

DOI: 10.7596/taksad.v7i1.1464

Citation: Gubareva, A., Kovalenko, K., Zelenov, Y., & Stepkin, S. (2018). Particularities of Participation of Foreign Lecturers in the Educational Process: Foreign Economic Aspects. *Journal of History Culture and Art Research*, 7(1), 77-83. doi:<http://dx.doi.org/10.7596/taksad.v7i1.1464>

Particularities of Participation of Foreign Lecturers in the Educational Process: Foreign Economic Aspects

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Abstract

The development of world integration processes, related to the movement of labor, determines objectively the need for reforming the Russian system of education. In this connection, ensuring the quality of education, that meets the needs of the modernity, is a major strategic challenge of state education policy. That is why universities pay special attention to the formation of faculty members, development of international cooperation of universities and joint participation in the implementation of innovative educational programs, including by involvement foreign lecturers to work in Russian universities and also foreign students. Implementation of innovative education programs in the Russian Federation has contributed significantly to the development of international cooperation of universities and laid the foundation for long-term collaboration with foreign counterparts in educational and research areas. Internationalization of educational systems in developed countries has become an objective need. As a result, cultural contacts have significantly increased between countries. The information exchange started regarding accomplishments in the field of education. To determine the readiness of a scholar for development of an international research project and for the activity in the international scientific consortium is an extremely important issue about the economic feasibility of participation of each candidate. This paper argues government regulations regarding labor of foreign lecturers and payment of their services by a university.

Keywords: Interdependence, Globalization, Philosophy of History, Social development, Economic, Education.

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Introduction

After the period of socialist evolution when foundation for the country's development was self-isolation, formed on the basis of ideological and political confrontation with the capitalist countries, Russia has become much more involved in global integration processes taking place within common political-economic phenomenon, globalization.

The introduction of the term "globalization" is associated with the name of American sociologist R. Robertson, who gave the interpretation of concept of "globalization" in 1985, and subsequently laid concept's foundations. Globalization is a process of influence of various factors within international interdependence and interaction on the socio-economic reality. Globalization is an objective process that determines quality changes in a global space, growing interconnectedness and uniqueness of countries and civilization in general.

Globalization, however, served as a powerful factor of an increase in the political and social interdependence of countries. "Interdependence" is a manifestation of the modern world in concrete ways and conditions of interaction between state institutions, social groups and peoples from different countries.

The growth of interdependence in the modern world deals with a problem of proportionality of human resources in terms of an education level. "Standardization" of training personnel and, in particular, unification of educational processes should be conducted. For this reason, countries require elaboration of latest teaching techniques that have consistent features, but maintain national identity, individuality of teaching. All of this has led to the Internationalization of education systems in developed countries in relation to the necessity of an economic cooperation, which significantly increased contacts between countries with respect to achievements in the field of education.

Accordingly, it is natural that a state should pursue a rational education policy in order to get the maximum benefit from globalization. Today in Russia the role of education is determined by the desire to keep pace with global trends in economic and social development.

Implementation of innovative education programs in the Russian Federation (hereinafter referred to as "the RF") has contributed significantly to the development of international cooperation of universities and laid the foundation for long-term collaboration with foreign counterparts in educational and research areas. Internationalization of educational systems in developed countries has become an objective need. As a result, cultural contacts have significantly increased between countries. The information exchange started regarding accomplishments in the field of education.

Under convergence of legal systems of our time, countries offer various forms of cooperation. International cooperation led to a new trend in the educational environment, "academic mobility". Academic mobility is granting of an opportunity to young scientists to continue their education or gain research experience abroad by participating in a short-term educational or research program. Academic mobility is a priority area for international activities of all foreign universities. The purpose of its programs is high-quality education, improving the understanding between different peoples and cultures, educating a new generation, that will be ready in all aspects to enter into work and life in the international information community.

Discussion

Academic Mobility

In recent times, distance learning is commonplace that offers formation of innovative educational programs in higher educational institutions. In the early twentieth century international educational tourism was widespread. In European countries certain organizations appeared that specialized in meeting and serving foreign lecturers. At the same time in Russia centers offering overseas travel were launched, which in turn facilitated active participation and networking between our scientists with ones from abroad. There is a view that, "various forms of international contacts were developed and played a significant role in addressing organizational, technical and scientific teaching issues" (Shapovalova, 2009).

This trend has been introduced in the modern system of international educational relations. "Workforce migration" as a part of "academic mobility" is carried out under educational cooperation where universities invite lecturers from other institutions for lecturing, holding round tables, etc. Nowadays, the consequence of international flows of lecturers is contracting between universities and employees.

Today many scientific studies are implemented through large-scale programs funded by a state or community of nations in the form of collaborative projects. Participation in international scientific and technological programs assumes skills and competencies. Being professionals in subject areas, however, they are not ready to function in the international scientific environment characterized by the concept of "academic capitalism", where infrastructure specific skills of scientific activity are in great demand (Edwards, 2009).

For scholars' integration into the global educational space one more important factor should be taken into account. It is about the Internationalization and commercialization of scientific research as well as nature of higher education, where the Russian system lags far behind the European and American ones (Bobkov & Malikov, 2006).

To determine the readiness of a scholar for development of an international research project and for the activity in the international scientific consortium is an extremely important issue about the economic feasibility of participation of each candidate. The result of modern social and economic transformations fundamentally depends on the employee's motivation to work and further training. Besides, there is a problem that is the legal process of treaty relations with those lecturers who are foreigners. Many Russian researchers tackle the problem of improvement of salary system (Milyaeva & Leonova, 2008).

Otherwise, with the legal standpoint government regulates labor of foreign lecturers and payment of their services by a university. In most cases, a contract for the provision of education services is concluded.

Legal System in the Russian Federation

Recruiting foreigners for work, concluding employment agreement is carried out under special procedures. So, paragraph 4, article 13 of Federal Law "On Legal Status of foreigners in the RF" of July 25, 2002 № 115-FL as a general rule establishes that an employer and a requester of work (services) have the right to attract and employ foreign workers only with permits to do this. In accordance with the Administrative Regulations delivering by the Federal Migration Service, the authorities of the constituent entities of the RF, conducting transferred powers of the RF in the area of employment promotion, Federal Maritime and River Transport Agency and Russian Federal Fisheries Agency of public services for issuing opinions about engagement and employment of foreign workers, permissions to engage and employ foreigners and also work permits to foreign citizens and stateless persons, approved by the Order of the FMS of the RF № 1, the Ministry of

Healthcare and Social Development of the RF № 4, the Ministry of Transport of the RF № 1, the State Fisheries Committee of the RF №2 of January 11, 2008, a permission to engage and employ foreign workers is issued by the Federal Migration Service or its territorial subdivision with subject to the opinion of State Employment Service of a constituent entity. An employment permit is issued for work with a particular employer (a Ruling of the Presidium of the Supreme Arbitration Court dated May 19, 2009 №17066/08) (Frolov, 2008). Therefore, a university is obliged to obtain a permit for a lecturer as a foreign citizen, even if he/she has an employment permit into other educational institution.

According to part 2, article 18.15 of the Code of Administrative Offences of the RF, engagement to labor activity in the RF of a foreign citizen without obtaining permission to engage and employ foreign workers in due course is punishable by an administrative fine of from 25 thousand to 50 thousand rubles for officials; from 250 thousand to 800 thousand rubles or administrative suspension for a period of 90 days for legal persons (in the present case, a university).

Beyond the specifics of the procedure of formal employment relations, legislation provides for the tax consequences of engaging of a foreign citizen – a lecturer to work in a Russian university. According to paragraph 2 article 207 of the Tax Code of the RF (hereinafter – the TC), in order to correctly identify the tax base and the amount of tax it is necessary to determine the taxpaying status. Under paragraph 2, article 207 of the TC of the RF tax residents are considered physical persons, de facto staying in the RF for at least 183 calendar days within 12 consecutive months. The period of a physical person in the RF is not interrupted for periods of travel outside Russia for short-term (less than six months) medical treatment or education. For determining the taxpaying status of a physical person it is necessary to take into account the 12-month period, measured on the date of acquisition of income, including the beginning in one tax period (calendar year) and continuing in the other tax period (calendar year). On reaching 183 days of staying in the RF a physical person will be considered as a tax resident of the RF, it is calculated by summing all calendar days of the physical person's presence on the territory of the RF within 12 consecutive months (The Ministry of Finance of the RF, № 03-04-06/51).

For example, a foreign citizen arrived in Russia on January 1, 2009 and had been working in the Russian organization till December 31, 2009 and on the same day migrated over the border of the RF. In this case, the foreigner acquired the status of a tax resident in 2009, as this year the total duration of his/her staying in Russia amounted to more than 183 days within 12 consecutive months. Consequently, in calculating personal income tax the accountant could apply tax rate of 13 %. In addition, a foreign citizen has the right to the provision of standard tax deduction (Akimova, 2010).

One more example; a foreign citizen came to Russia November 1, 2009 and had worked at the University until May 31, 2010 and on the same day migrated over the border of the RF. In 2009, a foreign citizen was not a tax resident of the RF, because the total duration of his/her staying in Russia was 61 calendar day (from November 1 till December 31, 2009). The accountant of the university, in which he worked should withhold tax at a rate of 30 % from the income. In 2010, the foreigner acquired the status of a tax resident when the total duration of his/her staying in Russia amounted to 183 days. It happened on May 2, 2010. Consequently, when calculating personal income tax from the income received by this taxpayer in 2010, the accountant applied a tax rate of 13 %.

In the monetary field the residence is considered as a special legal status of a person, allowing to differentiate the legal regime for his/her activity in conducting foreign exchange transactions, in order to assigning responsibilities and establishing prohibitions, aiming at promotion of the public interests in the monetary sphere. The criteria of residence are embodied in paragraphs 6, 7 part 1 article 1 of the Federal

Law "On currency regulation and currency exchange control" dated December 10, 2003 №173 – the FL (hereinafter - the FL "On currency regulation and currency exchange control"). The following residents are primarily included such as persons whom the personal law is Russian Law: Russian citizens, except for citizens of the RF recognized constantly living in a foreign state in accordance with the Law of this state; permanently residing in Russia on the basis of a statutory residence permit, foreign citizens and stateless persons; legal persons established in accordance with the legislation of the RF, their branches, representative offices and other units located outside the territory of the RF. In addition to private individuals, residents include Russian public collectivities: the RF, its constituent entities and municipalities, as well as federal state authorities that represent Russia in international relations: diplomatic representations, consular offices of the RF and other official representations of the RF located outside of the territory of the RF, and also permanent missions of the RF at the interstate or intergovernmental organizations. The list of residents is confidential and not subject to broad interpretation. For non-residents, the legislator used the leftover principle, this group includes all persons who are not resident citizens of the RF: permanently residing in a foreign state in accordance with the Law of that state; foreigners and stateless persons without not residing permanently in Russia on the basis of a residence permit; legal persons and non-legal persons established in accordance with foreign law and located outside the territory of the RF, their branches, permanent missions and other separate or independent structural subdivisions located on the territory of the RF.

Accordingly, within one year before obtaining a residence permit a foreign lecturer will be treated as a non-resident. After receiving the permit, he will be considered as a resident. In accordance with subparagraphs a) and b) paragraph 9 part 1 article 1 of the FL "On currency regulation and currency exchange control" the use of foreign currency as means of payment made by residents in favor of residents, and also the use of foreign or national currency as means of payment made between resident and non-resident, is a currency transaction. Consequently, the correct definition of residence of a foreign lecturer is important to establish the necessity of compliance with the requirements of currency legislation related to remuneration for the given classes.

If a foreign lecturer is a non-resident, the payment of remuneration by a university qualifies as an exchange transaction, even if the payment is made in Russian rubles. So, it is necessary to take into consideration the provision of the general rule of part 2 article 14 the FL "On currency regulation and currency exchange control", about obligatory settlements by legal persons - residents through bank accounts at authorized banks, the procedures for opening and operating of which are established by the Bank of Russia. Paragraph 8 part 1 article 1 of the FL "On currency regulation and currency exchange control" determines the designated bank as a credit organization established in accordance with the Law and entitled under licenses of the Bank of Russia to implement banking transactions to funds in foreign currency, as well as an operating branch of a credit organization on the territory of the RF in accordance with the license of the Bank of Russia, established in accordance with the legislation of a foreign state entitled to implement banking operations to funds in foreign currency.

Conclusion

In addition to the accounts opened in authorized banks, calculations can be carried out through the accounts opened by a university in banks located outside of the territory of the RF, on condition that the account was opened at a bank located on the territories of foreign states, which are members of the Organization for Economic Cooperation and Development (OECD) or the Financial Action Task Force (FATF).

The prior authorization for opening account outside the territory of the RF is not required, it is sufficient to notify tax authorities at the place of temporary residence of its opening no later than one month from the date of opening. Payment of remuneration to the lecturer can be carried out at the expense of funds, transferred to a bank account outside of territory of the RF from the accounts in authorized Russian banks, or other accounts in banks outside of territory of the RF, along with at the expense of other funds credited to the account in accordance with the requirements of the legislation.

In the meantime the legislation of the RF does not provide for sanctions for violating of the claims as article 15.25 of the Code of Administrative Offences of the RF, establishing a list of monetary offences, does not contain such grounds for prosecution as cash transactions at carrying out of currency transactions. The Presidium of the Supreme Arbitration Court found that currency transactions in receiving by a Russian physical or legal person from a foreign citizen or organization owing to transfer of goods, performing works, service delivery, cash in currency of the RF and also currency transactions performed in issuing cash in the Russian currency by a Russian legal person to foreign citizens as a wage, not prohibited by law and not limited to the requirements about operation of the special account and reservation, cannot be classified as illegal exchange transactions committing of which constitutes the substantive aspect of an administrative offence under part 1 article 15.25 of the Code of Administrative Offences of the RF (regulation of the Presidium of the RF from September 1, 2009 № 4140/09, from February 17, 2009 № 12089/08, March 18, 2008 № 15693/07). The lack of sanctions for violating the requirement about conducting of settlements in non-cash form has a negative impact on the effectiveness of currency regulation, which may lead to violating of public interest in the monetary sphere.

Bank account of a lecturer – non-resident, on which an amount of remuneration is charged, can be opened on the territory of the RF only in the authorized banks regardless of currency (part 1 of article 13 of the FL “On currency regulation and currency exchange control”). In addition, calculations can be carried out through bank accounts opened by the lecturer outside the territory of the RF. Russian currency legislation sets up various rules for transfer of funds depending on currency of transferring. Part 3. 13 FL “On currency regulation and currency exchange control” provides to non-residents the right without restriction to transfer foreign currency and Russian currency from their bank accounts in banks outside of territory of the RF to their bank accounts in authorized banks. Without restriction to transfer funds from their bank accounts in authorized banks to their accounts in banks outside of territory of the RF non-residents are entitled only with respect to foreign currency (part 4 of article 13 of the FL “On currency regulation and currency exchange control”). Accordingly, on account of payment of remuneration received foreign currency may be transferred by a lecturer on his/her bank account outside of territory of the RF. If remuneration is paid in rubles, a lecturer can purchase foreign currency and transfer it to a bank account outside of territory of the RF or withdraw cash rubles from an account in the authorized bank and get out of Russia, if a total amount exported rubles does not exceed the equivalent of 10 000 US dollars.

In accordance with article 9 of the FL “On currency regulation and currency exchange control” currency transactions between residents are prohibited. The Currency Law contains a closed list of exceptions to the rule to which transactions between a university and a lecturer related to payment of remuneration for given classes do not apply. Therefore, if a foreign lecturer becomes a resident, a university has no right to perform calculations in a foreign currency, payment should be in rubles according to the general rule applicable for calculations in national currency.

Finally, it is appropriate to recall that the correct determination of a resident status of a foreign lecturer and a student is important to establish the necessity of compliance by universities of requirements of the

currency legislation in carrying out of currency transactions, related to a payment of remuneration for given lessons and receiving tuition.

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