

**DOES EDUCATION MATTER?
EVIDENCE FROM THE ANALYSIS OF FOREIGN-EDUCATED GRADUATES**

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The analysis of the returns to education in Economics grounds on the human capital theory recognizing education as a main contributor to the labour productivity. This justifies costs of acquiring more education which are considered as an investment into the human capital subsequently providing higher returns in a form of wage increments for more educated (i.e. more productive) workers. At the same time, educational costs are not only considered as the private investment; they are socially advantageous since the whole society benefits from the more productive workers, and – in a broader sense – more responsible in terms of the social behaviour (better educated) people generating social positive externalities. Therefore, higher salaries of more educated people serving as labour market signals creating ‘right’ incentives to get education play an important role in economy and society. The current trends such as economic, business, social and cultural globalization make further adjustments suggesting considering not only national, but the global labour markets, global competitiveness and global knowledge and skills. It changes approach towards the education; today more and more young people seek for global knowledge and experience which increase their productivity even higher and improve their position on a labour market, both global or national, providing additional gains for the whole society in a form of knowledge import and transfer.

In Kazakhstan, during the Soviet era the education abroad was nearly impossible, however, this changed dramatically with the transition. Unlike many other post-Soviet countries Kazakhstan vastly invested into the education of its citizens’ in the best universities all over the world. This study analyses administrative data on salaries earned by the cohort of 598 Kazakhstani citizens graduated in 2014-2016 from undergraduate programmes worldwide to address the following research question: what are their monetary returns to education and what factors - university characteristics, school performance, subject of study or placement specific characteristics such as industry of employment - better explain these returns?

A number of empirical examinations worldwide define university graduates’ employability and entry salaries as a determinant of a subject of study, academic performance (on both university and high (secondary) school level), university and high school characteristics such as selectivity and reputation, and even the university efforts in promoting their graduates on a labour market. Using quantitative methods we found that while the foreign graduates’ salaries on Kazakhstani labour market are not very much explained by their academic credentials, they are likely to be largely associated with the labour market related factors.