

University Studies and Market Orientation

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Usually the main demand voiced during Azerbaijani public discussions of education is that more funds should be allocated from the state budget for education and that the quality of education must be improved. However, it seems that there is neither a dominant view, nor serious discussions about where exactly in the education industry such funds should be directed. Additionally, there are no discussions on why improvement in the quality of education is needed and what purpose this improvement should serve.

Elementary and general secondary education will not be discussed in this article; we will focus only on university, technicum^[1] and vocational education. Our first argument is that the main purpose of universities is to create study programs according to the workforce needs of the country and to educate students in subjects necessary for the jobs in their chosen fields. If universities are unable to provide students with knowledge needed by the market, then university education is a waste of time and money. Let us call this the Primary Purpose (of higher education). This argument is reasonable because for years people have made efforts to get a university education, and they have spent a considerable amount of financial resources for that purpose. In this case, it would be wrong not to provide them with knowledge fitting the requirements of the market. This argument is accurate as well because universities themselves claim directly or indirectly that the education they provide is necessary for graduates to find jobs in the fields in which they are trained. In other words, universities themselves have admitted that their primary goal is to provide students with the knowledge necessary to find jobs in their chosen area.

Our second argument is that a number of technicums and vocational schools, along with the quality of education in these institutions, should be improved, and they should be accessible for more people. In order to avoid a situation whereby graduates of secondary schools enter the market as unskilled workers, it is very important for them to continue their education. In Azerbaijan, 66% of secondary school graduates do not receive any further training, and as a result they become unskilled workers. Technicums and vocational schools could be an answer to this problem.[\[2\]](#) In addition, it is not necessary (and should not be necessary) to get a university-level education to acquire the skills for many professions and find jobs in these particular fields. University education is only needed for professions where acquiring serious theoretical knowledge is necessary, and getting this kind of education would be impossible or very difficult outside of university walls. For instance, there is a librarian profession at the Baku State University, while only a minimum theoretical knowledge is required to become a librarian. Education in a technicum will be sufficient to be trained in this profession.

In the following, we first defend our initial argument that the Primary Purpose is reasonable. Then, based on our personal experience, we describe to what extent higher education in Azerbaijan serves the Primary Purpose or whether it serves it at all. Afterwards we switch to our next argument to emphasize the importance of technicums and vocational schools. Finally, we propose our recommendations. One of the authors is libertarian and believes that state should not intervene in education at all but in this article for the sake of argument we do not pursue this claim and we take the state intervention in education as given; that is, instead of challenging the *legitimacy* of state intervention in education, we challenge the *orientation* of this intervention.

What purpose should universities serve?

What is the approximate percentage of your total knowledge that you have acquired from university classes that you continue to use *today* or that you anticipate you will need *any time* in the future outside university walls? What is the approximate percentage of your courses that have provided you with useful knowledge? We assume that your answer is the same as the answers of the authors of this piece i.e., a very small percentage. Here when we say *useful*, we mean *useful* for market purposes; more precisely, when we say *useful knowledge*, we mean knowledge which you use to earn money. This market usefulness is just one of the values of education, and our argument concerns only this usefulness and not its other values. For instance, one of the other values of knowledge is that it widens the perspectives of a person and stimulates intellectual growth. In addition, some argue that material gains are not the only use of knowledge because a person knowledgeable about a given problem finds internal comfort and satisfaction when he/she finds an answer to his/her research; therefore, knowledge is also useful as a means to personal satisfaction or eases (psychological) tension. We neither propose that market usefulness is the only value of knowledge nor that material gain is the only value in knowledge. Yet in this article when we say usefulness of knowledge, we will solely mean its usefulness for market purposes.

We argue that the primary purpose of the university should be providing students with useful knowledge (Primary Purpose). We do not ignore that universities may have other purposes. Universities can offer or teach non-useful knowledge to students (if teaching that knowledge does not take too much time from a student and does not obstruct the acquisition of useful knowledge), yet the *primary purpose* of a university is to educate a student with the capacity to find a job in their area of study after graduation; therefore, the main attention of universities should be directed to providing students with useful knowledge. That is why we think that universities should adjust their syllabi and range of studies they offer to

market demands. Non-useful subjects as well as courses not related to a student's area of studies (this also includes many courses which are actually taught as classes related to an area of study) should be taught less and most importantly they should be offered as elective courses instead of being compulsory subjects.

The Primary Purpose is both reasonable and correct. It is reasonable due to the fact that the majority of people were not born into wealthy families and finding a job is a matter of utmost importance for them. After spending eleven years in elementary and secondary schools they enter universities for an additional four years of study in order to acquire knowledge in a particular area to find a better job. If after graduating, they cannot find a job relating to their area of studies, then for what reason did they pursue this four-year formal education? They could have spent those four years working or could have attended courses to learn a profession. Receiving a formal education as well as preparation for university entry exams are costly ventures and even if the majority is fond of their area of study, still, the driving force for a formal education is the hope to land a job in one's field. Therefore, the Primary Purpose is reasonable because high school graduates (and future university students) make enormous efforts and spend money to get a university degree, and it is totally fair for them to expect to get useful knowledge in return. If this expectation is reasonable, then it is not right to ignore this just hope of university students.

Along with being reasonable, the Primary Purpose is correct as well. None of the universities say that *attend our institution, however we cannot promise that the education you receive will be useful or if you attend our institution, you will find some unrelated job*. On the contrary, they advertise both the success of their graduates in finding jobs (especially, finding jobs in their areas of study) and their overall achievements, and use these for marketing purposes;

universities directly or indirectly claim that they are providers of useful knowledge. If any given university does not claim this, in this case that university should openly admit that it does not teach useful knowledge.

We noted that universities themselves directly or indirectly admit their adherence to the Primary Purpose. What about their actions? Do they act according to the Primary Purpose? What percentage of your acquaintances have been able to find jobs related to their area of studies? Look at your own transcripts: how many of the courses that you were taught have you found necessary in any of the tasks you performed? For instance, let us assume that you are an economist and your work is related to your university major; however, you were taught a course on the History of Azerbaijan, which was taught to you previously at high school as well. We claim that the course History of Azerbaijan you were taught was a waste of resources. First of all, history is not your area of study, and you will not need it in your job. Yet, if you had failed the exam in history, you would not have received your diploma. Even if you, as an economist had received only A grades for all your courses during your four years of study, you would still have not received your diploma because of your failure in the course History of Azerbaijan, and thus you would have failed your education. Is it fair to face such a risk for a course, which is not related to your primary area of study and the profession you have chosen? Is it that important for an economist to know the names of the sons of king Iranzu of Mannea or the details of a peace treaty between the Ottomans and Safavids in the 17th century? Secondly, if you paid tuition fees, it means that you paid for the credits for the course History of Azerbaijan. How is it fair to request payments for learning information, which will have no use in your future in terms of bringing revenue? If, after taking History of Azerbaijan classes as a compulsory subject in secondary school, you are still interested in this course, you can still study it on your own by dedicating your free time to it. This

can be done without spending money for credits and without the stress of exams. Studying this subject, which has nothing to do with your future profession, is not necessary for you.

In short, the primary goal of universities is to prepare majors and syllabi according to the needs of the market and provide students with useful knowledge, which will open prospects for the latter to find jobs related to their area of study. Non-useful knowledge can be taught to students, yet this should not obstruct the primary purpose and should not be compulsory; therefore, subjects of non-useful knowledge should be included as electives. The main goal of a student after graduating is to find a job related to his/her area of study. A student can widen his or her worldview through readings during off-university hours or attending additional courses or taking paid online courses provided from other universities via platforms like *Coursera*. Wasting students' time and money under the pretext of widening their worldview and making them face the stress of exams of non-useful classes is not fair.

Do universities provide useful knowledge?

We do not have a chance to conduct surveys among university graduates. Instead, we will describe our own experiences, and we believe that due to the common character of our university education, it will resonate with the experience of the majority of people who received their higher education in Azerbaijan. This section has two purposes. First, it aims to show that Azerbaijani universities do not give useful knowledge to their students. Second, it suggests that this is because of a serious shortage of high-quality academics in the country; therefore, increasing the quality of technicums and vocational education would not only give many people an opportunity to get useful knowledge and find a job afterwards, but would also allow universities to divert their very limited resources (most importantly, their unsatisfactorily small number of high-quality academics) to those specialties which require serious theoretical knowledge. Once universities

divert their resources to relatively fewer specialties (and maybe relatively fewer students), university students will also have a better opportunity to receive a high-quality education. (Note that lack of academic freedom in Azerbaijan also seriously decreases the quality of education, especially in humanities. But we will not discuss this issue here; for a relevant discussion see Huseynli 2021).

One of the authors of this article, namely Ilkin Huseynli, studied American Studies at the History Faculty of Baku State University between 2011 and 2015. This subdivision of the History faculty was launched in 2003. Each year a total of 30-40 students graduate with Bachelor's degrees from the Azerbaijani and Russian language sections of the American Studies program (there are similar programs contained within other regional studies departments at Baku State University and the University of Languages of the Republic of Azerbaijan). It means that since now there are approximately 500 graduates majoring in American Studies. The question is where these people work today. For the most part, they do not work as specialists in American Studies.

First of all, Azerbaijan does not need so many specialists in American Studies. Even if they receive a quality education, there is little chance that after graduation, they can land a job related to their area of expertise, at least in Azerbaijan. Azerbaijan is a small country, and it does not share borders with the US; do we need 30-40 new experts in American Studies each year? You should take into account the fact that education of the majority of students in this program is paid by the state i.e., they are tuition-free students.[\[3\]](#) What is the interest of the state in paying tuition on behalf of these students? For instance, in 2011, 24 students became freshmen of Azerbaijani section of this program and all of them were exempt from paying tuitions. Did Azerbaijani state need 24 American Studies specialists in 2015? To our best knowledge, none of those 24 students work as American Studies specialists. Moreover, we do not know anyone

who studied as an undergraduate student in this program since its launch in 2003 and now pursue careers as American Studies specialists (neither in academia, nor in embassies and research centers).

Second, American Studies students are not provided with a quality education in Azerbaijan. There are many complicated criteria to measure the quality of education (such as the percentage of students who land jobs related to their area of studies, articles published by teaching staff in prestigious scholarly journals and the number of references to these articles, teacher-student ratio etc.). Yet we think that there is no need to exhaust ourselves with complicated measurements to determine the quality of education at this American Studies program. There is a fact which speaks for itself – the department of American Studies at Baku State University is called Modern and Contemporary History of American and European Nations (*Amerika və Avropa Ölkələrinin Yeni və Müasir Tarixi Kafedrası*) and none of its teaching staff knew English. Naturally, none of them knew Spanish or French either.[\[4\]](#) Can you imagine that teachers in a department related to American history hold degrees in the subject, yet do not know English? What can they teach to students? Nothing based on an intimate knowledge of the subject and an acquaintance with primary sources; they can only regurgitate ideas formulated by actual experts.

Did students of American Studies get useful knowledge? To get work in the field, graduates of the program either must teach at universities (and for this they must continue their education as MA and PhD students), or they have to conduct research on US politics, society or history at research institutions (an MA degree would suit this kind of job as well), or they have to be diplomats. If one wants to be a Canada or Latin America specialist instead of focusing on the US, then learning French or Spanish, respectively, is necessary, and for specialization in one or several countries, they must pursue at least an MA degree. Did students of BSU

receive adequate education to be specialists on these areas? No. Moreover, their BSU education does not make them competitive candidates for MA programs outside the country. (It can be argued that American Studies specialists, due to their knowledge of English, are able to work in various foreign NGOs. Yet our argument is based on the assumption that in order to be employed by those organizations, one does not need to be specialist of American Studies. English-language skills can be obtained by self-teaching or by attending specialized language courses.)

The name of the program suggests that the teaching of English-language classes should be at the highest level in the country. This would be a fair expectation. Even the late professor of the American history at BSU, Aydin Musayev, who did not know English himself, in order to emphasize the importance of English for students of American Studies program, used to say in his very first lectures that you should not stammer when you speak in English; you have to master it as native English speakers. Musayev was right, yet most graduates of the program have little proficiency in English. For instance, they cannot read academic writings in English, nor can they write articles on US-related topics in English, nor they can they easily understand TV news broadcasts or movies in English. Those few students who mastered English improved their skills by attending language courses outside of university walls.

In addition, during their four years of study, students of the American Studies program were taught US history for only two semesters and history of Azerbaijan for five semesters. They also were obliged to take civil defense (military training), gender studies, informatics, Russian language and other unnecessary classes. One can suggest that there is nothing regrettable if an American Studies specialist learns Russian. We agree. However, it is impossible to learn a language in a single semester. Huseynli, like many other students did not take Russian language courses in secondary school, neither as

obligatory nor as selective classes; how is it possible to learn a completely new language in just one semester? Of course, it is impossible. So why are these classes taught at all? To fulfill the credit hours requirement of degrees.

Despite the fact that BSU does not teach its students sufficient English-language skills and sufficient knowledge in US history, in order to fulfill the degree's credit hour requirements, the university engages in the teaching of non-useful knowledge. We only examined the names of required classes, and if we continue our examination with questioning the way classes are taught and their reading lists, the picture becomes even worse. In the best-case scenario, the proficiency of professors in foreign languages is limited to Russian; they were not published in advanced academic journals (we can disregard predatory journals which take money from authors in return for the publication of their articles), syllabi of classes have not been adjusted to reflect recent academic research, and reading lists include only old Soviet-era literature.

It should be added that there are other regional studies programs at BSU as well, including a Caucasus Studies program. Graduates of the latter program knew neither Armenian nor Georgian (despite the fact that these languages were taught to students of the program for quite some time), and to the best of our knowledge, graduates of the Caucasus Studies program do not work in their area of study. It should not be surprising that students with such poor training cannot find jobs in their discipline. If instead of graduating 40 specialists on American or Caucasian Studies per year, carpenters or veterinarians are trained, that would be much more useful for both graduates and the country. Even if these students receive the best education in the world, due to the fact that Azerbaijan does not need so many American or Caucasian Studies specialists per year, graduates are hardly able to land jobs related to their training. Carpenters and veterinarians, on the other hand, will be able to find related jobs because

there is a need for them.

The coauthor of this article, Farid Mehralizade, studied finance at the Finance and Accounting Department at the University of Economy from the years 2012-2016. The situation described in the previous section is applicable to his case as well, especially regarding the classes he was taught and the reading lists for his courses. For instance, it is unreasonable that students have to attend obligatory, semester-long History of Azerbaijan classes in the university because they previously took History of Azerbaijan classes as an obligatory course in secondary school and studied this subject additionally for years because it was one of the topics included in the university entry exam package. Moreover, students who study economy must take classes on Azerbaijani language as well. This course does not differ from the Azerbaijani-language classes every graduate from secondary school already studied, i.e., the program in secondary schools and in universities are entirely identical. Therefore, hours devoted to this class can be diverted to courses on macro and micro economy, which constitute basic knowledge needed for students of economics. Only one semester was allocated to the teaching of these fundamental disciplines of economic theory.

Another strange case is related to the teaching of Russian classes. For instance, in the secondary school which Mehralizade attended, the Russian-language course was an elective taken only by a minority of students. But intermediate-level Russian language was an obligatory class taught to the students in finance program of the university, without regard for their prior knowledge of Russian. The course focused on learning economic terminology and other related vocabulary in Russian as well as writing texts in Russian. However, almost none of the students could speak Russian. Some were not even familiar with the Cyrillic alphabet. In this case, how reasonable is it to require students to write economic texts in Russian?

Another important deficiency of Mehralizade's study program was that such disciplines as Statistics and Econometrics, which economics students should acquire as practical skills needed to conduct research, were taught as theoretical knowledge only. Under normal circumstances, these disciplines should be taught in classrooms equipped with computers in order to teach software and application skills among students which they need to conduct economic analyses. Unfortunately, the University of Economy does not teach these kinds of skills in regard to these disciplines, and, instead, lectures included only such theoretical matters as methods and principles of these subjects. The fact that these programs are not taught during the undergraduate years of university education places Azerbaijani students at a serious disadvantage when applying for graduate school abroad.

The situation concerning textbooks is yet another plight of Azerbaijani university students. The only foreign language the vast majority of professors have mastered is Russian, and there is a lack of scholarly publications in Azerbaijani language. Combined, these two factors negatively impact the quality of Azerbaijani textbooks as well. Azerbaijani professors continue to read lectures drawn from dated and foreign textbooks. This is observable in the very way they refer to, seemingly, Azerbaijan in such lectures. Although Azerbaijan is not a federation, professors frequently repeat in such lectures phrases like "our federation" or "entities of our federation." The reason for these errors is that the texts of lectures are translations from Russian. These texts frequently refer to the economic history or internal problems of the Russia Federation and are not specific to the history of Azerbaijan.

Thus, based on our personal experience, we can conclude that BSU and the University of Economy filled us with non-useful knowledge more than they taught us useful knowledge; moreover, the poor-quality teaching of this non-useful knowledge damaged our studies even further. We are certain that these two

discussed universities and our programs within them are not exceptions, and that students enrolled in other Azerbaijani universities and faculties face similar or perhaps worse problems.

Technicums and vocational schools

As we have already indicated above, we believe that value of a university diploma is measured by its impact on the augmentation of a graduate's job chances. However, due to tuition fees, universities are not accessible to everyone. Therefore, under these circumstances, university diplomas should not be the most advantageous avenue to find jobs which need particular knowledge. Increased emphasis within the Azerbaijani state and culture at large on the importance of so far neglected technicums and vocational schools can address the mismatch between worker knowledge and the demands of the market.

Currently, many who are offered jobs in the labor market require higher education. However, for a significant portion of professions, the courses taught at Azerbaijani universities are not a necessity because those professions do not require serious theoretical knowledge. Therefore, teaching those skills at technicums and vocational schools can contribute to an increase of students who continue their education after graduating from secondary schools as well as to an increase in the skilled workforce in the labor market. This will indirectly reduce unemployment. Unlike unskilled workers, in many professions skilled workers can offer their services as freelancers in those cases where they would not be able to find jobs in firms. Moreover, in the labor market, employers frequently require professional skills for the vacancies they offer, and unskilled labor, despite job openings, cannot fill those vacancies due to a lack of experience in the particular field.

The enrollment of more people in technicums and vocational

schools and the reputational improvement and investment of cultural capital in the degrees given by these educational institutions can certainly reduce for many the number of frequently unnecessary requirements imposed by higher education in their degree programs. For instance, currently one of the most prestigious workplaces in the country is the banking sector. The main skills required for bank clerks in front offices include working with internal programs and studying the provisions of financial products. In this case, why should a university degree be a requirement for workers in the industry? An Azerbaijani university degree provides no more direct skills in studying the provisions of financial products and providing front-office customer services than does a technicum. Moreover, for professions like tourist guides, practical skills are required more than serious theoretical knowledge. So, training in this profession can easily be transferred to technicums.

Therefore, providing chances for graduates of technicums and vocational schools to find jobs in professions that do not require serious theoretical knowledge will increase interest in these educational institutions. Of course, in technicums and vocational schools, minimal theoretical knowledge can be taught at the level required by these professions.

The majority of people were not born into wealthy families; therefore, for them finding a job is a matter of utmost importance. Stimulating interest in technicums and vocational schools would also be economically beneficial for persons who cannot continue their education in institutions of higher education or who struggle to pay higher tuition fees. However, it should be taken into account that in order to stimulate interest in technicums and vocational schools, the quality of education in those institutions should be significantly increased, infrastructure improved, and the staff developed. For these, the state should invest more in technicums and vocational schools and conduct more effective policies.

The state has done little of this work thus far. In 2022 state budget expenditures for education are 3.884 billion AZN. This is 13% of all budget expenditures. About 70% of the budget allocations to education (that is, 3 billion 884 million AZN) are allocated for various levels of education. Among the levels of education, the most funds – 54% of all funds allocated to education – are allocated to secondary schools (this includes students in all grades from 1st grade to 11th grade) (see Table 1).

Table 1: Funds allocated to different levels of education in the state budget for 2022

Level of education	Amount (AZN)	Share in the total expenditures for education
Kindergartens	376.858.452	9.7%
Secondary schools	2.089.913.442	53.8%
Vocational school	63.815.386	1.7%
Technicums	87.300.596	2.2%
Higher Education[5]	59.987.844	1.6%

Source: (Prezident 2021).

Although vocational schools and technicums receive more funds from the state budget than institutions of higher education, Azerbaijani universities primarily finance themselves through tuition. Tuition fees in universities are much higher than in technicums and vocational schools. The average tuition fee for Azerbaijani universities is 2290 AZN per academic year, while in technicums it is 600 AZN and in vocational schools 500 AZN (Fins.az 2020).

The latest data of the State Statistics Committee show that in academic year 2020-2021, there were 177 thousand students in state universities (Dövlət Statistika Komitəsi 2021a). 100 806 of those i.e., 57%, were students who pay for their education themselves. If we take into account the fact that the average tuition fee per year is 2290 AZN, it means that in addition to

funds allocated to universities from the state budget for covering the tuition of state-sponsored students, universities receive approximately 250 million AZN in tuition fees from students who pay for their education.

Increasing the number of state-sponsored students in technicums and vocational schools, i.e, allocating more funds from the state budget to these institutions will assist in developing their infrastructure and increase their resources. *The State Strategy for the Development of Education in the Republic of Azerbaijan* states that one of the strategic goals set by the government in the field of education is to develop standards and curricula for competency-based technicums and vocational schools in accordance with the requirements of society (Prezident 2013). The document states that the curricula of technicums and vocational schools do not meet modern requirements. In this regard, we can note that the government also acknowledges that there are problems in technicums and vocational schools.

In Azerbaijan, tuition fees for universities do not adequately correspond to the incomes of the population. By the end of 2021 the average salary was 724 AZN and the median salary for the same year was 343 AZN. It means that monthly salaries of half of the wage receivers (approximately 850 thousand persons) were less than 343 AZN. If the average tuition fee per year in institutions of higher education is 2300 AZN, it means that a parent who the receives state minimum salary (300 AZN) must pay 65% of their yearly income for the education of a child in university.

Under these circumstances, i.e, when tuition for higher education does not adequately correspond to the population's income, and when education in technicums and vocational schools is of low quality and hardly increases employment chances, many secondary school graduates forego further education. This, in its turn, deprives the labor market of a potential skilled workforce. The State Statistics Committee's

official data for the early period of 2021 shows that two thirds of the economically active population of the country has only secondary school education (Dövlət Statistika Komitəsi 2021b). Also, the official state document on the strategy of development of education indicates that there is a lack of skilled workers in Azerbaijan, particularly in the private sector (Prezident 2013).

Table 2: Distribution of economically active population in the country, according to level of education (1 January 2021)

Level of education	Share (percent)
Bacellauerate and upper	16.6
Technicums (colleges)	11.2
Vocational schools (lyceums)	5.7
Full Secondary School Education (11 years)	59.0
General Secondary School Education (9 years)	6.7
Elementary School Education	0.07

Source: (Dövlət Statistika Komitəsi 2021d, 135).

As it can be seen from Table 2, currently two out of three active persons in the economy have only a secondary-school education. After graduating from secondary school, they enter the workforce as unskilled workers without particular professional knowledge. It should be taken into account that each year, Azerbaijan secondary schools receive more than two billion AZN from the state budget and despite such a large amount, three out of five graduates of secondary schools do not get any profession in the next stages of education and thus end up being unskilled workers. Needless to say this makes finding good paid jobs almost impossible. The main reason why approximately 66% of Azerbaijani secondary school graduates do not continue their education is that higher education is not accessible for them. As of now, technicums and vocational schools do not produce much additional value in the labor market and do not open many prospects for graduates

for prestigious jobs. These circumstances produce for the labor market huge mass of unskilled workers ready to grab any job to survive.

The low quality of education, the structure of the economy i.e, the fact that 90% of the country's exports are produced by the oil and gas sector, the restrictive nature of the business environment, all result in the population's small share in the creation of country's wealth. According to World Bank's Report: *The Changing Wealth of Nations 2021: Managing Assets for the Future*, Azerbaijan is one of those countries where human capital has a small share in the creation of wealth (World Bank 2021, 466). The methodology of the report indicates suggests four components in every country's wealth. The first one is a production capital. It includes machinery, devices, equipment and other such resources produced by people. The second component of countries' wealth is renewable and non-renewable natural resources. The next one is human capital. Human capital means knowledge, skills and experience of the workforce. Eventually, the last component of a nation's wealth is net foreign assets. These include stocks, debt securities, direct foreign investments and financial assets kept in foreign countries.

The most concerning problem regarding Azerbaijan in the report is that the country is among the nations where the share of natural resources in the creation of the nation's wealth is highest. Thus, calculations based on the data from 2018 show that in Azerbaijan, the oil and gas sector had a 42% share in the country's wealth. This ranks Azerbaijan fourth among nations where natural resources have the highest share in the creation of the wealth. The first three nations in the ranking are Iraq (65%), Saudi Arabia (46%) and Kuwait (46%). While 64% of overall global wealth is created by human capital, in Azerbaijan its share is just 23%. Even in the least developed countries with small shares of human capital in the creation of wealth, their human capital at least approaches 50 %, twice as much as in Azerbaijan. In developed countries this figure

is 64%, which is almost three times higher than in Azerbaijan. Improvement in the quality of education in technicums and vocational schools, making these education institutions reachable, especially for students from low-income families, can boost share of human capital in the nation's wealth.

The level of the *NEET* (Youth Not In Employment, education or training) indicator in Azerbaijan also demonstrates the share of human capital in the country's wealth. This indicator shows the share of young people, those aged 15-24, who are not employed, or otherwise occupied with education or training, as a percentage of the total number of young people in the same age group. The document called *Employment Strategy of the Republic of Azerbaijan for the Years 2019–2030* shows that in Azerbaijan this figure is 23%, and the government aims to reduce it to 15%. This means that currently nearly every fourth young person of that age is neither employed nor in school. The criteria for the calculation of employment in the country is quite controversial – any person who received lands from the dismantling of Soviet kolkhozs and sovkhozs are counted as employed without considering whether that land is actually in use or not; 650 thousand women are considered employed as housewives. If we consider that these activities count as unemployment, then in reality the country's NEET figure is higher. One of the reasons why this figure is high is that interest in studying in technicums and vocational schools is low. To compare let us say that according to data from the World Bank, the NEET indicator in developed countries is less than 10%.

An analysis of the share of university and technicum students among overall students in CIS countries also shows that in Azerbaijan, technicums have little share in the nation's education system.

Table 3: Share of higher education and technicum students among overall students in CIS countries

Country	Technicums (colleges) (%)	Higher education(%)
Ukraine	12.7	87.3
Azerbaijan	22.7	77.3
Uzbekistan	24.8	75.2
Armenia	26	74.0
Tajikistan	28.5	71.5
Belarus	29.5	70.5
Kyrgyzstan	31	69.0
Moldova	33.7	66.3
Russia	40.5	59.5
Kazakhstan	45.3	54.7

Source: (Dövlət Statistika Komitəsi 2021c)

As seen in Table 3, approximately 23 out of 100 Azerbaijani students in higher education are students of technicums, and the remaining 77 are attending four-year or graduate institutions of higher education. Among the ten ranked countries, the share of technicum students in Azerbaijan is higher than in Ukraine only.

Nonetheless, we do not suggest that fewer university students would be better. The essence of our proposition is that universities do not teach useful knowledge and that serious theoretical knowledge is not necessary for all the job fields in which students intend to work with their degree. In other words, university education (at least, the education currently offered at Azerbaijani universities) is not necessary for all students. If we take into account the fact that 66% of Azerbaijanis active in the economy are unskilled laborers as well as the fact that not all the population have the financial means to afford a university education, then Azerbaijan should immediately improve the quality of education in technicums and vocational schools and encourage the population to attend these educational institutions. The main tools of encouragement should be the allocation of more funds

to technicums and vocational schools; the expansion of the number of students whose tuition is paid by the state; an increase in the amount of study allowances paid to students of these institutions; and programs that target graduates of technicums and vocational schools for hire at relevant jobs in state enterprises. If the state intervenes in the education system to cover tuition expenses for students in any area of study, in this case, the priority for *free education* should be technicums and vocational schools instead of universities.

In order to raise interest in technicums and vocational schools, along with increasing the attractiveness of these institutions among youth who are not attending school, some programs taught at university level can be assigned to technicums. This is because for some programs taught at universities no serious theoretical knowledge is needed. If there is labor market demand for skills that students can acquire at technicums and vocational schools, then it should not make any difference whether a graduate studied at identical program in a university vs. in a technicum. Needless to say, technicums and vocational schools are more affordable to the population than universities. Restricting those areas of studies where serious theoretical knowledge is necessary to universities will make it possible to concentrate already the limited resources (human, financial, technical) of universities on students in those areas, which in the end will result in the improvement of the quality of education.

Along with diverting some areas of studies from universities to technicums, the number of state-sponsored students in the universities should be seriously reconsidered as well. According to an analysis produced by the State Examination Center on the results of university entrance exams for the academic year 2020-2021, there will be 170 students studying international relations, 95 in geography, 30 in hydrometeorology, 40 in philosophy, 60 in library sciences, 90 in political sciences, 100 in sociology, 72 in religious and Islamic studies, 55 in museum and archive work as well as

protection of cultural and historical heritage, 149 in history, 70 in forestry, 80 in winemaking (Dövlət İmtahan Mərkəzi 2021, 182). Why does the state allocate funds to these areas of study? Does Azerbaijan need to fund the education of 170 diplomats and 90 new political scientists each year? Azerbaijan is not a global power in international politics and is not aiming to be one at all. Therefore, allocating each year funds from the state budget for the education of 260 diplomats and political scientists is a waste of state resources. These resources can be diverted to funding other areas of a modern economy such as the hard sciences.

On the other hand, allocating such funds for the training of specialists for whom there is not much demand is the main factor in the unemployment of those graduates or at least for failing to find jobs related to their area of study. In its decision about the amount of funding allocated to each student, the Cabinet of Ministers indicates that this figure for students studying international relations was 2100 AZN (Nazirlər Kabineti 2010). This means that the state allocates 357 thousand AZN to universities for the tuition of 170 students of international relations. In the universities, there is an extreme shortage of faculty who are able to provide quality education in these fields. It would be much better to decrease the number of state-sponsored students in fields of less demand and concentrate already limited faculty on training of smaller size, yet better adjusted to the students in their area of study.

Table 4: Distribution of baccalaureate graduates of Azerbaijani universities, according to their area of study in 2020

Area of studies	Number of graduates	Percentage
Education	9.475	27,3%
Humanities and Social Sciences	4.418	12,7%

Culture and Art	1.345	3,9%
Economy and Management	7.449	21,5%
Natural Sciences	1.468	4,2%
Technical and Technological Sciences	7.028	20,2%
Agriculture	703	2,0%
Healthcare, Welfare and Service Areas	2.830	8,2%
Baccalaurate – total, percentage	34.716	100%

Source: (Dövlət Statistika Komitəsi 2020).

According to the latest data of the State Statistics Committee, in 2020, 34.716 Azerbaijani students received baccalaureate degrees (Dövlət Statistika Komitəsi 2020). As Table 4 shows, approximately 70% of those students studied the humanities. Modern economy is based on value-added products. One of the necessary conditions for the production of this kind of science and technology-centered, value-added products is to train people able to produce them. At a time when experts speak of a fourth industrial revolution and digitalization as the age's defining trends, a nation's development is impossible without trained specialists in engineering and technical and technological sciences. Therefore, the state should effectively use the funds it allocates to education and should spend more on training specialists in technical and technological sciences. Consequently, it should adjust the number of state-sponsored students in the social sciences, such as international relations, history, political science, to the necessities of the society.

Another point to note here is that a plurality of students (27,3%) intend to become teachers. Just over one out of four students of the nation's universities pursued a degree in education. A document of the Cabinet of Ministers on the

distribution of baccalaureate graduates according to their area of study demonstrates that the list includes 21 specialities: the training of secondary school teachers in 19 subjects as well as specialists for special education and sociopsychological service in schools (Nazirlər Kabineti 2019).[\[6\]](#) This includes such professions as teachers of geography, physics, chemistry, biology and others.

Why are these 21 professions taught at universities? The reason university education is required for teaching at secondary schools is that, for instance, a geography teacher should possess serious theoretical knowledge in geography and science and should keep up to date with the latest developments in the field. In other words, it is expected that in the secondary schools, geography teacher along with conveying to students what is written in the text books, will also inform students about recent developments and discoveries and in the field and will show a critical approach to textbooks. However, we know that neither teachers nor schools enjoy any kind of autonomy in the Azerbaijani education system. Teachers are required to only memorize textbooks and retell them to students. And teachers without autonomy in approach to their classes do not need to follow developments science. If these 21 subjects are taught at universities, then secondary school teachers and schools themselves should have autonomy in order to avoid wasting the theoretical knowledge acquired in universities.

What should be done?

In order to tackle the lack of useful knowledge created by the Azerbaijani education system, first of all, programs taught at universities, at least state-sponsored ones should be adjusted to the needs of the market and the state sector. In Azerbaijan, there is no need to allocate a huge amount of funds from the state budget to training hundreds of historians, diplomats, political scientists and other kinds of specialists of this order. Those funds should be diverted to

the training of engineers, doctors, lawyers, i.e., to teaching professions in which the nation currently has a shortage. For example, the European Commission for the Efficiency of Justice Report shows that as of 2018, Azerbaijan ranks last among European countries in terms of the number of lawyers per hundred thousand people: while the number is 15,7 in Azerbaijan, the European average is 164. For comparison, the corresponding figures in Armenia and Georgia are 72,2 and 123, respectively (CEPEJ 2020, 70-71).^[7] According to the latest figures released by the Azerbaijani Bar Association, there are 2.132 members of the Bar members in the country (among them, 1.679 are in Baku and 453 in the regions), so the number of lawyers per 100.000 people is about 21,3. However, there are only 453 lawyers for the approximately 7 million people living outside of Baku, which means that there are only 6,4 lawyers for every 100.000 people living in the regions (Vəkillər Kollegiyası 2022). In other words, although there has been a slight increase in the number of lawyers in the last three years since 2018, most of Azerbaijan is further behind European countries than even the capital.

The need for decreasing the number of state-sponsored students in the humanities and social sciences may be justified by the absence of demand for them and the waste of resources as well as by the fact that Azerbaijani universities do not have the potential to train many students in those professions. Currently the quality of education in the country is very low and there are not enough high-quality professors and teaching staff to train that number of students. Decreasing the number of students in those areas of study can permit universities to concentrate their limited resources on a smaller number of students. The result will pave the way for a better quality of education. Another step which should be taken in regard to universities should be redirecting those areas of study, which, at best, requires minimal theoretical knowledge to technicians. Therefore, the training of librarians can be transferred from universities to technicians. With the lower

tuition costs of technicums, the profession can be attainable for more people. Subsequently, universities can then divert their resources to studies which require serious theoretical knowledge.

Along with changes to universities, ensuring that the Azerbaijani post-secondary education system provides the graduates with useful knowledge will also require that public interest in technicum and vocational school degrees be raised. To raise that interest, the state must allocate more funds to these educational institutions and improve the quality of their teaching staff and infrastructure. Increasing the number of state-sponsored student seats in those institutions can pave the way for more people to apply to study there. The state must also work to render those advantages it gives to university students to those of technicums and vocational schools as well. For instance, currently all males are conscripted at age 18 for 18 months of military service. University students, however, are exempt from service for their four years of study, and this is extended for another two years if a student continues his education at the graduate level. Yet students of technicums and vocational schools do not enjoy this deferment. Additionally, university students have the added benefit of having their service reduced to 12 months, a benefit that should be given to technicum and vocational school students as well. Therefore, deferment and reduction of military service should be guaranteed for graduates of technicums and vocational schools as well.

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Notes:

[1] In Azerbaijani official documents, technicums are described as *institutions of secondary vocational education*. In contemporary Azerbaijan, technicums were renamed *colleges*. However, in this article we will use the term *technicum* due to the fact that traditionally and in practice, secondary vocational schools in Azerbaijan continue to be called technicums.

[2] Probably, very small number of secondary school graduates who do not receive any further formal education, attend private courses to get training in any chosen profession.

[3] The Cabinet of Ministers determines the number of state-ordered places in each profession. In these professions, students who meet certain threshold scores on entrance exams, as set by the Cabinet of Ministers, do not pay any tuition to universities: their tuitions are paid from the state budget on their behalf. Students who are admitted to the remaining places are required to pay tuition fees.

[4] In 2011 and 2014 [Turkay Gasimova](#) was a part-time lecturer in this Department. She taught *Introduction to American Studies*; her classes were in Azerbaijani, and she spoke English, yet she was not a tenure-track professor and shortly afterwards she was forced to leave Baku State University due to her support of Jamil Hasanli, a historian and a presidential candidate in the 2013 presidential elections in Azerbaijan. We do not know exactly whether there have been any improvements in the language skills of the staff since 2015, yet we assume that it is unlikely that there have been significant changes.

[5] Higher education institutions include all the education institutions providing baccalaureate and upper level degrees.

[6] Technicums train only five categories of specialists in education. They include specialists in family and home

education, teachers of gym classes, specialists in inclusive education, kindergarten and dance instructors.

[\[7\] Belarus](#) has the worst record in Europe. As of 2022, Belarus has 1.868 lawyers, which means 19 lawyers per 100.000 people. However, as Belarus is not a member of the Council of Europe, this figure is not given in the above report.