

TEACHING ECONOMICS: POST-SOVIET CASE

An inevitable manifestation of the current crisis of the Russian society was revealed in the gap between the dramatically changing socioeconomic conditions of life and the inherently conservative stereotypes of the economic patterns of human conscience and behavior. Especially . painful the gap was felt in the system of economic education (primarily in teaching the economic theory) which evolved as a mechanism of strengthening and reproduction of such stereotypes. As a result the practice of teaching economic sciences started causing an alienation response while a acute shortage of qualified economically trained personnel in many fields was seen and the interest for economic problems expressed by society reached its peak.

An interdependence of the crisis of economic education and the general system crisis of the Russian (Soviet) society predetermines the profundity of the former crisis but gives no hope for its self-regulatory solution as the social climate stabilizes on the whole. A comprehensive programme of reform in this area based .on a realistic estimation of the depth of the crisis aid the nature-of the processes that have a direct impact on its dynamics.

Of key important are the following processes:

- an irreversible change of the significance of economic education in the course of democratization of society as a whole accompanied by relevant change in the social status of people actively engaged in it. While maintaining their influence on the social conscience, those latter stop being the "ideological brain trust" underlying the authorities in power, It eliminates all their former obligations and limits but at the same time; it makes them carry the burden of a competitive struggle for an access to a pod of trainees, and, which is not an infrequent case, is further emphasized by τ elimination of the formerly existing "advantages which once reflected a benevolence of authorities towards them;

- a radical change of the economic reality in its entity, la the object of knowledge, determining the content of the training courses;

- a relevant change in the essence of the "social objective specifications" in the activities of all groups of economists which implies: (a) a market orientation (The "pendulum principle" suggests that traditionally developed in the USSR subjects including national planning and state control, whichτ still highly topical for the country, as well as the principles of activities of enterprises within the state-regulated economies turned highly unpopular) and

- (b) "pragmatical oriented theories" when almost every theoretical programme or a research project are immediately required to produce practically applicable conclusions to be implemented as a policy;

- a change in ideological values on the part of the majority of the population with relevant shifts in the pattern of demand for economic knowledge and expertise;

- discrediting economists as a professional community before a growing number of people due to an unambiguous and timely response to new challenges in life economists are held responsible for the desperate situation in national economy, for the failures of the successively introduced programmes of overcoming the crisis and. lastly, for the evident indecisiveness on the part of prominent economists which are beyond ah ordinary mind to grasp;

- a disintegration of the professional entity of economists proper with accompanying ideological revisions,, defamation of the former pivots, a toss of the road-marks and the dilution of standards of professional activities;

- re-evaluation of their place in the space of economic thought, both domestic and

- a reassessment of one's place in the cultural space of economic thought both domestically and internationally, awareness of a gap between the economists professional community and the world community up to evolving its own sort of 'pravincionalism'¹.

To put it briefly, a crisis in economic education is a symptom of a graver disease, a manifestation of a crisis of the economic conscientiousness of society at large, a crisis of the professional community of economists who under the changed conditions are not ready to perform their function of adapting the social economic conscientiousness to the realities of economic life. The crisis of the professional community has been revealed in rejecting the theoretical official Marxism-leninism paradigm which was cementing it once, and in destroying everything relating to the usual set of ingredients and components of the way of life associated with the professional paradigm (including standards of activities, channels of communication, ways of settling emerging conflicts, mechanisms of career development prominence standards, sociopolitical, institutional and informational environment).

The range of the problems under consideration is further increased by the fact that the economic

component of the culture of Russian society at large is involved, the component which in conditions of a civilized right towards a market economy is to undergo a most crucial destruction and is to have a most dramatic impact on the general socio-cultural dynamics: Within the scope of domestic social sciences, the economic sciences, the economic science alongside with, perhaps politology and sociology bang disciplines of more modest traditions domestically and thus originally presented at a lower institutional level is undergoing a most radical transformation.

I. The Field of Reform

Utterly, we will speak about the transformation of the social economic conscientiousness and stereotypes of economic behavior of people, with the mass and professional components of this culture given a special consideration, too. The tasks emerging here can differ broadly in their scale and the duration of the processes involved.

First of all, the transformation of the mass economic consciousness and economic behavior apparently cannot precede the dynamics of the economic transformations proper. An attractiveness of mass-oriented ideological indoctrination in order to introduce the concept of market values is very is deceitful It can be accounted for by a high inertia traditional values can hardly be ousted by words atone. People (for a few generations¹ liege, at least) should see for themselves the acceptability and final justice of the market relations, values. Secondly, the population of the country at present is allergic to any imposed ideology: the generally positive attitude towards a market was the result of the failure of the centrally-planned economy, and under the influence of the information on the standards of living in the market economies. A wide campaign of a pro-market indoctrination accompanied by an actual aggravation of the living standards of broad strata of the population can easily change the "positive pro-market attitude to its reverse. The task of the mass-scale economic education is not to impose any particular style of life, but to help adjust to routine and initially strange realities of life within the developing market economy.

The army of practical economists (entrepreneurs, managers, employees of economic services of state agencies aid organizations and enterprises) is too numerous (including over several million people) to be seriously considered as a possibility of their manageable development (and even to a lesser degree of a likelihood of their radical change) and whatever means and costs. Only non-direct impact can be implied here (access to, information, assistance in developing major market institutions) and a selective support of a few companies turning them by this very support into model (exemplary) ones, An inevitable pre-requisite of a significant impact in this area of economic education and development is availability of a modern efficient system of training and re-training of economic personnel.

Teaching economics (economic knowledge) in higher and partly in high, school seems a most realistic "manageable" area of a goal-oriented implementation of a reform as the most active link of the system of economic education at large. The pattern of the teaching activities includes three major components, namely, who is taught (students, trainees), who is the trainer (teachers body) and what is being taught (the contents of the training courses and curricula).

Economic knowledge was professionally taught to students in all Soviet institutions of higher teaming (to those who majored in economics and for the purpose of general education) and in secondary specialized schools. Similarly, within the general enrollments of students specializing in economics, there were practical economists, teachers of economics and researchers in the field of economics. The whole system was further expanded by post-university training and development post-graduate courses for teachers and researchers arid qualification up-grading courses for specialists (embracing a system of branch qualification-upgrading institutes, which includes 10 such institutes incorporated in universities am) designed for teachers of economic sciences)&

The scale of these activities can be judged by the number of institutes and students involved In 1990 the USSR had 911 institutes and over 5 mln students (including 756 graduates with 9%, i.e.. 67.6 thousand students majored in economics and law), At least 14% more ought to be added to this figure, accounting for almost 170 thousand people who majored in these two fields in secondary specialized schools. Russia done had 514 institutes and universities in the same year with a total student enrollment of about 3 mln people. The number of those who took a post-graduate course in economics (without Lithuanian) was about 2.5 thousand people, which accounted for over 10% of the total number of post-graduate students. The total number of teachers and those providing and elaborating the curricula was over 1 to in the late 1980s of which 35% (i.e. about 40 thousand people) had scientific degrees of doctors and candidates of sciences. In the 60s and the 70s economic sciences provided the highest rate of growth of the number of specialists of highest qualification degrees. During that period their proportion in the total number of research associates (scientists) almost doubled and reached about 7.5% in the 80s which can also provide information about the age structure of this group of specialists.

The supplied figures characterize the scale of teaching economic sciences in the country, they leave no or very little chance to programmes of immediate radical changes in training patterns and content. One can and ought to try to increase the scale of trainers' retraining including possibilities of foreign study tours or programmes participated by foreign specialists, however, this task, too, can hardly be efficiently solved within the nearest 2 or 3 years especially taking account of radical up-dating of the contents of the courses or considering a possibility of an immediate general re-training course for everyone involved. The possibility of a timely and radical substitution of "new wave" teachers for the "obsolete tot" is highly unlikely, either. And it is not only a question of no "pool for substitutions". The question is much more basic and thus much more simple or complex "Who is to judge the degree of updatedness of a specialist that is the standards of professional adequacy of teachers and mechanisms their professional development.

In order to ensure a radical change of the system today it is necessary to change the whole mechanism of generating, perception and "translation", transference of ideas within the professional community of economists. Our dynamic time rejects as inefficient a mode of introducing a certain standard set of training courses, without providing mechanisms and conditions for their adaptation, perfection and self-development. New courses ought to be taught by new teachers capable of not only understanding the material and methods, but also of effecting their thinking in the new categories and perfecting the whole system. Unless this condition is provided, we can discuss in earnest only the idea of tutoring multiplication,

The reform of the teaching system is only possible by gradual and consistent regeneration of all its links by pushing up, the positive and holding down the negative trends in the work of the professional community of economists, it is necessary to develop new possibilities for creative initiatives and growth of the members of this community, setting the standards permanently and gradually higher than before, the standards implied are achievements in teaching methods and results of research in the relevant field. In other words, the reform in teaching and overcoming the crisis within the scientific community present two aspects of the same problem/

2. State of Art in Teaching Economics

The system of higher and specialized secondary economic education existing at present is mostly designed for the two major types of training institutions;

- 1.State Institutes of higher learning and secondary specialized.

- 2.Independent (private) universities and business schools. Below is a brief outline of the state of everyone of these groups.2.1 State institutes and colleges.

During the years of restructuring of economy (Perestrojka) a serious deterioration of the system of economic education in the USSR occurred. Crisis of Marxism-leninism as the ruling ideology was reflected in the crisis of all its components? including political economy. It was revealed in the training process as a significant reduction of the number of instruction hours (by 25-50%) designated for political economy and related subjects, Those latter included:

- 1.Special seminars on Marx's "Das Capital",

- 2.Special tutorials (seminars) on Lenin's theory of imperialism.

- 3.Special tutorials on political economy of socialism (in many cases this part of the syllabus was substituted by the theory of Soviet community, white somewhere, and non-infrequently, it was completely omitted).

4. Optional courses, etc.

As a result, the time devoted to economic disciplines was generally decreased. Secondly, the crisis was also manifested in the content of the courses delivered. Unified standard system of delivering economic sciences sources which had been in practice since 1936, for all the inherent, disadvantages» had a number of positive features Those were unified syllabi and their periodic up-dating from the top downwards. Strange though it may seem, it was the Center who acted as the initiator of new programmes, forcing institutes (universities) introduce new training sources very often running counter to the will of the local authorities overcoming the bureaucracies back in the province who shared dogmas which became too obsolete). The reduced pressure from the Center resulted in the fact that alongside with some raw and original courses that appeared during the years of Perestrojka (which was rather an exception than a rule) a lot of "amateur" curricula popped up, featuring non-professional cultured and arid approach, frequently, they were below any standard both from the point of view of science and the point of view of Marxism. In their major part these syllabi feature eclecticism. They provide a peaceful co-existence of the labour theory of costs and the theory of production factors, to mention just a few things As a result most institutes do not include into their programmes such theories as of added value, neither do they provide courses which are an inherent part of economic education in developed and developing countries.

1. Principles of economics.

2. Intermediate macroeconomics.
3. Macroeconomics (intermediate), let alone such specialized courses as
 - comparative analysis or economic systems,
 - fundamentals of taxation,
 - monetary theory, banks and money-credit supply,
 - applied statistics and econometrics,
 - public and international finance,
 - ~ basics of entrepreneurship,
 - economics of ecology,
 - insurance and other subjects providing the core of economic education in the West.

In addition to the ideological crisis, an important role in the decreased prestige of teaching and teachers of economics was played by the general crisis in economy. A lack of clear and transparent concepts of a transition to the market that students would be able to understand brings to an apparent conclusion of redundancy of knowledge their teachers have, their uselessness in solving practical problems (especially in the sphere of practical business).

Feeling pressure both from inside and outside, many departments started giving in many areas, which resulted in lower requirements to students and post-graduate students during exams and giving them credits, in final exams, entrance competitive examinations when selecting postgraduates and Master's examinations, in requirements to doctorate papers (Ph.d, not to allow a further aggravation of the situation that many economic departments found themselves in. As a result many institutes eliminated graduation exams In political economy (and so, in economics, at large) credits were substituted for exams, obligatory courses turned into optional, etc

The situation in the departments of political economy was further aggravated by the fact that many of them enrolled former full-time party functionaries and state employees (unemployed now due to the closure of party organizations and the changes in the election system of the country). These economists who managed to forget during the years of their political careers even the basics of Marxist political economy, could not contribute to the improvement of teaching but at the same time they emphasized the conservative wing of the personnel in these departments and thus promoted the negative attitude of students and post-graduate students to these departments. In fact this new group of teachers changed the age pattern of teachers in the departments, where now mostly elderly people were engaged, though, frankly speaking these departments never gestured young age of teachers as Mr strong point. A number of these new political economists (of the party functionaries lot) left their new jobs as commercialization of state shandies developed but during their short period in the departments they had managed to recruit proponents of many newly-emerged labour parties" and labour fronts". The decline of requirements was further promoted by the still existing and retained system of assessing intermediate and final results of studies. Up till now the majority of the instituted (universities) and specialized secondary schools maintain the system of an oral exam (in contrast to a written exam prevailing in the West).

2.2. Independent universities and business schools.

During the years of the Perestroika, quite a few independent universities and business schools emerged. The majority of these new institutions evolved as elite schools. Tuition is paid for and the high level of payment predetermines the composition of the students' body in them. At present it varies between 50 and 100,000 roubles and higher in a number of cases at business schools and up to 10,000 US doll. in Universities (e.g. International University in Moscow).

Most trainees of business schools are people having no economic higher education.

With high taxes, business schools in Russia and neighboring countries turned into a specific type of high-prestige economy a way to spend a part of the profits» enjoy good leisure, let hard currency (if such a school provides classes during international cruises and the like), and eventually to evade taxes on some of the income. .

Business schools feature a non-systematic character of training. The set of the courses offered depends on the available invited lecturers. Very often western-like names of courses hide objectively obsolete contents. In developing their curricula, most of these schools are not knowledge - driven, but rather understand the idea of customer-tailored course as a course easy to understand, satisfying the undeveloped tastes and requirements of the trainees. Further upgrading of the teaching levels (which, generally speaking is higher than that of most state institutions) is obstructed by the recent trend for monopolism on the part of those who are permanently on the list of the invited lecturers or who got their full-time jobs at these educational centers. This trend is easy to nourish and develop within the system of the relatively closed commercial training institutions.

Training Economists for Enterprises and Local Authorities' agencies of State Management

Training experts of economic specialization is provided by a great number of higher educational institutions of the OS. There are both specialized institutions of higher education (including financial and economic academies) and economic specialization departments in branch institutes (those that train students for future work in various branches of economy) both in manufacturing and service sectors, such as. engineers- economists for machine-building industries).

Specialists for financial accounting, pricing, supplying and distributing departments of enterprises and local authorities' offices are usually taught at specialized economic services get training at brand) institutes. The core units for delivering educational services are departments specializing in individual sectors of economy and branches of economics. However, at present, due to a number of reasons, the system is experiencing a deep crisis due to inadequately trained teachers unable to deliver courses of general theory and specialized subjects, market-oriented, and also due to a lack of training and methodological literature both for students and trainers.

Teaching applied economics is standard-oriented. The negative characteristic of the available courses is their narrow methodological approach, bringing the teaching process to a more description of the existing economic mechanism without any attempt to define its comparative efficiency in standards and institutes. The latter can be easily proved by looking into any manual on "Economics of industry" or "Finance and Credits", etc.

Students have to learn the definitions and descriptions of the existing economic mechanism (including the accountancy standards^ of enterprises, standard performance evaluation indices, etc) Since the text-books are at least 2-3 years behind practices, the students either get obsolete standards or no-future definitions.

Little attention is paid to the dynamic aspects of production development, to concrete ratios and proportions of its factors and case studies.

Students have practically no training in the theory and practice of decision-making

Besides, CIS countries have a system of re-training specialists at post-university level they are the so-called institutes of qualification up-grading, and they usually have facilities for mass-scale specialist re-training programmes. But at present they gave similar difficulties in teaching economic sciences. It is within this framework that urgent necessity to provide possibilities for training, by developing practically new basis for these sciences, to ensure mass re-training programmes for teachers of higher educational institutions and do it alt within shortest possible time. Especially urgent is the need of the OS countries in re-training specialists in the following fields:

financial and management accounting, financial management including managing the budgets_c of the local authorities, marketing, organization of foreign trade operations, personnel management economic law. budgeting and managing project finance, investment management managing communal services in a market economy. This variety of specialization acquires a special importance for the economy at large due to:

- significant financial difficulties which enterprises have to go through at the earlier stage of the transition to market methods of economy management and the necessity of financial health improvement on the way to privatization of the state property,

- a dramatic problem never before faced with in the CB countries connected with the distribution of the ready product

- obtaining the right to independent carrying out foreign trade operations by enterprises;

- a changing system of labour relations in privatization of the state sector of economy,

— reforms in the system of economic law connected with the possibility of private property and opening the economy for foreign investors;

- the setting-in large-scale restructuring of the economies of the CIS countries accompanied by conversion of defence industries mid the necessity of a fastest possible increase in manufacturing capacities for consumer goods;

- a decreasing significance of the federal (central) budgets in financing the expenditure on maintenance of socio-communal facilities and emerging problems of market-based social services never before faced with in the CIS countries.

3. Factors of and Trends in the Development of Professional Community

At present the determining trend for developing professional community of economists is to disintegration/ Up to quite recently it developed around the official ideological doctrine of Marxism-leninism whose paradigmatic role was supported not only by the scientific results obtained within its framework, but rather by institutionalization of its activities (in the personnel and publishing policies, in the criteria of assessing the achievements in the teaching and research activities, in the orientation of the "indoctrination"

efforts, etc).

The institutional Supports provided supports for the dogmatic rigidity of the original theoretical pattern and undermining its ideological status. As a result, the official Marxism-leninism proved scientifically futile and uncompetitive not only from the point of view of the general context of the world economic science, but also within the framework of the world Marxist thought whose best manifestations were seldom within view of the domestic information field of specialists.

As a result of the shifts in the political situation and the change of the ideological pivots in the top echelons of power, the official ideology lost its institutional support and stopped serving as an ideological paradigm. The former mechanisms of the original community functioning started Disintegrating very fast with no new mechanisms coming to substitute for them. The traditional sources of financing got dry, frequency of professional contacts decreased, plans for cooperation withered.

Within the professional stratum here typical became either conservatively-dogmatic views oriented at the old discarded paradigm or the opportunistic targets oriented at the "eternally alive" parading of the instruction from above (in the present or the nearly expected future),

The general result of this development was a generally accepted "pluralism of the scientific community accompanied by a dramatic lowering of the requirements level. Re-orientation at new» mostly foreign values occurs sufficiently fast but the level of perception of the world economic thought remains, as a rule exceptionally superficial.

Discrediting the old paradigm weakened significantly the standpoint of economic expertise (foremost the economic theory) in the competitive struggle for the instruction hours against other subjects and sciences in the curriculum. There was a pressing, too, on the part of the student who frequently refused to listen to the obsolete courses as well as on the part of the institutes' managers (mostly of economic institutes) where economizing on the economic sciences became a wide-spread phenomenon. This double pressure proved to be the major factor which forced the economic departments change their work operatively.

If the pressure exerted by students and colleagues from other departments was most painful for relatively weak teachers, emergence of optional spheres of economic expertise and, correspondingly, the source of incomes (frequently relatively high) made a blow at the best of the teachers in economic departments and caused their outflow into commercial institutions. A competitive demand for highly qualified specialists in economics is a serious obstacle causing a damage to the readiness of a higher school for a radical transformation.

The principal way of the professional community response to the changed conditions of the teaching activities were their efforts to restructure the syllabi and curricula. The Center of the new pattern was occupied, and justly, too, by the fundamental course in economic theory the most mass-oriented and setting the level of the general structure of economic education.

Three major approaches can be distinguished in the solution of the task. The first one implies a nominal adjustment of the traditional programmes, revising and up-dating the terminology and concepts and providing illustrative materials, including additional chapters reflecting new economic realities and economic and political targets.

Another approach implies a complete break from the former practice of teaching ideological and methodological re-orientation at any available Western text-book. Xerox copying of the Russian version of P. Samuelson's thirty-year old book and publishing the outline of the new edition of the same manual is just one of the most vivid illustration of the situation in this area, testifying to a profound provincialism of the domestic professional environment. A distinguishing feature of this approach is a complete freedom of any dependence of the course on the conditions of the country where the course is taught (though it is common knowledge that this dependence is a common practice when old standard text-books are used outside the country of its origin. It is difficult to assess as a serious attempt the effort to adjust the text-book to the conditions of the country in the course of teaching proper. Pre-requisites underlying standard Western textbooks are very rigid and in many cases actually preclude a possibility to use respective theoretical models for explaining processes occurring in domestic economies.

The third approach includes various attempts to join domestic efforts and Western traditions in teaching economic sciences, theory within the framework of a single course. The major problem in this case is a compatibility of different theoretical structures underlying both traditions (Marxism, represented on the one hand, and neoclassical or Keynesian theory on the other hand. We have to deal here with a sophisticated methodological problem having so far no satisfactory solution and calling for special research. Meanwhile, the approach without a due solution is fraught with the great risk of eclectic piling of heterogeneous materials together and a waste of systematic (systemized) theoretical knowledge.

4. Potentials and ways of the renewal of the professional community

A stable progress in teaching economic disciplines at present is impossible without a resurrection of professional research and pedagogical community of economists capable of providing a permanent feeding to the training process with new research and scientific ideas and topical generalizations of economic practices (primarily using the experience of the country itself) as well as keeping the "requirement level" of professionalism so that it could ensure influence and appreciation of the profession of an economist inside the country and respectively a high social status.

The professional community to be reconstructed ought to rely on new principles in many respects and be viable for the life within the democratic society consistent with it.

a) One of these principles is a respect for one's own traditions. The wealth of traditions of the Russian and Soviet economic sciences is an important and frequently under-valued factor of its future resurrection it is sufficient to remember the names of the world acclaim that include E. Slutsky, V. Leontyev, M Tugan-Baranovsky, N Kondratyev, G FeWman, L Kantorovitch.

An important tradition which is also a manifestation of the potential of the domestic economic science is its typical variability, inherent to it and alive even in the worst times of a rigid ideological control over a scientific thought. The whole period of the Soviet economic thought is permeated with arguments and discussions between "ideologists" and "pragmatists" which frequently hid dramatic differences. By the assessment of the situation in the national economy and reflected the differences in the outlook on the future development of the country. These discussions helped in accumulating knowledge and reflecting an understanding of the peculiarities of the economic system in the country, later to be referred to as "economy of the Soviet type". In the post Stalin period there was every reason to speak about the development of scientific schools differing in their methodological orientations and theoretical views. The most prominent of these phenomena is an emergence of an economic-mathematical direction at the turn of the 60s started by significant scientists including V. Nemchinov, V. Novozhilov, L. Kantorovitch, A. Lurie.

b) It is essential that the domestic professional community since its very start should resurrect as a part of the work) economic community. Actually speaking, a complete self-isolation had never existed and this fact, in particular, made it possible to prepare and publish a sizeable volume of the world economic classics.

Nevertheless, the problem is by far not solved. Doubtless, the country can and should proceed from the peculiarities of that internationally oriented experience. But this fact can hardly serve as an excuse for overlooking the international experience, international research, over-emphasizing home-made methodologies and scientific routine. Briefly speaking the much used phrase concerning the originality of the research undertaken in domestic conditions, so frequent in Ph. d., ought to become a bygone together with the reality it stands for - implying a complete unawareness and unwillingness to know what is going on the field of knowledge where a researcher is challenged at least to look and sound professional.

c) leaving behind the status of an important link in the system of the ideological support of authorities, the professional community of economists ought to take care - from its very outset - of its future place in the social life of the country.

This requires high professional standard, impeccable moral reputation as well as one's prudent and independent position with respect to the topical socioeconomic problems. A capability of developing these values as the basis of professional ethics and code ought to determine a degree of efficiency of all mechanisms within the professional community.

d) The basic principle of the life of the professional society can be pluralism ~ both in ideology and theory, in methodology and politics. At present the economic science has not got one single paradigm capable of uniting all scientific schools and directions. There is only a common object of cognition and a common responsibility before society at large for the level of understanding and for the search of ways to settle its socioeconomic contradictions. In these conditions, a professional society cannot be arranged differently from that of an aggregation of various schools and channels of specifically narrow professional scientific exchange and communication where everyone of these structures ought to carry the principle burden of responsibility for maintaining standards of science consistency and professional ethics in their own environment. An interaction between the basic elements of society on the national and regional levels can only be effected on the principle of refusing one-sided claims upon truth, on the principles of tolerance and a dialogue. An important task of the near future is general assistance to the organizational development of the society as a pluralistic structure, developing mechanisms that will enable functioning of the existing and emerging scientific schools, their development their contacts with relevant sub-structures of the world professional community.

5. Principles of developing curricula on the economic theory: the aspect of the contents

The central part in the reform of economic education belongs to developing and introducing new

training courses primarily in the field of economic theory. For all the importance of the methodological aspect of the problem, this task is first and foremost connected with the contents, especially nowadays that radical shifts occur in the conscience of people underlying and emphasizing the changes in economy. No training programme can embrace the completeness of the accumulated knowledge, within the framework of the relevant science. A selection of material is necessary with the apparent criteria for it are the logical consistency, and adjustment to the conditions of the country where teaching will actually occur. In our case, these criteria are contradictory for logically consistent theoretical concepts are developed on simplified assumptions which are not valid in describing today's situation of the Russian economy.

The specific features of domestic economy are defined first of all by the level of its economic development, secondly, by the socio-cultural traditions of the country and, thirdly, by the transitional character of its economic system which is reflected in the macroeconomic non-equilibrium, in structural and regional distortions of proportions and a lack of institutional stability.

The transitional character of the system implies that the general mode of the socioeconomic development of the country has not yet developed completely and this increases the significance of the socio-cultural factors which to a great extent determine the range of realistic options. In these conditions an adjustment of the training material to the specific features of the country can not be regarded as a substitution of a set of illustrative materials by another one and using specific names for specific realities to identify the country.

The inertia of the existing national economic and socio-economic structures predetermines a relative duration of the processes of their reform. It means that neither today nor within the nearest future the Russian economy will work either after Marx or Walras, Samuelson or Friedman.

Equally unacceptable is the substitution of a course in economic theory by a description of the existing system. A course like that would fail to perform its major function - it would not provide an adequate introduction into professional area.

The conditions available at present for settling these problems are extremely complex and difficult due to a lack of financial resources necessary to be allotted for the purposes. Besides, the first experience of providing training in the economics for a market economy proved an urgency in elaborating domestic text-books and manuals. The market of training literature in the CIS, experienced an invasion of non-adapted translations of American text-books on economics (P. Samuelson, P. Hume, K J Mac-Cdunnell and S Brue). They all are text-books of a sufficiently high class but they are based on the description of the predominantly American model of the market economy meanwhile, OS countries need text-books describing various models of a market economy and oriented to a greater extent to a transitional economy where market mechanisms of various maturity co-exist for instance the stock market in the OS is in a rudimentary state which cannot but tell on the total pattern of the financial activities of enterprises and local authorities),

A way out of this situation ought to be looked for in expanding the theoretical material used in the training course beyond the customary frames of an ordinary training course, practical teaching has been already following this way, making use of the theoretical works of Ya. Cornay which enable to bring closer the mechanism of macroeconomy theory and the 'realities of the economies of the Soviet type'. This approach should be followed and expanded. The experience of the world economic science has in stock theoretical models describing various non-equilibrium situations (including special analysis of such phenomenon as crises, shock work etc) processes of economic development (primarily the experience of the "third world" countries) as well as various aspects of institutional relations (theory of property rights and transaction costs, of social choices, industry dynamics, etc),

Regretfully, this type of expanding the theoretical basis for the training courses can only be a temporary, intermediate solution. It will enable to bridge the gap between the theory and practical experience of students and trainees, but at the same time it puts forward connected with the integration of the theoretical material accumulated by various orientations and schools of economic thought within the framework of one course/Not only the relations between the Marxist and non-Marxist thought are involved it is a more general question connected with the heterogeneity of the images of economic reality underlying different systems of economic theory for instance, the neoclassical Austrian and Institutional schools.

At first glance this contradiction is overcome by the very fact of coexistence of textbooks of different orientations. However, in our case it is not only and not so much the reflection of different approaches to the same things (this is actually the purpose of alternative text-books), but to engage within one course mutually incompatible, non super-imposing fragments of theoretical knowledge, non-homogeneous meteorologically but enlightening some particular parts and specific characteristics of economy undergoing complex frequently very irregular "non-canonical" transformations.

A simplest thought insufficient remedy against this against inevitable eclectics and fragmentarism is

a consistent and clear explanation of the philosophic, methodological, institutional and behavioral prerequisite underlying every theoretical system.

A more promising task is an elaboration of a text-book capable of providing a meta-theoretical synthesis of various directions of the economic thought it implies carrying out a special analysis of their philosophic fundamentals, possibilities and principles of their integration within the integral picture of the economic reality,

A stage-by-stage movement towards a new model of teaching the economic theory could actually include three stages:

- for the near future, it is essential to combine elementary Western text-book as the basis for mastering the terminology of professional communication within the professional community and a manual; including essay-type narration making use of the concept of all schools of the economic theory for the purpose of analyzing problems of domestic economy. The central part of this text-book could be devoted to the so-called "phenomenological models" describing the realistic peculiarities of the domestic economy with the help of up-to-date scientific vocabulary. (See Kuznetsov, "Economics and mathematical methods" 1991, #5, p. 949-950).

- the next stage could include elaboration of an actual text-book, uniform for everybody, of the Western type, emphasizing a comparative analysis of economic systems (first of all of the economy of the Soviet type and the transitional processes) accompanied by an special course in modern world economic thought making an emphasis on similarities and dissimilarities of methodological and other prerequisites underlying various scientific schools and directions;

- an integrated text-book on economic theory is perceived as the final stage of the process, summarizing both institutional diversity of the economic systems and the theoretical and methodological diversification of approaches towards their studies.

6. Re-training of teachers

There implied three levels of the task:

1. Training higher qualification personnel at Western universities.

The positive features of this approach include systemized training an exceptionally high level of professional requirement from the point of view of today's level of the world science, establishing close scientific and personal contacts with the Western economic community.

However, the existing negative features put a significant constraints on the possible scale of these activities, high costs of training every one teacher bang the first of them. Another one is the fact that training is torn away from the realities of Russian life, an intention of graduates, regretfully implemented quite often, to find a way to stay in the West after the course of training is over rather than go back to one's own country,

A conclusion to be made is: training in the West is worthwhile for only a small group of specialists, teachers from the leading institutes capable of providing sufficiently attractive incentives for their associates to return after the course of training is over. The studies should be organized in such a way that the return of specialists is guaranteed both legally (by way of specially designed contracts) and by arranging the course so that periodic courses are intercalated with periods of teaching and research in their respective institutes at home.

2. Setting up new educational institutions on the basis of advanced research and training facilities widely participated by Western universities.

3. Elaborate the nucleus of the qualitatively new approach in teaching on the basis of the world economic science (including 4-5 research and training centers set up on the basis of the existing research institutes and universities. It seems expedient to set 1 or more Higher economic institutes (colleges) on the basis of research institutes of the Economics sector of the Russian Academy of Sciences in Moscow for the purpose of training Masters in Economics widely participated by Western professors. They could specialize in the theory of general economics. Alongside with that a number of centers ought to be provided with an emphasis on applied economics. It is essential to provide several centers in each field so that monopoly could be avoided from the very start. The above centers could be established and available on the inter-republican basis, their status could be ensured by their financial, organizational independence of the republican governments.

A distinctive feature of these centers will be a new staff (faculty) employed and invited to participate. They ought to be young people members of both Russian (domestic) and Western (world) academic communities, carrying out their own research within the framework of international projects. The primary task for such centers will be training students in economics, these centers, thus, will provide the function of "a nursery" for a new academic community.

In order to ensure a high academic and methodological level of training in these new research and

training centers, it is essential to, set up these centers, each on the basis of close cooperation with 1 or 2 leading universities. It would imply direct participation and involvement of Western scientists in the process of drawing up curricula, scheduling the instruction process, designing the whole process of instructing and attesting (assessing the academic achievements of their trainees. The reliable contacts with the leading Western universities will be also manifested in the fact of a recognition of the diplomas awarded by the centers to their graduated

Predominantly direct contacts with the scope and contents of the research work based on the local materials, employing this material abundantly in cases for study, text-books aid discussions a lower cost of the overall expenses, promoting new organizational developments are but some major advantages of the new teams and centers.

Their disadvantages will include are new forecast as scarcity of the available facilities (classrooms for training, hostels on campuses, difficulties to be overcome in order to ensure a complete and comprehensive "training cycle" with respect to the scope of the subjects in the curricula, inadequate salaries to the faculty. The traditional "complete cycle" in the older institutes was artificially maintained out of inertia, mostly).

Conclusion: a success in setting up and developing new educational (training) centers and elaborating a network of such centers on the territory of the former USSR is a most efficient way of restructuring economic education. However, due to a limited number of adequately trained teachers willing and capable to do this work, in fact only very new (4-6) centers of this type can be developed. Their major function will include training and re-training teachers at the MA level alongside with compiling and promoting experimental training materials. In order to facilitate their task, the existing Institutes of qualification upgrading ought to be transferred to them.

Using the available economic departments at universities and economic graduate schools is further complicated by practical difficulties faced when the question of immediate and sudden dismissal and change of the faculty is considered. The traditional faculty will give the existing training centers an "obsolete flavor".

The importance (both political and instrumental) of the question concerning the level and the orientation of training economists, and mostly, trainers, will require from the agencies engaged in implementing the reform a dose attention towards the contacts and the methods, and quality of economic students' training. Regretfully, the government does not appreciate the urgency of this step and all its implications.

Nevertheless, it is essential to involve the existing training centers (at the initial level and at the BA level in training teachers and economic departments of Moscow and Novosibirsk Universities among them, first of all, together with Moscow Financial Academy, St. Petersburg financial-economic institute and some others.

The "therapy course" applied as short periodically run courses, first at a more profound level as time goes, aimed at re-training the available faculty at universities and institutes ought to be started anew on the basis of institutes of a new type. It is essential to develop and draw up new programmes and curricula and requirements for trainees. There is a potential threat awaiting here, which is an attempt just to give everyone a "theoretical absolution" and the right to teach new fields, thus turning them overnight, by someone will from communists into monetarist

7. Developing standards of professional activities.

The inherent sanity* of the research and scientific community and the degree of its prestigiousness in society will directly depend on the ability of its members to "hold the requirements mark high" in the standards of science and professional ethics. This task ought to be affected by the routine of the relevant community and special mechanisms of their activities assessment

An important impetus in this direction might be provided by publishing translations of the best samples of scientific thought in various genres. A relatively simple but inevitable step in this direction could be achieved by restoring the culture of scientific support in professional publications as well as boosting up the significance of a scientific survey. Best journals of the world publish surveys willingly when respective articles surveys provide summing up and assessment of the situation in various fields of research. Among their authors are specialists of world acclaim. Surveys of this type frequently become an event of a year, they are extensively quoted and referred to. Actually they determine the achieved level of the elaboration of the problem which makes it redundant for the researchers to follow to repeat all the previous stages in their research, thus assisting them to avoid an unnecessary repetition in their work.

A special system of assessment of research and training staff includes VAK "National Assessment Committee" and a system of specialized and general academic boards set up for the purpose of awarding

scientific degrees and titles. This system is now facing the choice either to strengthen the positions of the VAK or to encourage decentralization and pass responsibility for maintaining the standards of professionalism within the area onto respective boards exclusively.

The second option seems to be more promising. A poor PhD. paper or a post-doctorate research should be perceived as an attempt to undermine the professional prestige of every board where it is submitted for defence and approval as a threat to its rating in the world of science. So far, however, the situation is different. This traditional "division of labour" between the "kind Board and the "evil VAK" is so deep-rooted now that a simple decentralization of the integrated assessment procedures is fraught with a sharp, dramatic decrease of the anyway lowly placed requirement set of professional requirements. So decentralization will be carried stage-by-stage.

The first stage will involve greater rigidity and a detailed specification of the existing requirements within the framework of the existing system. This calls for a necessity to set up narrow specialization committees aimed at elaborating new requirements towards dissertations (theses) in every field and separately, independent of each other and simultaneously providing a finalized list of specialities. These committees should be trying to express an interdisciplinary character through making them up of scientists of different orientations and should include prominent scientists in every narrow field alongside with sufficient representation of these orientations. A certain limiting character of these steps will, probably, discourage a stream of dissertations submitted for approval and thus will tell positively on the situation in the long run.

The second intermediary stage would imply a transition to a one-tier system of assessment enjoyed in the West - Ph. D. type which could be eventually controlled by VAK. This transition will be gradual. Awarding new scientific degrees will be effected by new boards set up in compliance with the same principles as the committees of the first level and on their basis, which seems a likely and welcome development. Besides, similar principles can be applied to setting up boards (councils) which could be used as the nuclei of the future scientific schools. They ought to be councils under VAK rather than councils under different branch organizations. The elaboration of the requirements and the work of the boards and councils could be participated by prominent foreign experts, first and foremost from international associations of a relevant scientific orientation.

The status of the people awarded the new scientific degree ought to be likened to that of the former Doctor of Sciences (in a particular branch, science).

The third stage (5 - 10 years later) as the number of people who proved their compliance with the level of requirements of the world standard in their, respective professions will witness a decentralisation of the assessment procedures through a transference of their rights to confer scientific degrees and titles to university teams proper. This stage will undoubtedly be forestalled by a certification of the Board (council) seeking this right. New boards are expected to be formed of people awarded these new titles (degrees).

8. Three scenarios of restructuring the system of economic education.

Changes in the sphere of education cannot but affect the interests of the majority of, if not all the pressure groups in the post-soviet society. So every proposal and project in this area will inevitably become a core of contradictions and the centre of political moves whose outcome will be determined as a rule by external factors with respect to the object of the clashing interests.

It should be kept in mind that there is a significant influence still retained by bearers of traditional theoretical culture in the bodies of central authorities in Russia and other OS countries, and to a greater extent still, in local authorities. So irrespective of the significance and urgency of the economic requirements, and likely pressure exerted on the part of the West, updating economic education principles and practices in the OS will be accompanied with a lot of difficulties on the road full of obstacles and probably will not comply with the general trends of the world integration of the economic education.

Three likely scenarios of the future changes can be distinguished. Permanent factors of the three are the composition of the faculty in economic schools of higher (earning external pressure (on the part of enterprises, state agencies and bodies, and research institutes each having their claims on the graduates of economic specialities). The volume of state budget allocations made by CIS countries and the volume of technical assistance of the West, as well as relevant policies of national governments may be regarded as variables of the three scenarios.

- 1st Scenario State financing and foreign technical assistance remain at the low level.

This option implies restructuring the training process and the training curricula in every institute through their own efforts with the minimal guaranteed level of financing. The only channel of its expansion is commercial activities (tuition fees). This may ensure a fast but superficial adaptation to the requirements of the post-soviet market.

A major adjusting mechanism here is an accelerated re-training programme for trainers through the qualification improvement institutes and departments of qualification upgrading which can convert these group of trainees into "monetarists within two months".

"A prudent policy" with respect to the economic education is only capable to yield a positive effect in the long run since a strong pressure on the part of the consumers will encourage and ensure a natural selection of the training institutes. But the negative consequences of this policy will outweigh immediately:

a) due to slow revision of the teachers' corps;

b) due to a poor quality of teaching as a result of a superficial mastering the new courses on the part of the teachers' themselves;

c) development will predominantly be ensured by a growth of commercial structures (as those providing a better mobility of the staff and a possibility of occasional invitations to foreign teachers and domestic specialists). One can foresee as a result a sharp polarization of the system of economic education divided into free (or credit supported state education and "expensive" private education, This division in a few years will cause a development of two isolated and probably antagonistic scientific communities of the: conservative orientation and liberal-applied orientation with both levels leaving a lot to be desired.

2nd scenario. A limited growth of state financing and foreign technical assistance (showing a growth of 1.3 - 1.5 times that of the basis level). A support to pilot economic institutes (partly those created anew. Maintaining the former or slightly increased level of financing other institutes.

The essence of the approach here is to provide the leading educational centres with higher standards of financing than those of the major bulk of the institutes. This will allow to invite several scores of prominent domestic specialists in economists working for the Government research institutes and commercial enterprises to participate in elaborating curricula and writing (compiling text-books and thus making it possible to invite gifted young people as junior teachers at the same centres. It is worthwhile to channel most of the volume of foreign assistance in these centres to ensure establishing direct participation in teaching and exercising direct control over the activities of the centres leading to developing pedagogical and personal relations, with central Western universities and business Schools.

Since the main constraint on the way to developing such centres is seen as a very limited number of well-known domestic economists entering both the domestic and the international academic communities and their intensive engagements in various organizations in Moscow, what is actually implied here is at the most 4 centres of the type on the basis of a) the Institute of Economics, Institute of Economic Policy, Experts' institute and the Working centre of the economic reform - higher Economic College majoring in the problems of institutional economics, economic policy and microeconomics^ b) on the basis of the Economics-Mathematical Institute giving rise to the Russian economic school specializing in econometrics and macroeconomics), c) on the basis of the Moscow Financial Academy majoring in finance, crediting and accounting d) on the basis of the Academy of National Economy in Moscow specializing in the area of management.

Limited initial possibilities determine the initial orientation of these "new centres" at training and re-training professional economists at the level of Master and ought to be set on training a new generation of teachers. This in its turn will provide the basis for an up-dated and broader academic and professional communities profiles.

It is worthwhile to support the economic departments of Moscow University, the universities of St - Petersburg and Novosibirsk, where centres of future training for teachers and Academies at the Bachelor's degree for the research in the field of economics. These could practically be the only "old-timers" deserving this support for the new conditions.

The positive effect of the events in compliance with the scenario could be regarded as follows;

a) accelerated and goal-oriented updating knowledge of the teaching staff (providing courses for over 300 people annually

b) "economists-graduates of the "new institutions" possessing both stable and reliable knowledge of the theoretical core and awareness of the realistic problems of the post-soviet economy on the transition and a possibility to apply their knowledge and expertise to solving real problems;

c) developing within the shortest possible time of a complex of quality training materials adapted to the level of the post-soviet audience and realities of local conditions of the transitional economy; with some additional costs to cover the expenses on distributing the materials, they may provide the basis of the training process in various economic institutions;

d) decreased confrontations of the state and commercial systems of the higher level of economic education (in any case, with respect to the quality of the training materials).

At the same time the negative effect ought to be considered as well. It will show itself in a potential

likelihood of a conflict between the new training methodological centres and the united front of the older educational systems.

3rd scenario. A considerable growth of state financing (1.7 – 2.0 tones over the base) and a spread of foreign technical assistance over to all functioning educational facilities.

Developments of events along this way will result in strengthening first off all of the existing “old” educational institutions, and then the consequences will become very ambiguous.

a) a significant majority of the existing departments of political economy which had been rapidly renamed and are known as departments of economic theory) will be able to survive on the basis of a partial and gradual renovation in their composition:

b) renovation of the content of the training courses will mostly occur on the basis of the traditional official marxism experiencing the influence of elements of Western micro- and macro-economic theories perceived as applied field extensions;

c) at the same time these conditions will ensure maintaining and reproduction of the soviet academic community whose major part was traditionally comprised by teachers of institutions of higher learning. The significance of the latter fact can hardly be overvalued, since a complete and final destruction of the W community seemingly inevitable within the framework of the first scenario, and highly likely in the second one, might prove a too high price for the radical changes.

9. Sequence of actions

Proceeding from the above it is necessary at present to solve the following tasks as soon as possible:

(the tasks are arranged according to their urgency priority)

- to organize re-training for students who have just graduated from training centres in order to let them begin their work at enterprises on the basis of modern concepts of modern market economy,
- to coordinate and adjust the system of re-training of specialists working at enterprises and those employed in agencies of local authorities and administration, provided they already have higher education, to streamline the system of retraining teachers engaged in institutes of qualification upgrading;
- to elaborate a system of courses aimed at re-training teachers of institutions of higher learning and organize for them a possibility of internship at higher educational centres of European countries;
- to prepare a number of training-methodological materials for various levels of economic training in centres of higher learning.

In this connection the programme of reorganization of training economic profile

specialists for enterprises and local agencies of administration and power of the OS countries should provide

- creating a mechanism of direct cooperation between European training centres and Institutions of higher learning in the OS, implying that European specialists might participate in retraining programmes for teachers from OS countries, assistance in preparation and elaboration of training and methodological literature admitting best graduates of OS institutes and universities for post-graduate training;

The following sequence of steps is suggested for consideration as most proper

(a) studying the methodological and personnel potentials of economic training institutions by an independent committee including representatives of advanced educational-training centres, Western universities and officials of the Committee for higher school.

(b) a selection of institutes where methodological and organizational assistance (within the framework of Western technical assistance and assistance rendered by republican governments of the CIS countries) will be channeled;

(c) setting up colleges of post-graduate education in the OS countries where as part-timers most highly qualified practical specialists can be invited as well as research associates and university teachers after a preliminary study and exposure to the practices of universities and companies of European countries;

(d) developing a network of short-time courses of upgrading economic qualifications for workers at enterprises and local agencies of power and administration where instruction could be organized by domestic teachers after a course of studies at European training institutions and teachers of European universities and colleges.

The above work and activities can evolve within relatively short time and effected in stages.

1. The first stage is organizing courses for re-training teachers in the CIS (duration of 3 - 4 months) where classes could be conducted by European teachers paid for from the source of technical assistance of the EC, setting up authors' teams aimed at elaborating training materials for applied economic specialities and foreign internship for these task groups, study tours of best graduates of retraining courses for teachers in leading European training institutions;

2. The second stage is setting up a network of short-term courses for qualification upgrading for

specialists of enterprises and officials-of local authorities and administration agencies, publishing first newly-developed materials; setting up colleges of post-university education participated by teachers after stage t .

3. The third stage includes publishing a complex of training and methodological materials for the new structure of economic education in the OS countries and beginning of teaching on the basis of these materials at higher educational institutions of economic profile at CIS.

In order to implement this work, obtaining financial and technical assistance from the European community is expedient in the following form:

- paying the expenses of the invited foreign teachers staying in the OS countries over the period of conducting instruction classes, at the retraining courses for the national teaching staff.

- paying expenses during study tours of the best graduates of re-training courses for teachers and members of task force groups set up to create training materials for new text-books at universities in European countries;

- developing material and technical basis (installing computers, copiers and simplest printing equipment) at new educational centres;

- covering expenses carried in connection with purchasing economic training literature for libraries at higher educational institutions, thus offering to teachers at these institutions a possibility to get acquainted with this literature independently,

- covering the expenses on purchasing intellectual rights (copyright) for translation and copying training materials, including computer software, training simulations, essential for adequate organization of the training process at institutions of higher learning and qualification upgrading institutes.

Annex

PRINCIPAL TASKS OF ECONOMIC EDUCATION IN HIGH SCHOOL

At present secondary education at schools in OS does not provide any systemized course aimed at developing systemized knowledge in the field of economics. Scattered knowledge and information on economics occur in other school subjects, including history, and economic geography. However, even this information very modest in its volume on the economic basis of life of society is hopelessly obsolete at present since it was prepared as a form of the training material elaborated many years ago in text-books which did not reflect a radical change in the social, economic; political and ideological conditions of life in the states of the OS in the recent years.

Meanwhile, the role of economic education in these countries is higher than anywhere else. This is accounted for by the necessity to develop general economic education in the CIS countries on the basis of the forestalling principles since the process of establishing market economies in these countries have just set in and it is highly desirable to develop an idea in its entirety concerning the future concepts and consider future manifestations of a market economy in their respective countries.

Besides, it is necessary to keep in mind a significant degree of developed "shadow" and criminal economies in these countries. These phenomena directly involve the growing generation, who still in their first school years start participating in illegal transactions in trade and in their senior years in school make a totally acceptable widely spread system. This naturally implies a possibility to assimilate only the model of criminal economic relations which starts to be perceived as the only possible model. Hence, the role of economic education increases in developing socially approved ideas concerning the sphere of economic relations in a non-distorted code of business ethics.

It follows from the above that economic education in high school is designed to solve the following principal tasks:

- develop a general understanding of economic laws of life of contemporary society, of reasons causing various trends in developed market economies and major mechanisms of its mutation;

- clarifying the contents of principal socio-economic roles in a market economy, those being employed labour, entrepreneur, state official, (public servant), explaining the reasons for an inherent conflict between them and the legal mechanisms of their solution;

- getting acquainted with the fundamentals of economic law and mechanisms of legal and arbitrage protection of their interests;

- getting school-leavers ready for simplest entrepreneurial activities.

As a result of this type of training every school graduate should have a clear concept of the contents and the significance of the principal socio-economic roles so that they could consciously and willingly make a decision concerning their choice of a mode of life and their part in it taking account of their personal interests and their personality features. Those who will desire to start entrepreneurial activities ought to get the basics of commercial literacy, enabling them to enter into and assess simplest types of business

transactions Lastly, school graduates should also get a clear Idea of the legal mechanism in the sphere of economy, awareness of the rights and ways of their protection by every participant of market relations.

This predetermines the structure of a training course in economics in high school, Economic education in high school ought to imply a possibility to combine three forms of instruction:

1. a general course for all types of schools;
2. expanded courses for specialized secondary institutions;
3. optional courses for comprehensive schools.

This pattern of the instruction process is appropriate for the following set of training subjects :

- introductory course "Getting to know the world of economics" (8th form).
- general course in "Basics of economic knowledge and entrepreneurship" taught for two years (9th and 10th forms);
- specialized expanded courses for principal financial and economic professions (for specialized secondary schools and colleges of relevant profiles (11th form)
- optional course in "Entrepreneurship" for comprehensive schools (11th – final – form)

In order to implement this concept of school economic education, it is necessary to prepare a large volume of training manuals and text-books and methodological materials for teachers of schools and colleges, including

text-book for the 8th form entitled "Getting to know the world of economics (Getting acquainted with the world of economics)";

a text-book for the 9th and 10th forms of comprehensive school "Basics of economics - and entrepreneurship". It is desirable to publish several competitive experimental text-books on the subject prepared by different teams of authors so that teachers could select the best one to their mind which could later be approved as the basic text-book;

a set of text-books on the principal financial-economic professions for specialized schools and liceums, including "fundamentals of accounting", "Fundamentals of financial management", "Basic principles of trade and marketing");

a text-book (a manual) for optional classes in the 11th form on "Entrepreneurship"; syllabi and curricula for all the above courses;

methodological support for teachers, including detailed methodological recommendations and instructions for every course, collected additional materials for classes)

relevant computer software;

sets of visual teaching aids, including posters, slides» videos and filmstrips for teachers and trainees).

All these materials should be prepared by national or mixed task groups, since a direct transfer of foreign text-books, even translated into native languages, to schools in OS is not promising due to essential differences in the ways of life of children and young people of those states and most developed countries where these text-books and manuals are available. This was clearly seen when attempts were made to introduce in schools of Russia American text-books prepared by "Junior Achievements" and "Business Kids" Companies,

The above two types of text-books based on the description of the US economy are perceived by children as a history of the country, describing the way of life having no bearing on their own personal experience

Taking into account a large volume of the materials and the necessity to publish them Within shortest possible time, it is worthwhile to organize preparation of literature for economic education of schoolchildren as a inter-publishers' series, leaving the coordination efforts to the Shkola Publishers and inviting commercial publishing houses to participate in this work In order to secure affordable prices for these books, it is advisable to obtain special tax advantages for these issues in the government in favour of the participating publishing facilities. It is also highly desirable to obtain technical assistance as:

- a partial financing of publishing activities (especially for books published in small editions and methodological materials for teachers, since expenses on publishing text-books can be partly covered by channelling a part of the edition at least through commercial outlets and at Commercial prices. In order to assess possible expenditure, one can assume, that publishing a colorful edition of a text-book containing 400 pages of types text requires investing about 7 mln rouble or about 54,000 US dollars;

partial financing the work of adapting foreign software to the requirements and features Of CIS secondary schools and training teachers to run these programmes;

financing study tours for authors of text-books and manuals at universities and Commercial companies if European countries to ensure simplified work in adapting these text-books On the basis of

foreign experience and the authors' understanding of functioning of developed market economies/

Stages and scheduling of the work

Experimental teaching of fundamentals, of a market economy to schoolchildren can be started as early as 1992-1993 school year since two first domestic text-books will be published before the end of the year (for the 8-9 and 10-11 forms) which were prepared by the members of the Authors' team. However, it implies also a necessity to do some preparatory work in order to train teachers to use these text-books, For this purpose it is necessary to prepare training programmes for training courses for teachers on the fundamentals of economic knowledge and hire groups of lecturers for these courses. It is also desirable to obtain technical assistance of the European Community as the organizational work proper can be effected by the Ministry of Russia which has shown a great interest in developing economic training at schools.

In parallel to this, it is also possible to organize translation of the text-books and methodological supportive materials into national languages of the OS countries and involve teachers from these countries to participate in seminars and tutorials in the field of economic education.

Annex 2

MANAGEMENT TRAINING IN RUSSIA – CONTEMPORARY STATE AND PROSPECTIVE

Long ago forecasted inevitable shift towards market economy nevertheless happened to be absolutely unexpected by a vast majority of managers in all the republics of the USSR. Well used to such words as market and dollar, many managers were shocked by the changes and met them unprepared. The latest developments limelighted the crisis of management training system. To understand it's origins and evaluate different concepts of management training system we have to look backwards and analyse the system existed before 1990.

The system of management training was tailor made to fit the needs of highly centralized economy. Its creation was fulfilled in the early eighties and you can see it on the scheme N 1. Each ministry (In charge of the certain sector of the economy) had it's own Institute of the Upgraded Studies responsible for the retraining of the managers up to the certain level. In mid-eighties there were 70 such institutions located mostly in Moscow and its' suburbs with 130 affiliates throughout USSR. They had their own buildings, permanent faculty and administrative staff and were financed by the ministries budgets.

There were 7 republican Institutes of Upgrade Studies in Kiev, Minsk, Tashkent, Tbilisi, Riga, Vilnius and Tallinn,

They were designed for retraining of the managers from the enterprises located in certain republics does not matter what sector of the industry they were from. All the financing was going from the republican government's budgets.

Big universities with strong economic departments (12 in USSR) were given licences to train managers and organize special schools for a industry and construction administrators and schools for industrial planning.

At the top of the pyramid was the Academy of National Economy founded in 1978. It was specially designed as a separate government agency in charge of training and retraining of the top-level managers (CEO's of big industrial enterprises, their deputies, department chiefs of the industrial managers. The selection process was highly centralized and the graduates were appointed by the government on new positions in industry.

The system was a wholistic one and allowed government to control the process of retraining managers and provide some sort of continuous education though in homeopathic doses. In 1988 the per capital expenses on management training were close to 23 roubles a year.

The most characteristic features of the system of management training in 80s were

1. Rigid hierarchical structure/
2. Strict control of the central governing bodies (Party Central Committee, Council of Ministers) and local governments on the process of training and promotion of managers,
3. Establishing a unified training programs by Department of Upgrading studies of the Minvuz and corresponding Ministry combined with very low ideologisation of training.
4. A visible attempt to retrain the elite of the industrial managers through the Academy of National Economy.
5. Training was mandatory and free for the enterprises and managers

1989 became the turnaround point for the whole system of management training.

First the government lost control over appointment of the general managers of the enterprises. They are elected, promoted by the local authorities, but the central government now has a minority (if any) vote in

this issue.

Second, the enterprises themselves, not the Ministries were forced to pay for the training of their managers

Third, the regulation on creation of new business schools was removed as well as the requirements for degrees in management.

Forth, the process of internationalization of management training began.

These changes in several months completely destroyed the existing system and brought the customer to confusion.

In half a year after the collapse of the system more than 300 schools all over the USSR were promoting their services. 90% of them had nothing but banking accounts and offered "certificates written both in Russian and English" after one week study on a Black Sea coast.

1990 brought even more problems; The industrial ministries vaporized and left the corresponding institutions without any money. Later began severe struggle for the survival. Some of them perished in the battle like Machine tool industries institute, some still survive - like Institute for Upgrade Studies for the Nuclear Industry, some transformed into something resembling a real school of business - like institute in tourism.

1988-1989 became also turning years in the internationalization of the management, education. Opening of the Soviet economy made the knowledge in market economy of real necessity to the managers.

The government established two Schools of International Business - one at the Academy of foreign trade and another - at the Academy of National Economy.

The objectives of these schools were to train managers from the USSR enterprises and organizations in foreign economic relations, export and import operations and joint ventures management. These schools were not funded from the state budget and were the first to charge real prices from the customers.

Second, first European and American Business schools offered their services for Soviet managers.

The objective of the Western business schools was rather obvious. They invited top-level managers from different Soviet enterprises, offered them a certain training, and introduced to the Western businessmen. All these programs were 100% financed by Western government and business. Thus, London Business School organized several 3-week programs funded by Rank Xerox and British Council, Duke University got \$4 m from J.B. Fuqua for these purposes, IBM, GE, Thomson provided special training for managers from corresponding sectors of the industry, Iskra industries (Japan), offered 4-month program for managers from pharmaceutical and medical instruments industry, sponsored by Matsushita.

Of course, it was extremely attractive for Soviet counterparts - managers' schools and State agencies and allowed them to send their key managers for these programs. But - the results were moderate both in quality and in quantity.

Unadapted Western programs had not very much in common with the problems the managers faced at home.

The language barrier and Soviet-only composition of the groups prevented our managers from intensive communication and cooperation with their Western colleagues.

Short period of training (average 3 weeks) did not give an opportunity to get really fundamental knowledge of market economy.

Only a limited number of top managers participated in such programs, because of the financial constraint and tremendous size of the economy here.

Few exceptionally successful programs only proved the general rule.

In June 1992 8 managers-graduates from the Academy of National Economy returned from 14-month stay in Germany organized by Carl Duisberg Gesellschaft. All of them, without any exception, are now in the process of establishing JVs with German firms. They returned with good contacts, excellent German, with practical experience of managing a Western company.

Now it is evident that the key problem of management education in Russia and CIS is establishing a framework of Business Schools capable of providing training according to the international standards, whose graduates would be able to manage new ventures on the territory of the CIS (with or without Western capital).

To meet these standards the school has to have

- well trained faculty]
- close links with WE and (or) American counterparts
- good records in the past
- established relations with business, industry and government
- degree programs certified according to the international standards

- necessary facilities.

Only a combination of these factors will let an institution become a real School of Business with

Doctorate

Master

Executive

Special Functional programs.

The absolute majority of the Schools of Business offer only short-term programs. They may be good, not very good or absolutely unacceptable. But in any case they are not longer than 2-3 weeks. It means that such schools have no permanent staff or faculty, they have no identity, their own market niche and area of Specialization.

One of the basic criterias for the schools now, when there is now state money for these purposes and enterprises (95% of the economy) have problems with the solvency and liquidity is the ability to establish long-term programs (1 year and more). Now we can mention only a few dozens of such a schools. They are either transformed from institutes of upgrade studies, affiliated with the big universities or established as joint ventures with Western schools. Long term programs not only allow to get a graduate with a certain MBA - compatible certificate but to select the proper candidates with necessary education, technical and managerial experience and monitor their performance during the academic-year. All the long-term programs have 3-4 weeks stay abroad as a part of the programme.

The key problem now is the availability of well trained teaching personell.

In 1992 the consortia of five leading American Schools of Business (Harvard, Sloan-MIT, Wharton, Stanford and North-Western) announced a special Central and East European Teachers Program for retraining the faculty members of leading ex-USSR and East European Schools of Business. In the CIS they identified as leading" the following schools: Academy of National Economy, School of International Business (Moscow Institute for Foreign Economic Relations) and International Management Institution in Kiev (see Appendix 1,2).

In 1991 the EC also made a decision to give 8,5 millions ECU for retraining of faculty members of those schools which satisfy the EFMD criteria. The screening of more than 200 organizations involved in management training allowed to identify schools mentioned in Appendix 2,3.

There are certain organizations (Moscow Finance Academy, Moscow Economic Academy, Russian Academy of Management, newly established Academy of Market and Management) which announced their intentions to get into the management training business and establish MBA programs of their own. All they have the same problems with faculty, established relations with the customers and without any doubts will ask for Western technical assistance in the nearest future

We can expect also more aggressive behavior of Roscadry (newly established government organization) in attempts of providing guideness for all the organizations in this sphere and distributing of the Western aid.