Aspirantura (referred to as a Master's Degree) is awarded after the completion of a two-year postgraduate programme. The Doktoratura is normally conferred after three years further study following a Master's degree. Finally a Doctor of Sciences (Doktor Nauk) is achieved after the researcher submits their thesis based on original research.

International Master's programmes: The normal admission requirement for a Master's programme in a UK or other European university is the Kazakhstani 4-year Bachelor's Degree (Bakalavr) from a recognised institution. The GPA required varies according to university and subject area. Foreign university PhD research programmes frequently require that Kazakhstani applicants have a Master's degree in addition to a Bachelor's degree, although some universities might accept a student direct with a Specialist Diploma. The previously referred to Newcastle University web pages set out their entry criteria and these are similar to those of many UK universities recruiting students from Kazakhstan. Further detail is available through reference to the information from University of Liverpool[9]; they would normally expect Kazakhstani students seeking to commence a Master's programme to have an undergraduate degree and, if awarded on the GPA system, this should have a minimum cumulative GPA of approximately3.4 out of 4.0; 3.6 out of 4.33; or 4.25 out of 5, dependant upon the marking system employed.

2.8 FINANCING OF HIGHER EDUCATION

While total government expenditure on tertiary education has increased, the current level of about 0.3% of GDP represents a much smaller proportion of national expenditure than in most other countries (well behind the OECD average of 1.7% and, for example, significantly less than such countries as Thailand and India). Overall the government's strategy to finance higher education has involved:

- Encouragement of rapid growth of private sector provision
- Introduction of more cost-sharing in public institutions (eg through introducing fees)
- Privatisation of some public universities (sixteen achieved to date)

All universities, both public and private, now charge fees and in 2007 it was reported that the average tuition fee for a public institution[10] was about US$1,200 while for private institutions

[9] http://www.liv.ac.uk/study/international/countries/Kazakhstan1.htm
[10] 'Reviews of National Policies for Education: Higher Education in Kazakhstan'; OECD-World Bank (2007)

these were seen to vary widely, reportedly from US$1,000 to US$10,000. These fee levels are also relatively high in terms of proportions of GDP per capita; for example average fee levels in Kazakhstan represent thirty two percent of GDP per capita, which is over twice the equivalent proportions for such countries as Australia and Korea where charging fees is also the norm.

The net effect of these strategies has been what is termed as a 'cost sharing' in higher education, with contributions from both government and from students, the latter through payment of fees. The approach involves the provision of education vouchers by government that are made available for all students accepted by HE institutions. Students can then use their vouchers to support studies at either Kazakhstani public or private institutions.

While the voucher scheme appears to have promoted the growth of better quality private providers, as they must compete with good quality universities in the state sector to attract students, a concern is that students from more disadvantaged backgrounds appear to have lost out. One of the reasons cited for the latter is that the vouchers often do not meet in full the institutional fees and/or living costs. Students therefore often need to take out an additional education loan to meet these; these loans are made available through banks and, while the interest rates are lower than standard bank rate, they are still expensive.

Thus the large proportion of the cost to expand the HE system has been met by payments from students and their families: through paying for enrolments in private sector institutions and through fees for public sector universities. The net result of this approach to funding has been quite marked with a significant transfer of higher education funding from the state to individual financing.

2.9 FUTURE NATIONAL STRATEGIES FOR HIGHER EDUCATION

The Government of Kazakhstan has stated that a key goal is to become ranked in the world's top fifty most competitive economies, and to achieve this by 2015. The World Bank considers this to be achievable, as the country is currently ranked fifty-sixth on the World Economic Forum's Global Competitiveness index. However it is in the areas of innovation that the Kazakhstan approach and its higher education system appear to fall behind those of the top fifty nations. To drive change in higher education the government has prioritised the internationalisation of the sector and, towards delivering this, is implementing a number of initiatives to encourage, including:

- Developing a research and teaching university in Astana that will meet internationally benchmarked quality standards;
- Supporting talented young students to study internationally in the world's leading universities, through the Bolashak scholarship programme;
- Requiring that all HE institutions in Kazakhstan grow foreign partnerships to assist in raising their standards;
- Entering the Bologna process, the Lisbon Convention on qualifications recognition and the WTO Trade in Services Agreement.

The University of Astana (recently renamed as Nazarbayev University) has been established at the centre of a research and teaching complex in the capital; the intention of this development is to develop it as an internationally ranked high quality university that will also promote excellence and set standards for teaching and research for others in the country to follow. Part of Nazarbayev University's development strategy involves growing partnerships with globally leading universities. These collaborations are intended to assist in establishing new degree programmes, recruiting staff, encouraging student exchanges as well as to provide advice on governance and quality assurance. All teaching is provided in English and since September 2010, students have been enrolled on undergraduate programmes in natural sciences, engineering, social sciences, and medicine. The next phase will see postgraduate programmes established. Earlier this year the first international partnership contract was signed with University College, London

A number of international partnerships to deliver MBA programmes have also been established in Kazakhstan. Local MBA students generally seek part-time programmes or those offered through mixed mode delivery, as students need to be able to fit their MBA studies around commitments for family and employment. Nazarbayev University has just established a Business School, which will start operating in 2012 and this will be run in association with Duke University; Duke staff will regularly visit Astana to deliver their specific courses.

The rapid expansion of higher education provision across the country, including from new private sector providers, has given rise to major concerns regarding quality. The President declared last year that all universities in Kazakhstan must grow partnerships with leading foreign universities to improve their quality assurance; his threat is that they will be closed if they do not conform.

The international partnership requirement obviously creates opportunities for foreign universities to grow new relationships with Kazakhstani universities that, in turn, might position them better in Kazakhstan for the longer term. It will help to raise their institutional profile and benefit them academically from growing new cooperation in research, teaching, staff and student exchanges and student recruitment.

2.10 BOLASHAK SCHOLARSHIPS

The Bolashak international scholarship programme was established in 1993 as a major initiative to meet the large demand for highly skilled professionals for the economy and the social and business needs of the country; 'Bolashak' means 'future'. The Kazakhstan government meets all the costs of study (fees, living, travel etc) and students compete strongly for these scholarships that are made on an individual merit basis. The awards are only available for study in what is described as the 'best overseas universities'. There is relatively wide international coverage for the programme and up until 2008 some two hundred universities in twenty-three countries had received scholars. The largest recipient countries for scholarship awardees are in order USA, UK, Russia and Germany. Within the official list of approved recipient institutions the University of Auckland is the only New Zealand university included, however Auckland's inclusion is under the 'research centre' category (the 'second list') and not for degree programmes. The full list of approved international universities is provided in Annex 2.

Bolashak students are selected on a merit basis, administered by the 'Center for International Programs' and overseen by the Ministry of Education and Science. The selection process is rigorous and involves three stages: the first requires both an English language test (eg IELTS) and a Kazakh language test, the second is an interview by 'Expert Panels' and the third by the Republican Commission. This has the ultimate decision, reviews the recommendations from the panels and prioritises the lists of awardees.

Up until 2010 a total of 2,788 students had completed international education under the Bolashak programme and there are currently over 4,000 students now studying. The awards have been made for all levels of study: Bachelor, Master and PhD degrees, as well as for research. However it was announced last year that from 2011 support for undergraduates will be phased out and it will become a postgraduate only scholarship's programme (ie for Masters and Doctoral degrees and research attachments)

Upon completion of their programs, Bolashak alumni are required to return to Kazakhstan to take up employment for a minimum of five years in the country. This employment could be in private companies, universities, government and other organisations.

The future all-postgraduate level Bolashak programme could offer opportunities for research-led universities in New Zealand, to recruit students both to Masters and Doctoral programmes. To achieve this a select group of New Zealand universities must be included on the Kazakhstan government's approved list and the best approach would seem to be through formal and direct representation by Education New Zealand or the New Zealand government to the government authorities in Astana. Informal soundings might be made ahead of any formal presentation to ensure the appropriateness of the approach. (NB this is discussed further in Section 4.3).

The Centre for International Programmes has also announced that the re-vamped scholarship's programme will prioritise such topics as industrial development and innovation, education, science and public administration. It will be important for New Zealand institutions also to highlight international achievements in these areas to enhance their submission.

2.11 INTERNATIONAL STUDENTS IN KAZAKHSTAN

The 2010 UNESCO data suggest that there were a total of nearly 12,000 international students studying in Kazakhstan; the largest groups were from Russia (3,600), China (2,118), Uzbekistan (2,071), Turkmenistan (1,000), Mongolia (552) and Turkey (530). These numbers have been growing over recent years.

2.12 INTERNATIONAL MOBILITY OF KAZAKHSTANI STUDENTS

Students from Kazakhstan are increasingly globally mobile and there has been recent strong growth in university enrolments to a number of countries. Table 2.2 below sets out the most recent data (2008) from the UNESCO/OECD database[11] according to major destination countries. It should be noted that for various reasons these UNESCO data tend to understate the total magnitude for example by comparison with Table 2.3 below that provides enrolment data available from the respective national agencies. However, from these UNESCO data in Table 2.2 the very dominant position of Russia as the preferred country of study is clear.

11 http://stats.uis.unesco.org/unesco/ReportFolders/ReportFolders.aspx?IF_ActivePath=P,50&IF_Language=eng (see Table 18)

Table 2.2: Higher education students from Kazakhstan in main host countries

Host country	Total enrolment
Russia	35,531
Kyrgyzstan	4,653
USA	1,458
UK	1,178
Turkey	709
Germany	671
Poland	426
Czech Republic	332
France	200
Tajikistan	197
Total (all countries)	**46,036**

Source: UNESCO 2008

The importance of Russia is probably due to a mix of reasons associated with the Russia-Kazakhstan historical relationship, particularly as partner states within the Soviet Union. About a quarter of the population of Kazakhstan is of Russian origin and in addition there are other Russian speaking ethnic groups that migrated from Russia over the last hundred years or so. Russian is still a widely used language across the education system and for higher education in particular; although as was detailed in Table 2.1 its influence is declining. Additionally there are enhanced opportunities for longer-term migration to Russia if higher education is undertaken there.

If the three largest English speaking destination countries are considered separately the recent growth in Kazakhstani student enrolments has been extremely strong, albeit from relatively modest starting levels. This is shown in Table 2.3 below.

Table 2.3: Enrolment of students from Kazakhstan in higher education in the main English speaking destination countries

Destination	Total enrolled	Level of study	Recent annual
U.S.[1]	1,936 (2009-10)	60%	13%
U.K. [2]	2,130 (2009-10)	48%	34%
Australia[3]	925 (2010)		66%

Notes:
1. From Open Doors November 2010
2. From the UK Higher Education Statistics Agency
3. From AEI Australia

Australia: The Australian enrolment growth data are approximate and are based on total Kazakhstani student enrolments across all sectors; this was 1,436 in 2010 and 862 for 2009 and represents a sixty-six percent growth year on year. The breakdown of student numbers according to sector for 2010 was:

- Higher education: Total 925
- VET: Total 82
- ELICOS: Total 287
- Schools: Total 47
- Other (mainly pathway programmes): Total 95

It would seem that current demand for international study by students from Kazakhstan in Australia is predominantly for undergraduate studies.

New Zealand: Total Kazakhstani enrolments to date in New Zealand institutions are much lower and, based on first time visas by nationality, stood at 51 in 2008-09, although this was up from 17 in 2006.

Enrolments in Germany: The data for Germany, from the German National Statistics office, indicates that in 2009-10 there were about 1,100 students from Kazakhstan enrolled in higher education in the country. To place in context, this is approximately the same number as for Japanese and Pakistani students enrolled in German universities. Annual enrolment growth appears to be slower than that reported for Australia, US and UK and was about three percent for 2009-10.

In terms of subject areas of study, economics and social sciences account for about thirty-eight percent of the enrolments, followed by language and cultural studies (eighteen percent), engineering and technology (sixteen percent) and mathematical and physical sciences (fourteen percent). There are small numbers in other specialist areas including in the arts.

The actual funding sources for Kazakhstani students in Germany are not clear; Bolashak scholarships are available but also the German government (through DAAD) provides some finance. Additionally individual German state governments (Länder) are responsible for funding higher education and only a small fee is charged (about €800 per semester in some), and even this is soon to be abolished.

Enrolments in the UK: the data on international student enrolments in UK higher education are the most comprehensive for any country and are available from the UK's Higher Education Statistics Agency. These data for Kazakhstan are presented below to indicate the nature and overall evolving patterns of demand from Kazakhstani students. Table 2.4 indicates that total enrolments to UK universities have almost doubled over the last two years. Note that 'Other undergraduate' refers to students on English Language or other pre-undergraduate programme (eg access or foundation studies).

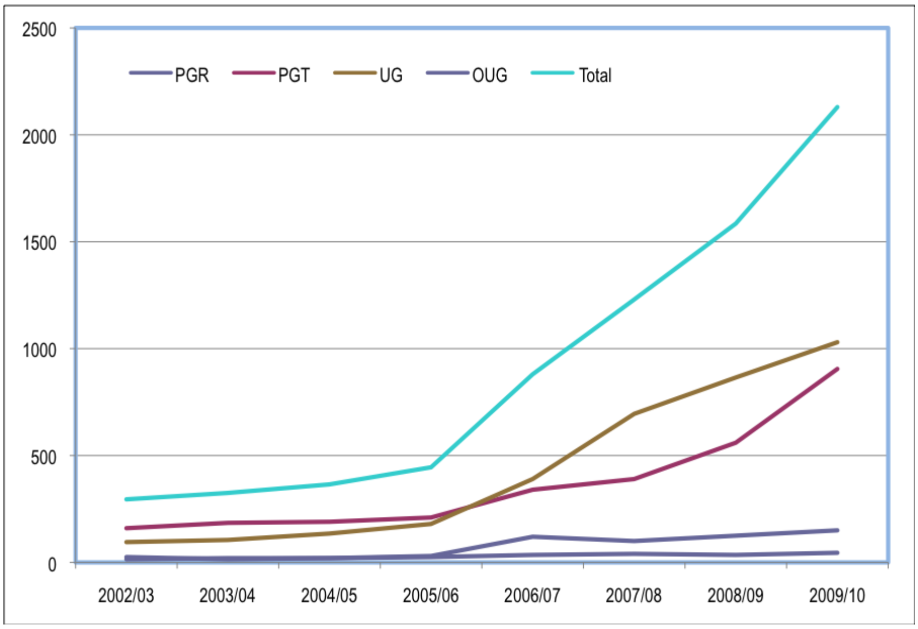
Table 2.4: Enrolment of Kazakhstani students in UK state sector HE institutions according to level of study.

Level of Study	2002/03	2004/05	2006/07	2007/08	2008/09	2009/10
Postgraduate Research	15	20	35	40	35	45
Postgraduate Taught	160	190	340	390	560	905
First Degree	95	135	390	695	865	1030
Other Undergraduate	25	20	120	100	125	150
Total	**295**	**365**	**880**	**1230**	**1585**	**2130**

Source: HESA (UK) 2009-10

These data are also presented in Figure 2.1 to illustrate graphically the recent accelerating rate of growth.

Figure 2.1: Trends in growth of Kazakhstani students enrolled in UK state sector higher education according to levels of study.



Source: HESA (UK) 2009-10

The enrolments in Figure 2.1 are only to UK state sector providers, as HESA does not collect enrolment data from private sector HE institutions in the UK. However there are many students from Kazakhstan enrolled with UK private providers and these could total several hundred. For example The London School of Business and Finance has its own dedicated and high profile operation in Almaty[12] and recruits students direct for its London campus.

The Bolashak programme has contributed to some of this recent strong recruitment growth at undergraduate level, however there has also been a large increase in privately funded undergraduate students. However with the establishment of an all-postgraduate Bolashak programme there will no doubt be some changes in patterns of demand according to levels of study, with some initial slow-down in undergraduate recruitment and increases in postgraduate.

When subject areas are considered, again reference to the UK HE data is revealing. As is clear from Table 2.5 the most popular subjects are business and management studies followed by social studies; within the latter category, economics dominates. German enrolment data for Kazakhstani students showed similar subject patterns. Unfortunately disaggregation by subject area is not openly available for the other main destination countries and so full comparisons are not possible.

[12] http://www.lsbf.org.uk/school/news.html?extra_cond=fullstory&id=80

Table 2.5: Enrolment of Kazakhstani students in UK state sector HE institutions according to main subject area

Subject Area	2009/10	% age of total
Total	**2130**	**100.0**
Business & administrative studies	745	35.0
Social studies	450	21.1
Engineering & technology	280	13.1
Computer science	130	6.1
Languages	105	4.9
Law	95	4.5
Physical sciences	65	3.1
Mathematical sciences	45	2.1
Architecture, building & planning	40	1.9
Creative arts & design	40	1.9
Education	35	1.6
Biological sciences	30	1.4
Mass communications and documentation	30	1.4

Source: HESA (UK) 2009-10

When more detailed analysis of these UK HESA data is undertaken for specific level of study, a number of trends are apparent;

- Undergraduate students: the most popular subject is economics followed by management, business and computer science. There is also a small but definite demand for politics.
- Postgraduate students: demand is dominated by finance followed by business and management.

Engineering and technology at both undergraduate and postgraduate levels accounts for only thirteen percent of all enrolments and is led by mechanical, chemical and process engineering. There is reported to be financial support for these subject areas through scholarships from oil and mining companies operating in Kazakhstan.

Kazakhstani students do actively seek out internationally leading universities as study destinations, as is reflected in UK enrolment data. For example there is proportionately a larger number of Kazakhstani students enrolled in research-intensive universities as compared with proportions of other international students in these universities.

2.13 FUNDING OF KAZAKHSTAN STUDENTS STUDYING INTERNATIONALLY

There are a number of sources available that provide indication as to how students from Kazakhstan might fund their international studies. As is discussed in Section 3.2 the respondents to the i-graduate surveys reported that about forty three percent were supported in some way through a national scholarship or by their employer/university. Separate communication with the British Council indicated that from their surveys this proportion could be as much as sixty percent, with only about one third having their costs met from family related sources.

The data available through HESA provide more detailed information on sources for fees paid by Kazakhstani students and Table 2.6 below summarises these for students enrolled in 2009-10.

Table 2.6: Main funding sources for fees (%) for Kazakhstani students enrolled in UK state sector HE institutions according to level of study

Main source	All levels %	UG programmes (%)	PGT programmes (%)
Personal funds	48	50	44
UK Intuition support	2	1	5
UK government	1	0	1
Kazakhstan government	28	28	29
Kazakhstan university	4	6	1
Kazakhstan industry scholarship	3	2	4
Kazakhstan employer	4	4	6
Other	10	9	10

Source: HESA (2009-10)

These data indicate that about one half of all undergraduate and postgraduate Kazakhstani students in the UK meet the costs of their studies from their own or family funds.

The proportion of students supported by the Kazakhstan government or Kazakhstani employers, at about one third of the total, is high by comparison with international students from other countries studying in the UK. It is also notable that employers appear marginally to favour support for postgraduate programmes. Note that these data again do not relate to enrolments in UK private sector HEIs and all students in these institutions are likely to be funded privately ie direct by themselves or their families.

The number of postgraduate research students from Kazakhstan enrolled in the UK is relatively low (totalling forty five) but fees' data indicates an equal split of support from government scholarships, UK universities and personal funds.

Price sensitivity in the international education market: It is difficult to assess just how price sensitive the Kazakhstan market might be and for a number of reasons. Firstly there has been insufficient time to assess the underlying demand trends, given that international student recruitment from Kazakhstan is a relatively new phenomenon (other than to Russia) and secondly there have been recent fluctuations due to international economic turbulence. The large numbers of students funded through government programmes also tends to distort the market, especially as Kazakhstani students on these programmes are based in a relatively small number of research led and relatively more expensive international universities.

Private funding of international study is growing and currently accounts for about half of all Kazakhstani enrolments in the UK. These numbers and their proportion will inevitably grow according to reports from agents and Kazakhstani students.

At a more general level it is probable that only about twenty percent of the higher education market is price sensitive[13], which is in line with the description of higher education as being a 'positional' good ie status and international brands are the main definers of the market and students will seek these preferentially, almost irrespective of price. For Kazakhstani students

[13] The authors are not aware of published analytical research to confirm this figure but this proportion is suggested by a number of higher education policy specialists.

this is reinforced by the requirement that Bolashak awardees can only enrol in internationally ranked and aproved universities.

However as was observed for the UK, there are numbers of Kazakhstani students attracted to undergraduate and postgraduate programmes in the lower fee private HE institutions. This indicates some degree of price sensitivity on the part of the students as most of the UK private providers charge fees of about £6,000 per annum (including for MBA programmes), which is about half that of many UK state universities.

2.14 DEMAND FOR TVE, ENGLISH LANGUAGE AND SCHOOL LEVEL STUDY

TVE Sector: There is no real indication from the data sources available that many Kazakhstani students seek technical or vocational education overseas, apart from those in specialist topics, such as mining and energy sector related training. These students tend to be funded and with programmes arranged by their employers. The few students that are enrolled in colleges in the UK FE sector or TAFE in Australia would seem to be following ELT and university preparation programmes. There are similarly no accessible data on Kazakhstani student's enrolment to Community Colleges in the USA.

ELT: There is very good demand for English language tuition in Kazakhstan and many private schools have opened to service local requirements. Recruitment agents (some of whom operate from withi an English language school) also report a good growth in enrolment to English language programmes in the UK with demand for both short courses as well as more substantial programmes, the latter mainly to prepare students for both undergraduate and postgraduate degree entry. While no data exists for ELT specific enrolments for the USA, it is to be assumed that some Kazakhstani students are enrolled in ELT programmes in the country, particularly as part of university preparation.

Secondary schools: Data on school level enrolments for Kazakhstani students in other countries are not available. However from the agents interviewed for this study there would appear to be a small but consistent demand for secondary schooling overseas and a number of foreign schools do attend the recruitment fairs in Almaty and Astana. Kazakhstani agents reported that UK independent schools attract the most students but with some enrolled in schools in Switzerland.

SECTION 3: MARKET RESEARCH, ANALYSIS AND IMPLICATIONS

3.1 INTRODUCTION

This section reviews the findings of market research undertaken for this study, considers their implications and suggests how they might best inform New Zealand initiatives in Kazakhstan.

It is clear from the previous section that international education of one kind or other has increased rapidly over the last ten years throughout Kazakhstan. As the number of Kazakhstani students pursuing programmes outside of the country has increased, so has their level of sophistication in terms of researching possible international study opportunities. There are, however, a number of distinct behaviours in the way Kazakhstani students and their parents consider international study possibilities. Their approach differs to that of intending students in many other countries, and New Zealand institutions need to consider this when marketing to prospective Kazakhstani students.

The market research presented in this section was undertaken through a number of means:

- Analysis of i-graduate provided data sets covering Kazakhstani students enrolled on programmes in a number of countries.
- Interviews with education agents in Kazakhstan
- Informal communication with universities and other organisations
- Discussion with Kazakhstani alumni in the UK
- Review of publications and research papers
- Analysis of Kazakhstani student enrolment data for a selection of the main destination countries with extra detail provided for the UK
- Advice from New Zealand Embassy, Moscow

3.2 THE I-GRADUATE SURVEY AND RESULTS

The total number of Kazakhstani respondents to the i-graduate online surveys was 1,053 and these covered enrolments for the years 2008-10. The largest proportion of respondents was from the UK (eighty-four percent), followed by Germany, USA, Netherlands, Canada and Sweden.

The i-graduate surveys' data provide very valuable insights into the approach and perceptions of Kazakhstani students including the main influences on study choice, the mix of information sources they employ, funding arrangements to support study and their longer-term career interests. These are all addressed in this section.

About forty-seven percent of the respondents were following undergraduate programmes with forty-five percent on postgraduate taught courses and three percent undertaking postgraduate research. The surveyed students were sixty-one percent female and this broadly reflected the gender proportions found in the Kazakhstani student population in other countries, including in Kazakhstan.

Comparisons of data from the different sources: It is important to clarify that the different sets of data referred to in this study derive from slightly different groups of Kazakhstani students. For example the i-graduate data derives from university student respondents, primarily in the UK, although with some contributions from U.S. and Germany. A significant proportion (about one half) of the respondents were funded through the Bolashak and other Kazakhstan scholarships' programmes. These students are required to seek study advice from and respond to the necessary government conditions, which directly influences their approach to accessing information on possible study destinations.

On the other hand the feed back reported from the agents interviewed, in the main, relate to students who are privately funded and for whom study choice is influenced in other ways. These differences are indicated in the relevant sections below.

Country prior to commencing study programme: Five hundred students responded to the question as to where they were before commencing their current foreign university programme. The results were:

- In country of foreign university where currently enrolled (73%)
- In Kazakhstan (20%)
- In other country (7%)

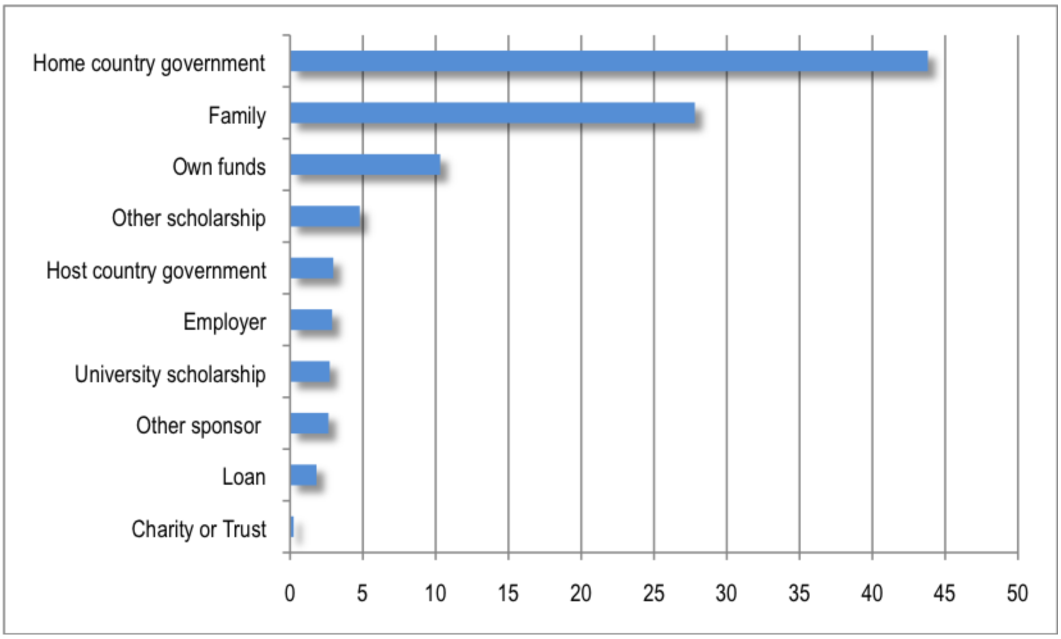
The large proportion that reported to have been in the country of their current university is almost certainly indicative of the fact that most students from Kazakhstan require some form of pre-course study. By far the most common is for English language tuition particularly to upgrade language competence to meet the requirements for their university degree programme. Those seeking undergraduate study will normally need to follow a foundation programme, as the total time duration of schooling in Kazakhstan is less than that for many of the main destination countries. At the postgraduate level few will be on foundation programmes as a Kazakhstan university degree is normally acceptable for direct entry to a Master's degree programme in North America or Europe, however most of these students will need English Language tuition.

Application process: The large majority of students (eighty-five percent) covered in the i-graduate study confirmed that they had applied on-line. The largest group (sixty-two percent) did this through the university website direct, while twenty-two percent said they employed national websites for applications (eg UCAS for the UK, www.Studera.nu for Sweden and the Ontario Universities central system).

Funding of international study: The i-graduate survey also explored the mix of funding sources that Kazakhstani students might employ to meet their costs of study. These are set out in Table 3.1 below. The importance of the contribution of government scholarships is very clear from the analysis and, as can be seen, accounts for nearly half of all respondents. Analysis of separate UK specific data, covering student funding[14] and discussed in Section 2.13, indicates that a smaller proportion of students receive Kazakhstani government scholarships (about thirty percent). However whichever proportion reflects the actual position, national government funding for Kazakhstani students is very significant when compared with internationally mobile students from other countries. The future direction of the Bolashak scholarship's programme will have important implications for student mobility; this is considered in Section 2.10.

[14] From HESA (2009-10)

Table 3.1: Main sources of funds for students from Kazakhstan studying internationally (percentages)



Source: i-graduate surveys

Table 3.1 also indicates that about forty percent of responding students indicated that they funded their studies from personal or family funds. This is slightly less than the forty eight percent proportion revealed through the more detailed analysis available from UK HESA data (Section 2.13). However both sets of data clearly indicate that there are large numbers of privately funded Kazakhstani students studying internationally and all indications are that these numbers are increasing.

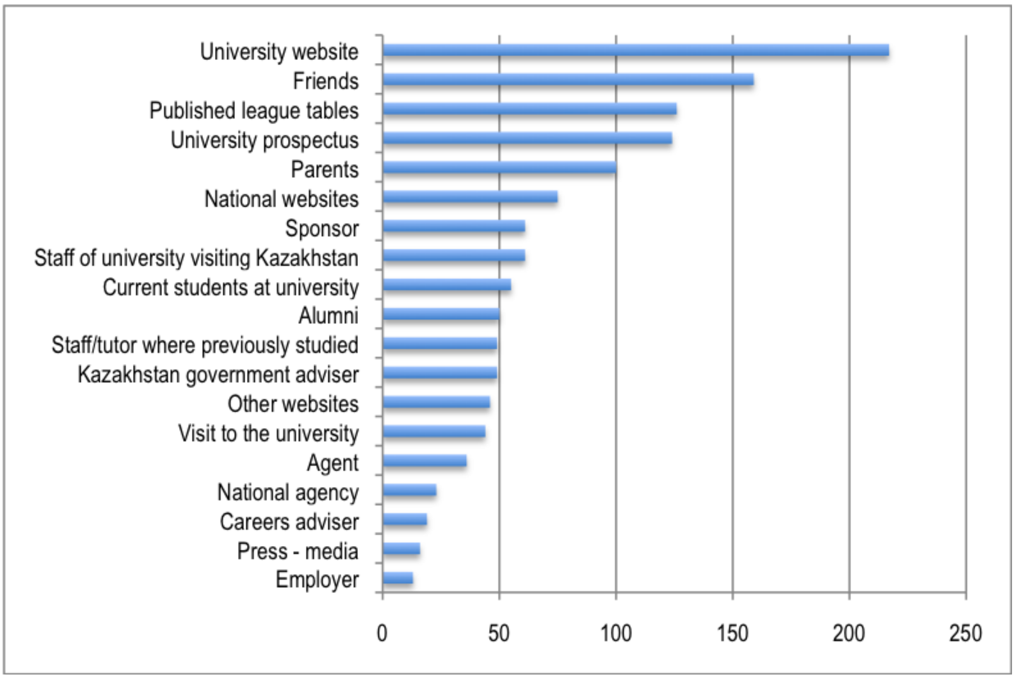
3.3 CHOICE OF STUDY DESTINATION

This section explores how Kazakhstani students research possible study destinations and what emerges from the study is a distinct split in major influences according to funding source: scholarship supported students must follow government agency guidelines while privately financed students look to their families or other advisers.

The i-graduate research provides good indication of the full mix of influences that impact on an intending student as they go about their destination search and these results are presented in Table 3.2. Students surveyed were able to provide multiple responses and the overall pattern that emerged suggests that a Kazakhstani student will seek information and advice from many sources, both to identify and then confirm the appropriateness of their destination choice. The crucial role of university websites and league tables is clear in Table 3.2, almost certainly reflecting the way that Kazakhstani students seek high quality international HE institutions. This result is perhaps also a little surprising, given the relatively poor connectivity in the country and the high cost of access.

As has been indicated both scholarship and privately funded students actively employ the web to help them identify appropriate international study destinations. Bolashak scholarship holders access the websites of the government-listed universities to select priorities and assess appropriateness of programmes. Privately funded students are frequently guided by their advisers and/or education agents to select institutional websites.

Table 3.2: Main sources and influences that affect the choice of international study destination for students from Kazakhstan according to numbers of respondents*



Source: i-graduate

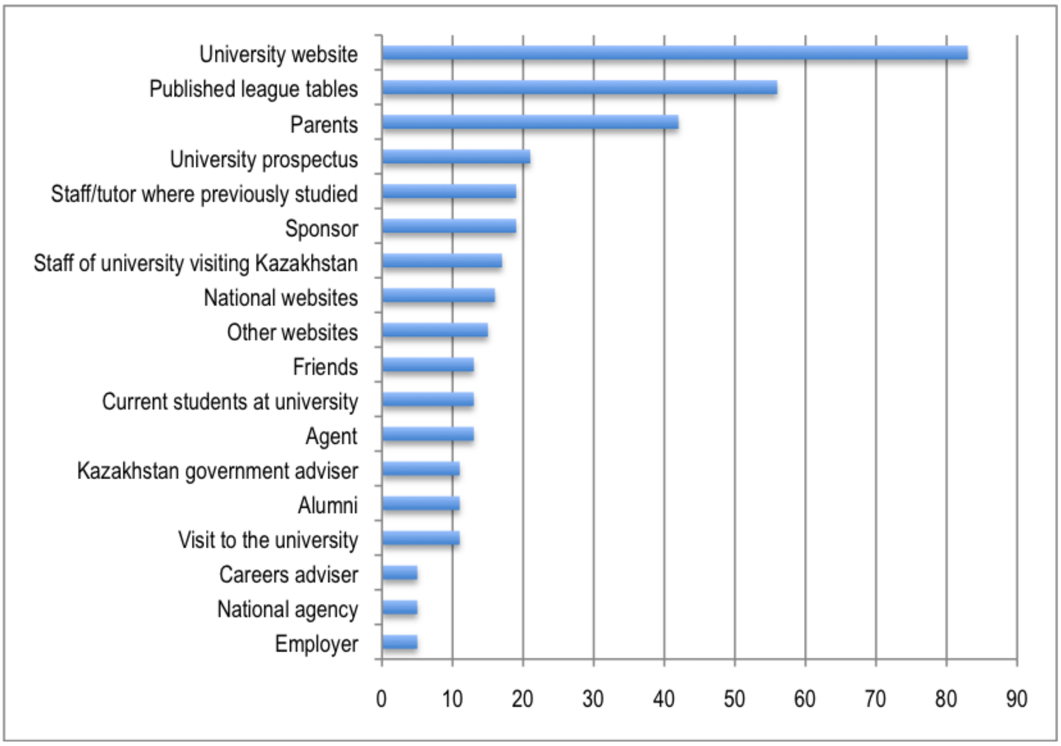
NB: 'National Websites' refers to such sites as 'Education UK', 'Study in Sweden' and Education USA.

Friends and parents were seen to be the next most important influence on choice, which is consistent with reports received from agents and presumably relates mainly to privately funded students. The importance of friends and family need to be stressed for, despite the rapid westernisation of many aspects of Kazakhstani society, much behaviour remains deeply traditional, and this impacts directly on the way privately funded students and their parents gather information about studying overseas. For example, it is common for advice to be sought from a member of society regarded either with great respect or seen as an 'expert', for example these might be a foreign alumnus, a tutor, a member of government, a business person or an agent.

Table 3.3 below indicates the single most important influence on directing student choice. Government priorities again would seem to direct their scholarship recipients to specific universities but it is also clear that parents and previous tutors are crucial as advisers on the final decision of destination. Also identified as important, and detailed in Tables 3.2 and 3.3, are visits by staff from a foreign institution and information from national websites[15].

[15] For example see http://www.study-in.de/en, http://www.studyinsweden.se, http://www.educationuk.org/

Table 3.3: Most important information sources and other influences that affect the choice of international study destination for students from Kazakhstan* (numbers of respondents)



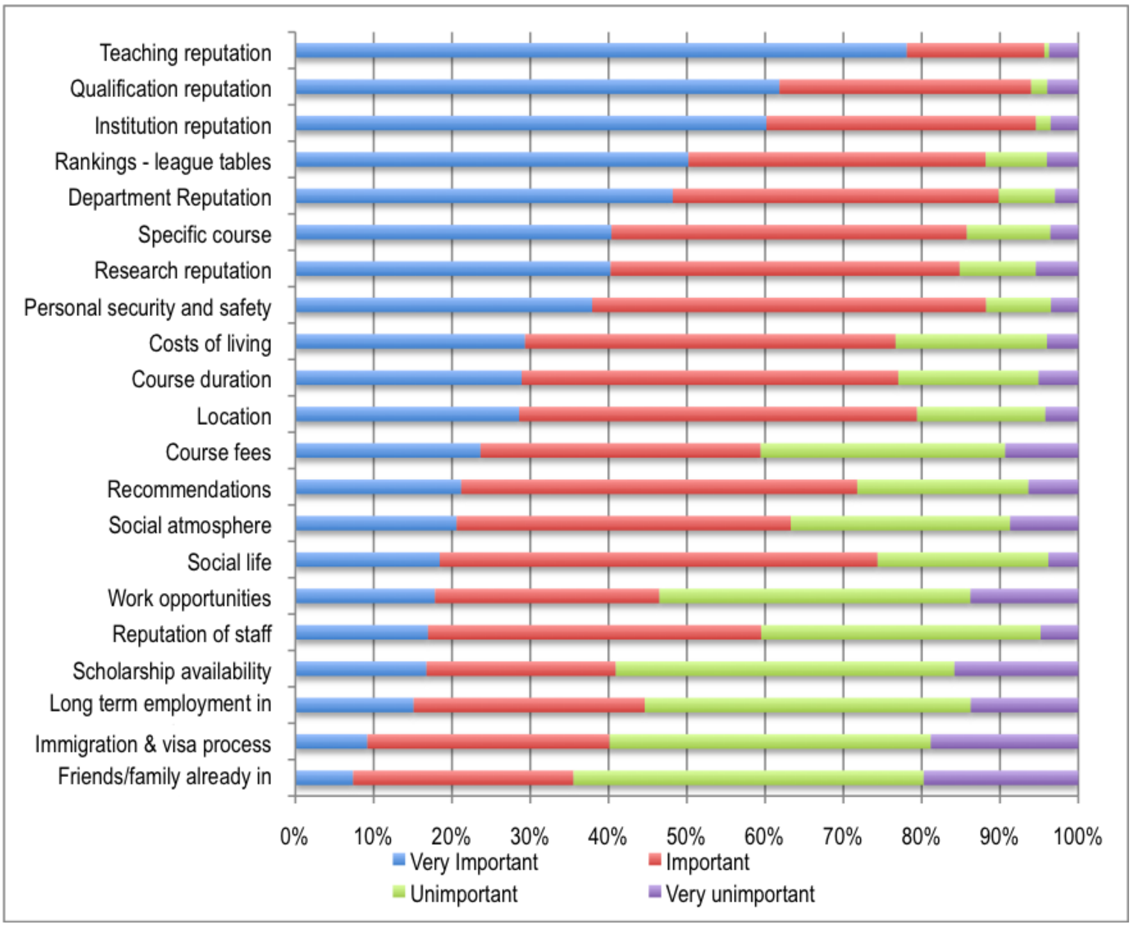
*Response to the question: 'Which of the following HELPED your decision to CHOOSE this university? Which one was the most important?'

In summary it is apparent that Kazakhstani students broadly have two main influences that impact on their choice: information materials from the intending university (both web-based and printed) and personal (word of mouth) advice, from parents and previous tutors. However while the influence of current students and alumni is not yet as prominent as observed for students from other countries, their impact will likely increase as more students from Kazakhstan study internationally.

From additional interviews it was also apparent that Kazakhstani students employ a number of other information sources, in addition to those listed in Table 3.3 and these included media advertising and access to social networking sites. The current relative low usage reported for the latter in the surveys was quite surprising and contrasted sharply with the extensive social networking skills of international students from other countries. However separate communications with other researchers to explore the use of social networks by Kazakhstani students, did indicate that there is a growing trend and their use will grow and become more influential. (See Section 3.8)

Institutional and related factors influencing choice: As part of the i-graduate analysis the relative importance of the institution and select country-related factors was explored. Table 3.4 sets out the results of the analysis and the very clear finding is that the quality and reputation of the institution and the associated qualification are paramount ie reflected in the high value assigned to factors such as an institution's reputation for teaching and research as well as the perceived value of the final qualification (this in terms of accessing future employment).

Table 3.4: Ranking of importance of main factors identified as influencing Kazakhstani student choice of institution for international study*



Source: i-graduate survey of Kazakhstani students

* Comments on the factors listed in the survey:

i. 'Qualification reputation' refers to the perceived value of the final qualification in relation to future employment.

ii. 'Social atmosphere' relates to the question 'How people would behave towards me as an international student'.

iii. 'Work opportunities' concerns the possibility of part-time work during their period of study to contribute to study costs.

Costs, both for living and fees, figure relatively less significantly, possibly because about half of the surveyed students received financial support from scholarships. Note that the 'Scholarships availability' factor in the table relates to the availability of funding from sources within the country of study, not scholarships from Kazakhstan.

Access to part time employment while studying and consideration of possible longer-term employment in the country of study was not identified as greatly important, which again contrasts with students from many other countries.

The implications for New Zealand from these results is that any promotion strategy must highlight the high quality and reputation of New Zealand universities, their international achievements, the quality of staff and the programmes available. Personal security was also considered important and the relative safety, support and care associated with life in New Zealand should be highlighted.

3.4 NEW ZEALAND EMBASSY SUPPORT

As there is no New Zealand Embassy in Kazakhstan political, consular and other aspects of the bilateral relationship are managed from the Embassy in Moscow. Staff routinely visit Kazakhstan and maintain close contacts in the country. As part of this study telephone interviews were held with Moscow Embassy staff, these were very informative and the staff said that they were very keen to encourage more students from Kazakhstan to study in New Zealand.

The Ambassador visited Kazakhstan in June 2011 and had met with the Deputy Minister of Education in Astana. The Ambassador had drawn the Deputy Minister's attention to the education opportunities in New Zealand and enquired as to whether New Zealand universities might also receive Bolashak recipients. As has been commented in this report only University of Auckland is currently included as a research destination and not for postgraduate degree programmes. The Deputy Minister said that the list of approved universities for Bolashak support will by reviewed in January 2012 and that he would welcome a formal submission from New Zealand to set out additional institutions for inclusion (see Annex 2 for current list of all approved institutions).

The Embassy staff contacted agreed with the proposals in this study that New Zealand institutions need to be more visible in Kazakhstan, should attend events and fairs and also have materials available in Kazakh and Russian languages. They mentioned that they had previously attempted to encourage New Zealand education institutions to participate in a joint education event in Kazakhstan with Australia, however none had taken up the invitation.

Visas and immigration: All visa applications are required to be processed through the Embassy in Moscow and Embassy staff reported that it was possible to complete in eight days if necessary. Additionally visa applications can be facilitated via Kazakhstani education agents and Globus and Students International were reported to be 'trusted' agents in relation to visa processing. Note that 'Students International' is Russia based and is not included in the list of Kazakhstan based agents in Annex 1.

3.5 ACTIVITIES TO PROMOTE INTERNATIONAL STUDY

The approach to promoting of international education and particular study destinations in Kazakhstan is through a mix of activities, which includes agents, education exhibitions and events, national, and institutional websites, scholarships and these are all considered in turn in the following sections. In addition the role of parents, friends and alumni as influencers of intending students are also reviewed in the light of the findings from the i-graduate and other surveys, the interviews with agents, institutional considerations and experiences of the authors in other countries.

In Kazakhstan it is clear that influencing factors differ markedly according to whether the student is a government scholarship recipient or intends to fund their studies from personal sources. For the latter an important observation is that as a wealthier middle-class has grown across Kazakh society, many families have come to regard privately funded international education as an indication of status. Parental influence is thus strong and it is apparent that parents will seek the advice of a qualified individual or company, who are regarded as having 'connections' to either the right institutions or the preferred countries, for education or specialist knowledge. This applies in particular in Astana and Almaty, where agents have a prominent role and where the majority of intending international students reside.

3.6 THE ROLE OF EDUCATION AGENTS

In general, as across much of Central Asia, agents have a strong influence on the destination choice of prospective students and Kazakhstan is no exception. Separate communication with other organisations, that have surveyed the Kazakhstan student market, support this observation and reportedly some forty percent of Kazakhstani students were already or were intending to employ agents.

There are between twenty and twenty-five active student recruitment agencies in the country, most of which are concentrated in either Astana or Almaty[16]. Larger and more established agencies have offices in both of the major cities, with a handful also operating branch offices in smaller cities and towns including Shymkent, Atyrau and Aktau. Agents in Kazakhstan tend to have started from recruiting prospective students for language studies, most commonly for the UK and USA but, as demand for advice has evolved more recently, they now cater for many more students and their parents and advise on all levels and aspects of foreign education opportunities. Almost all international institutions that manage to compete successfully in the Kazakhstan market use just a handful of agents.

Research through interviews with agents indicates the following very approximate breakdown of their student clients according to nature and levels of study:

- Undergraduate and foundation studies: nearly half of all student clients;
- Postgraduate: approximately ten percent;
- English language (particularly for the UK) for programmes of all durations: over twenty-five percent;
- School level studies: (mainly UK but also Switzerland): up to twenty percent.

Again, note that these data refer to privately funded students; there is no evidence that Kazakhstani government scholarship awardees use the services of agents for placement, although it is likely they might visit them at some time to seek advice on study destinations.

One of the main ways in which agents in Kazakhstan help support prospective students to go abroad is during the application process. While the activities of university representatives, particularly those from UK and US institutions, has done much to raise the level of knowledge amongst prospective students and their parents, a major means of applying is still through an appointed agent. The agent will invest a significant amount of time to support each application. This has become a central part of the destination research and application behaviour, particularly associated with increased wealth within Kazakhstani society. Parents prefer not to do their own research, favouring the use of agents to help them navigate the choices available to them and their children. While parents continue to be significant in the final decision-making process, agents are seen as both expert advisers and the source of reliable information.

In a range of contacts with Kazakhstani agents, it is clear that there is an increasing interest in developing links with those English speaking destination countries that might be considered as alternatives to Australia, Canada, the UK and the US. Key agencies are aware that changes to visa policies in both Australia and the UK are likely to impact negatively on their ability to send students abroad (and therefore secure commission and other payments), they are therefore very interested in developing new institutional relationships in other countries. In 2010, four agencies were involved in a successful Malaysian Government initiative to introduce Malaysian universities to Kazakhstan, with training and familiarisation sessions in Kazakhstan, followed by a return visit by a number of agents to a range of

[16] A list of agents is attached as Annex 1

Malaysian public and private universities. In early 2011, agents sent their first students to study in Malaysia.

At present it is apparent that there is very little knowledge amongst the leading Kazakhstani agencies about educational opportunities in New Zealand and this information gap needs to be addressed as a matter of urgency. The agents interviewed for this research reacted positively to an initial introduction and would be interested in direct contact from either Education New Zealand or individual institutions, and at all levels. The majority of agents who have been successful with institutions from a mix of countries tend to prefer to work in partnership with international colleagues, where institutional support is provided to cover staff and product training, ongoing marketing activities, student counselling, prioritised application processing and in-country activities, such as interviews, presentations and pre-departure sessions. The traditional model of contract and commission is unlikely to find favour amongst the most successful and professional of Kazakhstani agents.

Where institutions and organisations have been particularly successful in working with agents, for example the University of Essex, Bellerbys and Study Group, they have invested the majority of their marketing budget in the activities of their appointed agent. In such examples, the agent is responsible for the ongoing promotion of the client institution, placing local advertising, featuring them on their own and other relevant websites, hosting members of staff for interviews and seminars, arranging local visits to high schools and other institutions, and support for successful visa applications. This is all in addition to their own counselling and recruitment activities for students. In such agreements, agents collect commission payments on top of operating or marketing budgets provided by their client institutions. In a number of situations, agents routinely charge students and their families additional fees for services such as application completion, counselling and visa support.

3.7 EDUCATION FAIRS AND EVENTS

For those Kazakhstani students interested in international study opportunities, education fairs continue to be an important element in the information gathering process. This observation is also apparent from the i-graduate surveys where, in the case of privately funded students, over two thirds of respondents said they had contact with a visiting university representative, particularly at an education fair.

In addition to the country-specific events run by a number of US organisations, there are three major events for all education levels and four sector specific fairs. All events are well attended, with the All-Kazakhstan International Education Fair and the October edition of the A2 fair being the largest, with approximately 4,000 and 3,500 students attending respectively. The main education fairs operating in Kazakhstan are set out in Table 3.5 below.

Table 3.5: Main education fairs operating in Kazakhstan

Fair	Cities	Date	Level
All-Kazakhstan International Education Fair	Almaty, Astana, Atyrau & Aktau	February	All
A2 Fairs	Astana & Almaty	March	All
QS World Grad School Tour	Almaty	March	Graduate
A2 Fairs	Astana & Almaty	October	All
Begin	Astana & Almaty	October	Schools
Begin	Astana & Almaty	October	Undergraduate
Begin	Astana & Almaty	October	Graduate

Source: Personal contacts with agents and education fair operators

Most education fairs visit both Astana and Almaty, with the latter generally having more attendees. A number of smaller fairs operate in outlying cities, such as Shymkent, but these tend to be run by a limited number of education agents and require institutions to be existing clients. In previous years both Globus Education and Study Innovations have run small circuits of education fairs, inviting institutions of all levels from their client list.

As an example A2 education fairs are described in a specific website[17] where the Spring 2011 fair was reported to have attracted some 3,400 visitors and with a breakdown of undergraduate (51%), postgraduate (27%), language schools (16%) and secondary schools (6%). The University of Waikato was one of the exhibitors.

Education fairs are effective for a foreign institution for a number of reasons including to help institutions make an assessment of the market, to meet a critical mass of students, to test the effectiveness of their marketing material and products for Kazakhstan and to meet a range of other stakeholders, including agents. Those institutions that regard fairs in Kazakhstan as important for promotion tend to have translated their key marketing material into Kazakh and Russian and have a local language speaker on their stand with them at every event. For those institutions entirely new to the market the use of education fairs should be central to any student recruitment.

It is important to note that the two largest agents in the country, Globus Education and Study Innovations have formal partnerships with the two largest education fairs, the former with the All-Kazakhstan International Education Fair and the latter with the A2 events. On both cases, agencies gain access to the entire list of students and parents that attend each city venue.

3.8 ONLINE AND WEBSITES

The impact of the Internet on the research process of Kazakhstani students is growing fast. Approximately thirty-five percent of the population currently have daily access to broadband, although it is still very expensive by international comparisons (US$500 or more per month, depending on download speed). However it can be safely assumed that most Kazakhstani students, intent on studying internationally, will have access in some way.

[17] http://www.aafair.com/whycometo_kz.asp

It was clear from the i-graduate survey that prospective students do consider the internet to be a vital source of information to advise their study decisions (see Table 3.2). Institutional websites are also very important and are used more frequently than sites detailing international league tables and national websites on education (eg Education UK, Study in Sweden and DAAD). Local Kazakhstani websites are well used and some agents have their own and It is common for many students (up to and including for undergraduate studies) that in their initial counselling session, to sit with their parents and the agent and review websites, including guidance to those of specific institutions.

At present, key websites for Kazakhstani students seeking to gather general information on study opportunities outside of the country, are dominated by those of the two main agencies in the country: Globus Education and Study Innovations[18]. After an initial identification of potential international study options with an agent Kazakhstani students will review directly the official homepages of foreign institutions. This makes the need for Kazakhstan-specific information, including local language, clear admissions criteria, costs expressed in local and international currencies, details of current Kazakhstani links and/or students, to be very important.

The penetration of such media as Twitter and Facebook, has been growing rapidly but usage is still reportedly less than that for international students from other countries. However a separate survey[19] suggested that possibly two thirds of Kazakhstani students intending to study internationally do already use social networking sites and of these about one third access Facebook with the next most popular being Vkontakte[20] and Youtube. Social network users are likely to fall into the priority groups with whom recruiting institutions in New Zealand must communicate.

3.9 THE INFLUENCE OF PARENTS AND OTHERS

Parents: Both the i-graduate research and communication with agents described previously, clearly identified that parents have a vital role in influencing the destination identification and recruitment process. More generally parents of Kazakhstani students might be particularly important as first-level marketing channels, especially for those younger students who are seeking studies up to undergraduate level, including for schools. Those foreign education institutions that are already successful in Kazakhstan have undertaken dedicated parent-focused campaigns, including through contact with agents, presenting material focused in terms of content and language targeted specifically for parents, and also putting parents of existing students in touch with the parents of prospective students. All institutions wishing to make an impact in Kazakhstan will have to take into account the vital importance of the role of parents in the choice of study destinations for their children.

Alumni: There are no firm data on the number of internationally educated Kazakhstanis that have returned but, as with a number of other countries in the region, students that have been educated abroad are generally well respected and will be referred to for advice on foreign study. The number of alumni from foreign institutions in Kazakhstan is currently still relatively small however it will inevitably grow, given the numbers of Kazakhstanis now studying internationally, and alumni will become more influential. New Zealand institutions should maintain links with their alumni and use these at every opportunity to support recruitment activities. Featuring alumni profiles on websites and providing contact details for

[18] (www.globus-almaty.com) and (www.studyinn.kz).
[19] Private communication with the authors
[20] Russian social networking service that is popular in Russia, Ukraine, Belarus and Kazakhstan

prospective students will add significant value to any student recruitment and marketing campaign.

3.10 NEW ZEALAND VISIBILITY IN KAZAKHSTAN

If New Zealand institutions wish to be successful in Kazakhstan they need to be very visible to intending students and their influencers. The discussion below sets out strategies in addition to the role of agents, websites and exhibitions mentioned previously.

Institutional visits*:* Whether arranged by a local agent or direct with the Kazakhstani institution, staff visits to Kazakhstan institutions are an effective way of making an impact and recruiting prospective students to overseas schools, colleges or universities. This importance was also clear from the student feedback associated with the market research described previously.

Contact with English language institutions and high schools in Kazakhstan can be made directly, although there may be significant issues with local language and organisational structures that renders this problematic. Contact with tertiary institutions is more straightforward as most have an International Office or equivalent, with at least one dedicated member of staff to support links with foreign institutions. An increasing number of agents offer liaison with local education institutions as part of their menu of services for international institutions. At all levels of education, the compilation of a contact database of relevant Kazakhstani institutions is essential for promoting both general and specific programmes.

Institutional cooperation: For tertiary level institutions, the use of cooperation offers a useful marketing tool. At present, while Kazakhstani universities and institutions of higher education have few international links, as was described in Section 2.9, the Government of Kazakhstan has declared the establishment of international institutional cooperation to be a requirement for continued formal recognition of all Kazakhstan universities. This ruling applies in particular to private sector institutions. While the majority of links are likely to be focused on staff development, curriculum development, staff recruitment and the foundation of joint programmes or summer schools, many institutions have already expressed an interest in growing student mobility programmes, either inbound, outbound or both.

Scholarships: The Bolashak scholarship programme has dominated the Kazakhstan education scene for many years and has supported many globally mobile Kazakhstani students. As was discussed in Section 2.10, it is now a postgraduate only programme and will remain focused on a relatively small number of international universities of high repute. The implication of the changes to the Bolashak programme is that there will be an increase in demand for foreign Master's degree programmes and also for postgraduate research degrees and attachments. At the undergraduate level only privately financed Kazakhstani students will be able to access foreign programmes. There will however be a small number of other scholarships available, funded by business and industry, and mainly for applied topics eg for the oil and energy industries.

In terms of institutional market entry strategies, the use of a small number of targeted and profiled scholarships can have a significant impact on the visibility of those institutions that invest in such schemes. An increasing number of Kazakhstani agents are requesting the foundation of specific scholarship schemes to attract prospective student. The support of scholarships (whether fully funded or some form of fee discount) offered by a foreign institution also serves to reinforce commitment to the country and to Kazakhstani students in general.

The offer of some form of officially supported 'New Zealand-Kazakhstan' joint scholarship programme would also offer a major opportunity to demonstrate commitment, would help raise profile and might form part of the formal submission for seeking the recognition of New Zealand universities (see Sections 3.4 and 4.3)

3.11 OTHER PROMOTIONAL APPROACHES

Kazakhstan is a relatively new market in terms of behavioural characteristics and as such is likely to benefit from a more traditional approach. For the privately funded students face-to-face contact remains critical, as is the use of focused advertising and the placement of 'good news' stories in the local press (eg associated with scholarships, profiling alumni or cooperative links). In the early part of 2011 it was apparent that a number of international institutions have embarked on widespread press and billboard advertising campaigns in Almaty and Astana. In addition, reports from Kazakhstan suggest that the distribution of posters and flyers continues to have impact in encouraging students and their parents to consider specific institutions.

SECTION 4: SUMMARY AND CONCLUSIONS

4.1 MARKET OPPORTUNITIES AND POSITIONING

It is clear from this study that Kazakhstan offers great potential as a market for New Zealand institutions to attract good quality international students. There are various good reasons for this observation, that include:

Market growth: The general pattern of growth of Kazakhstan as a supplier of fee-paying international students to other countries is encouraging and market information indicates that this is likely to continues for years to come. For example for the UK, enrolments from Kazakhstan in higher education institutions have grown from about 500 to nearly 3,000 over the last five years. While new growth has been driven by expansion of privately funded undergraduate students, the demand for postgraduate study is likely to increase, due both to refocusing of the Bolashak programme and the needs of employers for a higher-level skilled professional workforce. There is also a small but definite demand for English language programmes and for secondary school education outside Kazakhstan.

Economic growth and disposable income: The Kazakhstan economy grows apace and all indications are that disposable income will continue to rise, driven by increasing revenues from oil and minerals and returns on investments in other business sectors. Growing numbers of middle class families are willing to invest their own funds in international study. For example about half the Kazakhstani students in UK are funded from private sources (and this proportion is increasing fast).

Competitors: Changes in tuition fee and visa policies in a number of the established English speaking destination countries will likely result in New Zealand becoming an attractive alternative destination, and for all levels of study.

Scholarship's availability: The Kazakhstan government continues to invest in its prestigious scholarship's programme for international study (the Bolashak programme). Local and foreign companies, particularly energy sector related, also invest in overseas scholarships.

Infrastructure: There is a clear infrastructure in place to support the promotion of New Zealand education, through the use of agents, education fairs, language and other testing centres.

There are also potential threats to market growth in the short to medium term: the first relates to some economic and political uncertainty surrounding presidential succession, given that no one is yet in place to take over and assure continuing stability after President Nazarbayev eventually retires. The second is the new strategic direction of the Bolashak scholarship's programme as support for undergraduate studies is about to finish and only postgraduate study and research will be financed. The Bolashak programme has been instrumental in promoting Kazakhstani undergraduate and postgraduate mobility to West Europe, Russia and USA. Another challenge will likely come from the increasing number of competitor countries that are active in Kazakhstan, for example recently Malaysia, Singapore, Denmark and Ireland have all been visible.

4.2 SPECIFIC SECTOR OPPORTUNITIES

Tertiary level: university and polytechnic sectors: The greatest potential for New Zealand would seem to be in the tertiary sector, where an increasing number of students are already seeking diploma, undergraduate and postgraduate opportunities overseas. While

Russia, the UK, USA and Germany currently dominate the market (and the minds of prospective students), mobility data presented in this study indicates that the market for English speaking destinations will grow and the New Zealand 'offer' may be attractive to many Kazakhstani students. New Zealand tertiary institutions are additionally likely to benefit from the changing visa regime in the UK, driving many students to alternative English speaking destinations.

The current demand, according to levels of study, indicates an approximately equal split between undergraduate and Master's programmes, with a small but distinct interest in doctoral programmes. The most popular subjects for undergraduates are economics, management, business and computer science, with some interest in politics. At the Master's level demand is dominated by finance, business and management related subjects. Engineering and technology at both undergraduate and postgraduate levels accounts for a smaller proportion of globally mobile Kazakhstani students although the government is keen to encourage new growth through better targeting of scholarships.

In general terms the market for tertiary level study is characterised by two different target groups: the first are state-funded scholarship recipients and the second the privately funded students, with the latter group being the fastest growing. As has been described the Bolashak scholarship's programme is to be all-postgraduate from this year, and this will generate increased demand for Master's degree and doctoral programmes. A difficulty is that only the University of Auckland is currently recognised as a Bolashak but only for research attachments and cooperation, not for postgraduate degrees. If New Zealand universities are to attract postgraduate scholarship students it is essential that they are included in the Kazakhstan government's approved list. For this reason it is recommended that part of any New Zealand strategy must include high-level representation to the Government of Kazakhstan to secure recognition of select internationally rated New Zealand universities.

The experience of UK over the last five years has demonstrated that it is very possible to attract significant numbers of privately financed Kazakhstani students at both undergraduate and postgraduate levels. Strategies for accessing self-funded students are considered below.

Establishing some key marketing messages will be crucial for New Zealand institutions if they are to make an impact in Kazakhstan. Promoting a quality led, British-based system[21] of higher education will be important, as will be emphasising the supportive and secure nature of the education and living experience on offer in New Zealand. The majority of Kazakhstani students and their parents prefer a study environment where they are well supported and are recognised as individuals.

Junior, intermediate and high schools: There is already a market for UK and Swiss high schools in Kazakhstan, largely accessed through various networks of agents and the agent counselling and events' data presented in Sections 3.7 and 3.7 supports this observation. With visa changes in the UK likely to impact on the number of Kazakhstani students seeking school-level education in the UK, there will be a growing number of parents interested in securing English language education for their children. It is unlikely that junior schools will find a significant market in Kazakhstan for it has been secondary level that has been in demand. Success at the school level is entirely dependent on the appointment of agents and supporting them adequately through effective agent management strategies and investment. In addition, it may be necessary to attend one of the annual education fairs held in Astana

[21] The reference to the British system is because this is now relatively well known in Kazakhstan, due to the high profile marketing activities of a number of UK institutions

and Almaty, perhaps with a preference for the dedicated independent schools exhibition organised by the Begin Group.

Due to the complete dominance of Kazakh parents in the decision-making process at the school's level, all institutions wishing to access the market will need to offer marketing materials and other collateral in Russian and Kazakh. This will also include some basic online information on the institution's own website and for the agent's website.

Professional, technical and vocational education: There is little evidence available to indicate the level of demand for international study by Kazakhstani students in non-graduate technical and vocational education. There are some Kazakhstani students in the further education sector in the UK (FE sector) and Australia (TAFE) but these appear to be following pathway programmes leading to undergraduate study, normally combined with ELT, rather than for technical qualifications and programmes.

The petroleum and mining companies in the west of the country do send staff internationally for study but these are often for specialist programmes at their own favoured institutions. However demand for technical and specialist education is likely to increase markedly given that many companies already need to import expensive foreign labour, and this will inevitably grow as a result of ongoing expansion of the industrial, mining and energy sectors.

As was indicated previously, at the undergraduate level there is strong demand for international study in business, finance and IT. For those New Zealand providers that offer the New Zealand Diploma in Business, particularly at Level 5 and beyond, there is likely to be interest in shorter-term academic programmes, particularly in the fields of business and IT. Such programmes might attract those students that are either unable to enter the tertiary sector directly (either because of insufficient levels of qualification for entry purposes or language deficiencies) or who might see the qualification as a route towards longer-term residence.

Promotion and marketing in this sector will require a mixed approach, balancing generic profile-raising with specific initiatives. As with all other education sectors, it is likely that without the appointment of a student recruitment agent, progress in the market will be limited and those institutions wishing to develop a marketing strategy should do so in partnership with a local agent. That said, both the vocational and language sectors might consider the use of one or more of the annual education fairs, based on the number of students interested in these areas that attend the larger events. Both A2 and All-Kazakhstan International Education events are recommended for this purpose.

Marketing material should be developed specifically for the Kazakhstan market and in Kazakh and Russian, which includes information on pathways to careers, other educational sectors and programmes in New Zealand and permanent residence. Similar content should also be developed for the websites of institutions wishing to access the market.

ELT sector: Information from both agents and advisers in Kazakhstani high schools and tertiary institutions indicates that there continues to be a strong interest in English language preparatory programmes (either for testing purposes or specific academic programmes), language plus experiential programmes and for short-term English language courses. While there are many language schools in Kazakhstan, foreign ELT preparation is normally necessary for international study at both postgraduate and undergraduate level. Opportunities for New Zealand institutions are likely to grow over the next few years, as the new visa regime in the UK will likely impact on recruitment to English language programmes.

Agents are very important intermediaries in this market and attendance at education fairs is important to provide profile and strategically position New Zealand institutions as quality alternatives to UK and US.

4.3 Promoting New Zealand education

This study has clearly identified that there is a new and fast evolving education market in Kazakhstan and with increasing opportunities, however the fundamental problem for New Zealand education to address is its lack of visibility in Kazakhstan. The extent to which Kazakhstan might become a market for New Zealand's education export sector will be largely dependent on the level of investment Education New Zealand and individual institutions are willing to make to raise profile.

As was discussed previously there are two distinctly different education markets in Kazakhstan, one for those students receiving government scholarships and the other for privately funded students. The Bolashak scholarship's programme is now postgraduate only and is thus a clearly defined segment. However any New Zealand strategy for Kazakhstan should seek to address both of these markets, even though it is the privately funded group that is the fastest growing, likely to become the most dominant and covers all education sectors.

The first need, and one that is important for all sectors of education, is for the generic promotion of New Zealand education at the national level. Contact with a number of agents indicates that there is currently very little knowledge or perception of New Zealand or its education system; levels of understanding need to be raised, particularly on the key features of New Zealand as an attractive destination for international students. The *Learn More Stress Less* Education New Zealand campaign would appeal to Kazakhstani students up to and including those at undergraduate level.

Priority proposals to raise the generic visibility of New Zealand education as a whole are:

- Profile-raising, including to ensure greater understanding of the full mix of education opportunities in New Zealand.
- Enhancing the New Zealand education presence through attending exhibitions and events, appointing and working with agents, building web-presence on Kazakhstani sites and use of Kazakh and Russian language promotional materials.
- The training and recognition of a number of agents in Kazakhstan as New Zealand Specialist Agents (NZSA).
- Focusing on 'world class' university opportunities to profile the quality perception of New Zealand education; a 'halo effect' should enhance recruitment potential for other sectors
- Seek formal recognition of a select group of universities as a listed destination for Bolashak students.

To deliver the above a number of specific initiatives should be taken:

Education agents: The influence of agents on prospective student choice is strong and extremely important as advisers to privately funded students and their families; there is also some evidence that scholarship awardees refer to them. There are between twenty ant twenty-five active student recruitment agencies in the country, most of which are concentrated in either Astana or Almaty, and a number of these are members of the Kazakhstan Association of Educational Agencies[22]. New Zealand education providers (HE,

[22] Annex 1 provides a list of education agents currently active

schools and ELT) need to develop agreements with them, given their influence and importance for recruitment of private fee-paying students. Key agents need to be trained and recognised as NZSA approved. It is very unlikely that New Zealand's export education institutions will make any progress in the country without the appointment of agents who are able to promote on their behalf and counsel interested students. While the influence of agents may be somewhat questionable at the research degree level, for all other levels of students they are regarded as central in the information and decision-making processes.

One approach for New Zealand institutions might be for groups of institutions across all the education sectors to negotiate an agreement with one or two agents and thereby ensure greater focus and understanding, particularly in relation towards assuring that those agents are able to provide informed representation on opportunities in New Zealand. Advice from the New Zealand Embassy would be important to ensure that any appointed agent would be acceptable to them in relation to forwarding student visa applications.

Exhibitions and events: A national-level engagement with one of the leading education fairs in the country, either the All-Kazakhstan International Education Fair (in partnership with the Globus student recruitment agency) or the A2 Fairs (in partnership with the Study innovations student recruitment agency), is strongly advised to raise profile and attract general interest in all levels of study in New Zealand.

Bolashak and other government programmes: Formal high-level contact with the Kazakhstan government and universities, including with the policy directors for the Bolashak programme is recommended. This could involve a well-promoted mission to Kazakhstan probably to include senior representatives of New Zealand education sectors. The main objectives would include:

- to raise the profile of New Zealand education in the country
- to stress the high quality, by any international measure, of New Zealand universities and their programmes
- to explain the relevance to Kazakhstani authorities of many of the postgraduate courses available in New Zealand
- to seek agreements for PhD studies and/or researcher exchanges with New Zealand, stressing the current tuition fee levels for international research students,
- to explore possibilities for academic and research cooperation and partnerships

There are concerns that the Bolashak programme might be restricted to a small number of elite international universities and that New Zealand institutions would not be included. However the Ambassador's recent discussion with the Ministry of Education in Astana (see Section 3.4) indicated that a submission to set out the case for New Zealand would be welcomed and be considered. This should be done by the end of 2011 to meet deadlines for next year's list of approved destination universities.

A visit by a senior delegation from New Zealand would also make a strong statement of intent towards meaningful cooperation. Offering some prestigious joint NZ-Kazakhstan scholarships might back this up for, in addition to their importance for attracting high quality students, promoting these across Kazakhstan will directly reinforce the high quality 'messaging' for New Zealand higher education. To help ensure the success of this initiative some preparative work through informal high-level contact in Astana might be made.

Web promotion: The surveys undertaken for this study indicated that Kazakhstani students do use the web widely to survey international education destinations. University websites were mentioned to be particularly important as were some national sites (eg DAAD and Education UK), however, students in Kazakhstan have little knowledge of New Zealand and the quality of its education. Profiling New Zealand opportunities on Kazakhstani and New Zealand institutional websites, with key information in Kazakh and Russian languages is vital, particularly as these will help inform the parents of intending students. Families are important influencers of study destinations.

Marketing materials: Sets of materials for New Zealand in Russian and Kazak are important and will be extremely useful for agents who need to brief students and their families. These might be developed in conjunction with the similar materials to be included on websites.

Partnerships and collaboration: Developing cooperative activities between appropriate universities and departments where there might be overlapping research and teaching interests can lead to staff and student exchanges as well as collaborative research. There is also good indication that the Kazakhstan government welcomes (and will support) cooperation involving reputable international universities. Through work in other countries it is well understood that these types of partnerships do help raise profile as well as encourage more students to study with the foreign partner.

A further possibility would be to capitalise on the Kazakhstan Government requirement that all its higher education institutions should establish international partnerships to improve their quality assurance and ensure comparability with international higher education standards.