

Problem Areas in Understanding Human Capital: The Experience of Kazakhstan

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The paper considers the aspects of intelligent nation formation in the context of human capital development on a country example. The results of the research are analyzed concerning the public awareness of the need for the development of national human capital in Kazakhstan, as well as the factors contributing and constraining its evolution in the country. Basing on the results of the research, the recommendations are carried out on the formation of human capital and its further contribution to the prosperity of the country.

Growth of any country depends on its ability to foster and enhance human capital. An indicator of the mankind progress is its full intellectual potential, the ability to deal with today's challenges and adapt to new social transformations. Becoming an intellectual nation is not simple. Nevertheless, the result is spectacular. Opportunity to build the intellectual community in the coming years is the only key to the development in the conditions of the modern global fierce competition.

In this context it is important to note that the basis of human capital of Kazakhstan is the young population. Young generation is the future depends on, thus several educational projects have been implemented on the initiative of the President of Republic of Kazakhstan Nursultan Nazarbayev. For example, the scholarship programme "Bolashak", which allows young people to obtain education in the best universities of the world; the network of higher education institutions for gifted students "Daryn" and preschool preparatory programme "Balapan". Another feature is the formation of a set of innovative tools necessary for generating and combining competence, skills and initiatives in the field of modern technology with high moral standard and responsibility. The ultimate goal of the above tasks is to create a new generation of intelligent people. Intellectual youth is the main asset of the state. This is not only a requirement, but a sacred duty of the nation.

The literature review on the research topic is limited, thus the study of public awareness of the needs in the development of national human capital is needed. The purpose of research is to study the aspects of forming the intellectual nation in the context of the development of human capital in Kazakhstan and formulating policy recommendations to improve the processes of human capital formation. The main results of the study are the outcomes of the research methods applied: survey, questionnaires, focus groups and analytical methods.

Human capital is the stock of competencies, knowledge, habits, social and personality attributes, including creativity, cognitive abilities, embodied in the ability to perform labor so as to produce economic value, as was defined by Simkovic (2013). There is a strong link between education and the investment into the human capital, as it catches psychological, social and cultural complexities.

The paper provides readers with an insight on human capital development in Kazakhstan. Given the limited literature review, it aims at raising the public awareness of the importance of building the intellectual community.

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In this context it is important to note that the basis of human capital of Kazakhstan is the young population. Young generation is the future depends on, thus several educational projects have been implemented on the initiative of the President of Republic of Kazakhstan Nursultan Nazarbayev. The initiative called "Intelligent Nation – 2020" of the President of RK N. Nazarbayev is the clear plan of development towards intellectual state. Anyone who thinks about the future of the nation, should take care to become more cultured, educated and focusing on science and its derivatives, to seek appropriate ways to make a contribution in recognition of the country on the international arena.

As mentioned in the above program, the task of paramount importance is to create national educational stimuli. This means a large-scale high-rise education and performance campaigns across the country.

Pre-condition for joining the club of modern developed countries is to invest in education. Acquisition of knowledge and quality education, ultimately, put us on a par with the 50 most competitiveness states (from the President speech of 2008).

The task of competing with developed countries and finding its unique position in the world requires a deepening of our knowledge. Ignoring this important factor may lead to the risk of becoming the nation's future in jeopardy.

The annual report of UNESCO's "Education for All" in 2011, which covers 120 countries, by Education Development Kazakhstan was among the top four countries and has maintained its high rating in the last 3 years. It is fairly clear evidence of progress in this area of the country. According to well-known Kazakh writer M. Auezov, "knowledge – is something that can make all people equal". That's why for such a young country like Kazakhstan attainment of knowledge is an important and urgent task.

According to a UN report on the development of human capital published in 2011, which takes into account factors such as the position of the social, education and life expectancy, Kazakhstan ranks 68th of 187 countries in the world.

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Another feature is the formation of a set of innovative tools necessary for generating and combining competence, skills and initiatives in the field of modern technology with high moral standard and responsibility. The ultimate goal of the above tasks is to create a new generation of intelligent people. Intellectual youth is the main asset of the state. This is not only a requirement, but a sacred duty of the nation.

Analysis of recent research and publications on human capital is extensive, yet to be applicable to a country case. Theoretical issues of human capital as an economic category devoted to the works of G. Becker, T. Schultz and many other scientists. Individual issues on the national human capital as a factor of development predetermining economic development, are explored by D. Zakirova, Y. Korchagin, L. Nesterov, G. Ashirova and A. Subetto, D. Astaire, G. Agiomirgianakis and others. However, the research aimed at the study of public awareness of the needs in the development of national human capital, as well as factors contributing to or limiting its evolution in Kazakhstan is not enough.

The purpose of research is to study aspects of the formation of intellectual nation in the context of the development of human capital in the case of Kazakhstan and the formulation of policy recommendations to improve the processes of human capital formation.

National project is implemented by people, and they also evaluate its effectiveness. To conduct social studies research the team used questionnaires, analytical methods, as well as focus groups.

The main results of the study are the outcomes of the research methods applied: survey, questionnaires, focus groups and analytical methods.

Research Methodology

The first part of the study covered the workers of educational and scientific organizations in Almaty, the second – the ordinary residents. In general, 500 people older than 18 years participated in the survey. The study was conducted in Kazakh and Russian languages for better understanding. Confidence level was 95%, accuracy - 4%.

One of the main research questions: "Do you think that it is necessary for Kazakhstan to generate intellectual nation?" 99% of respondents answered "yes" and only 1% of respondents answered "no". These indicators demonstrate the determination of the people to build a so-called "intellectual state".

To the question "Do we create intellectual nation?" 32% of participants answered "yes", while 68% answered "no." At the same time forward to the following interrelated issues about the current level of intellectual potential "high" estimate given only 6% of respondents. Other 58% of surveyed noted the current level of intellectual capacity as "Average" and 36% rated it as "low". In general, public opinion assesses the level of intellectual development as either "average" or as "Low".

In fact, there are certain barriers to the full implementation of the project across the country, because it is necessary to take into account the set of important elements, including civil identity and national priorities. Whenever possible to achieve alignment listed above elements, it is possible to get positive results.

Human capital is an asset of intellectual society. Investment in human capital not only increases the quality of life, but also the performance of individuals in the creation of intangible benefits. By and large, the role of human capital is an intellectual nation fund.

It is important to note that the term "human capital" was first used in the USA and is currently the leading indicator of the quality of the nation. Although human capital helps to determine the quality of human development in the country, it is not real tangible material such as, for example, a product or money. Human capital is a group of decent, cultural, hardworking people who create and extend the material foundations. The President Nursultan Nazarbayev in his speeches highlights the quality of education as the main goal for today. Provided that the education is widely available, will those who will use it properly can turn it into capital. Only those who have successfully applied for the formation of benefiting society, can show the real results. According to Baker (2009), "education is a powerful tool only when used for the benefit of society". Technological progress is of great importance if it will generate a positive impact on the well-being of people.

The level of intellectual potential of the nation is based on the percentage of literate people and the level of scientific input. 14% of respondents believe that Kazakhstan has both of these components, 62% assess the level of intellectual capacity as "medium", and 24% - as "low". These unfavorable estimates suggest the need for further significant efforts by the government. The results of a public opinion poll show that the current level of education in Kazakhstan is inadequate and insufficient.

The prosperity of the nation in the long term depends on its ability to invest in the expansion of its intellectual potential. Wealth is created by people, and intellectual environment with a large number of literate people, it will intensify and expand. However, respondents were asked about "the most valuable elements (attributes) of intelligent citizens". 10% of them chose "only education", 4% chose the "intelligence", 2% - "patriotism", and the remaining 76% ticked all the answers.

Respondents were divided exactly half in response to the question "Are the people of Kazakhstan ready to implement the project "Intelligent Nation - 2020"?": 50% of participants answered "yes", the other 50% - "no."

Media (media) are a tool for education and public dissemination of important public values. 10% of respondents rated the information policy of the media as a "particularly important" in shaping the intellectual nation, 10% said it has a "good" role, a further 40% believe that the media play a "medium" role, while the remaining 10% find that media policy is "unsatisfactory".

Typically, media channels work on the principle of professionalism and their position is determined by the ability to raise the problem at the level of society. Media is a place where intellectual figures revealed that form society. The main objectives of the Kazakh media have participated in the creation of civil society and providing the necessary foundation for sustainable dialogue between the society and the government.

That the intellectual potential of the individual is an obvious investment, as noted 78% of respondents, while 22% do not consider it as an investment.

The main prerequisites for the formation of an intellectual nation in their country the Kazakhs see in the development of national intellectual property (57%), the rapid development of technology (19%), the rapid rate of political modernization (10%) and the increasing influence of global processes (10%).

However, among the major threats to improve intellectual potential of Kazakhstan, were marked by the absence of spiritual and cultural, exemplary educational environment (39%), equal responses (by 19%) shared between factors such as a lack of material and financial fund, stagnation in the production of advanced technology and low information potential of the country.

It is important to note that respondents' answers about the effectiveness of the conductivity on the formation of public policy intellectual nation in Kazakhstan vary. 14% of them claim that the policy of Kazakhstan aimed at creating a knowledge-based society, "a clear, transparent and open," 22% rate it as "clear, simple", as many respondents (22%) say that it is "unclear" 34% - "unknown", 8% - "Hidden".

In fact, the public demands more awareness and certainty of an open policy from authorities. Accordingly, the initiative should not be generated by the government and society, whereas the role of government should be aimed at creating incentives, developing appropriate mechanisms and monitoring of the entire process.

Thus, the results of the studies identified the following recommendations and guarantees required for investment in human capital for a given level of economic development of Kazakhstan:

- Providing high-quality education;
- Increase national projects;
- Taking into account the views and experiences of ordinary people;
- Create the necessary conditions for young people;
- Increased profitability for "smart" projects and activities;
- The implementation of reforms in the field of cultural and welfare information.

The existence of certain beliefs and critical assessments of citizens on issues related to the formation of an intellectual nation indicates the existence of those who are not indifferent to the fate of the state and consciously worried about the future of the country. People's openness to fresh ideas and innovations show the public preference for national priorities. The results of sociological studies confirm the necessary conditions for building a knowledge-based society.

Among respondents human capital is recognized as the intellectual foundation: "high" (21%), "medium" (48%) and "low" (26%); compared with native speakers of Kazakh language, the difference in assessments of "high" is 19%, "average" - 10%, and "low" - 10%. Here, the share of respondents who value human capital as "high" increased by 19%.

We asked the public whether the education and science are the good indicators of the intellectual potential of the nation. 41% of participants believe that these factors are "ideal", 29% - "Average" and 25% of respondents say that education and science are "Low" in the measurement of the importance of intellectual property society.

Thus, the majority of respondents take both factors as smart investments and important indicators of intangible values of the society.

Intellectual values provide long-term wealth and prosperity of the Republic of Kazakhstan. Next question implied propensity respondents: "What values do you prefer as an intelligent

citizen?". The result of public opinion research was as follows: 11% of respondents chose the knowledge, 12% - science, 7% - Constructive thinking, 8% - deep reasoning, 10% - and the spirit of the work, 7% - patriotism, 30% of respondents chose all of these are signs together. This is understandable because, according to popular opinion, all of these features are widely recognized as markers of intelligence.

It has been 3 years since the adoption of the strategic project "Intelligent Nation - 2020". Questionnaires prepared to identify the degree of confidence in the long-term project and its impact on society, showed the following results: 65% of respondents recognized the authority of the project, and 30% showed no trust him.

By and large, the approval expressed by a large number of respondents, may be associated with a positive impression of the performance of government policy and intellectual readiness of the public to express their civic position. Education is seen as the leading factor in the information age. Thus, it has become a vital generator of intellectual personality.

Recommendations

The government should make drastic reforms in order to be in a position to cope with the problems of post-industrial world. Providing quality education, we can train competent, intelligent individuals, useful to society. Education is the main source of the universal values of humanity and unique way in which individuals learn social values. In this context it is worth mentioning the idea of "social morph" by A. Subetto (1994). According to him, the educational system of each nation is unique and changes in the structure of social, economic, national, ethnic, demographic and cultural changes are attributed to "social morph" – transformations of a process. This feature allows it to transform education, camping, to match the historical, cultural and socio-genetic changes.

During globalization there is no place for a limited system of education in national traditions. Education structure should be formed in accordance with the best practices of the world. Intensified process of modernization in Kazakhstan requires the development of the education system in two ways: on the basis of national values and with the modern world achievements.

There is a need to facilitate the acquisition of knowledge - the great treasures and values. Today, countries around the world recognize the importance of moral and ethical values that are part of personal and common values of humanity. Respect of young people towards their country, recognition of their responsibilities towards the people, their respect for the culture and traditions are more important than material wealth and value.

Since education and science are the most valuable assets, investment in education and science is an investment in the prosperity of the whole society.

Conclusions

Human capital is an important asset of intellectual society, the most valuable asset, which directly affects the creation and expansion of the material assets of any country.

Development of national intellectual values was noted by 57% of respondents as the main prerequisite for the formation of an intellectual nation of Kazakhstan, at the same time, the lack of spiritual and cultural, exemplary educational environment has been identified as the main factor threatening increase of intellectual potential of Kazakhstan by the majority of respondents (39%).

Studies conducted in Kazakhstan, allow formulating the following policy recommendations that can possibly be used by other countries to invest in the prosperity of the state by investing in human capital:

- Providing high-quality education;
- Increasing national projects aimed at augmenting human capital;
- Taking into account the opinions of ordinary people;
- Creation of the necessary conditions for young people;
- Increasing profitability for the intellectual projects and activities;
- Implementation of adequate reforms and improvement of cultural and information wealth.

Summing up, it should be noted that the Kazakh society is ready and willing to build intellectual nation, there is evidence of progress in the human capital sector, the public concurs that education and science are the main pillars of the knowledge-based society.

The President Nursultan Nazarbayev said in his annual address to the people of the Republic of Kazakhstan said that "through the formation of young people should not only gain knowledge, but also to acquire the tools necessary to quickly adapt to the social processes". The training and learning process should also provide the moral and ethical values, that is, patriotic values, moral and ethnic tolerance, body health, perception of and compliance with the law. These universal values must be taught at all levels of education.

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