

THE CURRENT TRENDS OF THE EDUCATIONAL SERVICES MARKET IN UKRAINE (АКТУАЛЬНІ ТРЕНДИ ОСВІТИХ ПОСЛУГ В УКРАЇНІ)

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Introduction

In the process of formation of the economy knowledge, the role of the higher education in socioeconomic dynamics is substantially increasing, which transforms the sphere of higher education from the final stage of transferring of the finished information and knowledge into the field of continuous knowledge generation and the branch of the national economy which provides the country's competitiveness and development of the society.

The current development of the domestic higher education is characterized by the presence of a number of institutional gaps that cause the following imbalances of development [1, p. 222]: structural imbalances of the national system of higher education; the gap between needs for increasing the financial sources for development of the domestic educational and scientific sphere and state budget, limited due to the deep economic crisis; the discrepancy between quality of the university education (a separate institution of the higher education and the national system as a whole) and its representation in the ratings; the lack of unity of the market of the educational services and the labor market, etc.

Main material of the research

Investing funds into the sphere of the higher education is carried out through sources of the state and private budget (individual and corporate) sectors. The high social utility of educational services and the lag of demand from the long-term interests of society leads to a state activity in this market: knowledge is considered not only as an investment into the individual human capital which brings income, but as a pledge of the individual social protection, they are of exceptional importance for the development of the national intellectual potential, society as a whole and increasing the competitiveness of the economy. This is one of the reasons of the fact that in Ukraine regulation of production of educational services takes place not so much on the basis of a market mechanism aimed at satisfying the payable needs of a certain part of the population, but through the public funding [2, p. 193].

Subsidizing the higher education institutions expands the scope of the proposal, which raises the question of the market imbalance and

oversupply of the proposal. If in the early 1990s, no more than 900 thousand students entered the Ukrainian higher education institutions of the III-IV accreditation levels, and their number did not exceed 160, the middle of the 2000's was characterized by the maximum values of the number of universities (350 and more) and students (more than 2 million people). The demographic and socioeconomic crisis has led to a gradual decrease in the number of students enrolled in higher educational institutions, and in the last two years the reduction of supply of the educational services has contributed to the reduction of funding for higher education and strengthening of institutional constraints to the organization of the educational process in order to optimize the network of institutions of higher education. [3].

The effect of the state funding of science and education is delayed, in this regard, it is difficult to establish its effectiveness, and therefore, determine the optimal amount of services for institutions of higher education which provides positive externalities. Coverage of the budget expenditures on education is carried out at the expense of the growth of taxes (in the future period) from the increase of salaries of graduates (as a result of a higher qualification) and maximization of the social utility – scholarship, adaptability, possibility of "merit correction of behavior of individuals" [4, p. 39], readiness for the economic development, etc. According to the World Bank, an increase in the level of education of the economically active population for one year contributes to an increase in GDP by 9% [5]. Education not only increases the recipient's productivity, but also provides a long-lasting external effect, that is the actions of one person increase the welfare of another one: an educated person can offer ideas that will be useful to a local society, for example, a family or a society as a whole.

In 2016, the state spent almost 6% of GDP on education. Unfortunately, the indicator, high by the world measures, which only leads to the percentage of people with higher education than in any other country, have not yet led to an increase in labor productivity, nor to the satisfaction of employers with the quality of manpower. Anomalies in the financing and development of education and science have been accumulated for decades. Budget programs do not have any formulated goals, related to the state of development of intellectual capital, nor the monitoring of indicators of their achievement.

The historical reason for this - for many years when determining the cost of higher education, the demographic trends were ignored: fertility decline, urbanization, as well as the real needs of the economy in personnel with a certain set of knowledge and skills. Because of the lack of a flexible

response to demographic changes in the field of higher education, a number of imbalances have emerged. Thus, the number of children aged 15-19 decreased by 41% during 2000–2015, and the number of students – by 8%. The gradual decrease in the number of enrollees began with a delay and was very slow. Thus, in 2013, 4/5 of Ukrainian youth received the higher education. In 2016, the situation remained unchanged, as by the statistics, 80% of school graduates entered the HEI, compared to 50% in 2000 [3].

An obvious negative consequence of the increasing mass of higher education is the depreciation of qualifications obtained and the further break with the real needs of the economy. In the public opinion there dominates an idea about the critical need for «professionalism» which must be confirmed by a diploma of higher education and not necessarily embodied in certain knowledge and skills. Higher education or a degree has become an attribute of social status, the weight of "the symbolic intellectual capital" has increased, but not the real one. The domestic economy which does not create any demand for real jobs requiring productive efficiency, thus stimulates the demand for abstract «common» educational specialties. When the professions of graduates of domestic higher education institutions do not always coincide with the needs of the labor market, a part of carriers of knowledge can not realize their own intellectual potential in the conditions of the Ukrainian economy.

Changes in the demographic situation still led to a decrease in the total number of students by 33% during 2010–2015. This has affected other indicators of higher education in Ukraine, especially on: the number of professor and teaching staff of institutions of higher education; load of the teaching and methodical complex of disciplines; wages of employees of higher education; necessary and sufficient number of institutions of higher education; licensed amount for certain specialties. The number of students per a teacher, taking into account the daytime, evening and extramural courses, amounted to about 11 in 2015, while the average for the European countries in 2013 was 15.4 [6].

In recent years, a new problem in the educational sphere of Ukraine has become the problem of the inconsistency of the number of teachers of institutions of higher education with academic ranks and degrees with the one which is necessary to ensure a high-quality educational process in higher education institutions. By 2010, the staffing needs exceeded the existing potential, and after 2010 there was a steady decline in the number of students and an increase in the number of teachers with degrees and ranks that now exceed the needs of the educational sector. Changes in staffing capacity are much slower and more inertial than changes in the student contingent, so, based on demographic projections by 2020, the

problem will exist.

The small number of contingent students in the vast majority of institutions of higher education and their dispersal of subordination is one of the manifestations of the imbalance of the national system of the higher education. The experience of countries with a high level of higher education indicates the binding of the population to the number of educational institutions: an effective ratio is considered 0.5–0.8 million people per one institution of higher education (Table)

Table

The ratio of population and the number of higher education institutions in European countries

Country	Number of population, mln people	Number of higher education institutions *	The number of population per 1 higher education institution, mln people
Great Britain	62.74	123	0.51
Hungary	9.97	19	0.52
Switzerland	7.91	14	0.57
Spain	47.27	74	0.64
Italy	60.72	83	0.73
France	65.43	80**(380)	0.17 (0.82)
Check Republic	10.5	73	0.14
<i>Ukraine</i>	42.76	288	0.15
Bulgaria	7.35	42	0.18

* – the institutions of higher education mean universities

** – in France, higher education is represented by universities (in the amount of 80 institutions) and higher schools (in the amount of 300)

Calculated based on [7]

The issue of consolidation of the network of institutions of higher education remains problematic. Combining the several institutions in one powerful regional one in the first stage allows to create a powerful educational institution with a developed material base, to simplify the management of the industry. But at the same time, there are risks of the process of optimization of institutions of the higher education: on the one hand, the unification of several departments of educational institutions into one ensures the availability of personnel potential, sufficient for licensing and accreditation of any profile for the department of the specialty, on the other hand, there decreased the need for further development of the department, there disappear incentives for the presenting of dissertation,

writing textbooks, etc.

A rather contradictory feature of higher education in Ukraine is a significant percentage of universities in the system of institutions of higher education. In 1991/1992, of 156 higher education institutions, only 12 had the status of universities, while now they are 180. For comparison, in Spain, which population is correlated with Ukraine, they are 74 [7]. The practice of the institutional differentiation in Ukrainian higher education, based on the levels of training programs, does not take into account several important points: firstly, the heterogeneity of a group of leading universities that have the right to implement masters programs – it includes both generally recognized leaders, and institutions of higher education with low ratings; secondly, the internal heterogeneity of higher education institutions is a subdivision with strong scientific potential and units, focused exclusively on the massive demand for educational services; and thirdly, the variously directed world-view development of the society itself, the presence of diverse requests to institutions of higher education from the population [1, p. 244].

The imbalance of the educational services market has led to the ineffective management of the higher education system, created duplication of training, reduced the effectiveness of placing the state order and controlling the quality of higher education, narrowing the possibilities to continue education in higher-level programs, and led to an increase in financial costs for the maintenance of higher education institutions. The inconsistency of the professional qualifications with the acquired educational level is another challenge for the domestic higher education market, which is caused by systemic institutional traps, in particular, the imperfect expertise of knowledge, as a consequence - mistrust of diplomas, certificates, etc. The Headhunter portal vacancy analysis showed that 54% of employers are not interested in the level of education of hired workers, and the World Bank study showed a high level of discontent among employers with the hired personnel preparation level, the main reason for which is the lack of practical training [8].

Strengthening of the processes of globalization in the educational sphere from the end of XX century is reflected in the functioning of national systems of higher education. According to P. Scott, «globalization is, perhaps, the most fundamental challenge, faced by a higher school in more than a thousand years of history of its existence» [9, p. 4], that is, the national separation of institutions of higher education is increasingly confronted with the consequences and prospects of internationalization and globalization. The adequate implementation of the globalization components in the process of education depends, in essence, on the very

model of the system of higher education, the quality of educational services, the image and competitiveness of national institutions of higher education. Therefore, the international cooperation has become a secondary activity of universities as an integral part of their strategy. The main tendencies of development of the international education in recent years are the increasing mobility of students, teaching and professors staff and diversification of forms of transborder mobility (program mobility, institutional mobility). Most of Ukrainian institutions of higher education in one way or another are subjects of the international activity.

The largest number of foreign students are attracted by leading states: About 17% of all international students study in the USA, in Europe – 48% (13% in the UK, about 6% in France and Germany), in Australia 6%, and in Canada 5% [10].

Recently, there is a positive dynamics of the international student mobility with the participation of Ukrainian higher education institutions: firstly, the geography of the movement is spreading and the number of Ukrainians studying abroad is increasing every year; and secondly, by 2014, the number of foreign students has increased steadily in domestic higher education institutions.

By the number of foreign students, Ukraine was even among the top ten countries of the world, showing indicators very close to those of the European countries – members of the Organization for Economic Cooperation and Development. For example, in Spain (the population is about 47 million) in 2011, about 62.5 thousand foreign students studied [11]. It is worth noting that, unlike Ukraine, Spain in the past was one of the most powerful colonial empires, remaining a cultural metropolis for many inhabitants of Southern and Central America, and the Spanish language is the second most widespread in the world after Chinese.

Ukrainian institutions of higher education, while remaining with a number of outstanding issues (corruption in universities, orientation of students to obtain a diploma, not education, the desire to retain students regardless of their success in order to replenish the budget of the university; a weak material and technical base and a significant gap between university class rooms and the real economy), and with low international ratings, are becoming more attractive, for the most part, for Asian countries (Turkmenistan, Azerbaijan, China). The most popular among foreigners are medical, technical and cultural educational institutions, as well as those with few counterparts in the world.

Analyzing trends in the development of program and institutional mobility in the European space, we note that the most powerful positions in the export of educational services are borrowed by economically strong

English-speaking countries (the United States and the United Kingdom), and the activities of transnational education institutions are directed, first and foremost, to the countries of Eastern and Central Europe. Under such conditions, the inflexibility of the national education system, unfortunately, has a rather broad scope for the development of transnational education in weak national markets, which, in a context of a tight international competition in the educational sphere, will supplant local institutions of higher education. Program and institutional mobility in Ukraine are developing not so actively as an academic mobility, but we note the development of cooperation with the universities of Great Britain, Switzerland, France, Germany, Spain, Sweden and other countries in the field of new programs of double diplomas in the field of natural sciences and engineering sciences. A promising partner for the development of collaborative projects and research is Canada.

As a direct result of the globalization processes, cross-border education is closely linked to the use of new information technologies, in particular, distance education and Internet education. Its development is facilitated by virtual courses, universities and academies, virtual libraries, and electronic resources. In a number of countries (China, Latvia, the Netherlands, Algeria, Great Britain, Turkey, etc.) from 10 to 25% of students receive education in distance education institutions [12]. Distinctive features of such educational process are flexibility, adaptability, modularity, economic efficiency, customer orientation, the use of advanced communication and information technologies which creates conditions for the development of the world's educational space and the unification of the world's intellectual resource. In Ukraine, the distance education is developing, but in a moderate pace.

Strengthening the processes of informatization and globalization greatly increased the speed and scope of the spread of external effects, which led to a contradiction between expenditures (investing in education in one country) and results (another country has the opportunity to obtain labor force effortlessly and financially).

For countries with an extravert model of formation and use of the intellectual capital, to which Ukraine also belongs, the risk of falling into the institutional trap of global outflow of intelligence increases. The trap of global outflow of intelligence is caused by institutional gaps in the processes of formation and use of the intellectual capital. The high level of training of specialists in certain specialties remains unclaimed by the national labor market because of the low level of socio-economic development of the country or the distorted production structure. This prompts the high-quality national specialists to move to countries where

conditions for use of the intellectual capital (as an option, labor for foreign customers from the territory of the country) are created. Under such conditions the country integrates into the global environment with the loss of already formed national intellectual capital.

Depicted on the Fig. institutional traps are caused by the protracted poverty rate, characteristic of low-income countries, which includes Ukraine (according to the IMF in 2016, Ukraine was the 131st out of 186 countries with an average annual income per a person of 2194 dollars [13]).

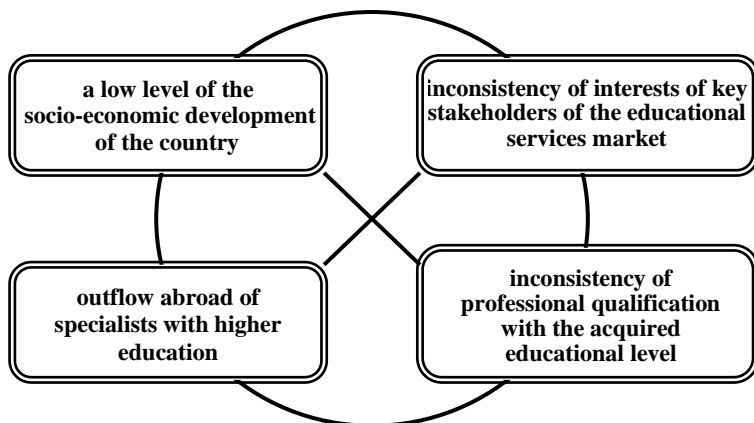


Fig. Institutional traps of the domestic higher education [2, p. 194]

Summarizing the analysis of development of globalization in the field of higher education, we will determine the greatest risks of the development of national institutions of the higher education:

- the inability of the national higher education system to adequately compete with leaders in the global intellectual sphere (different levels of socio-economic development of countries, significantly lower funding opportunities for higher education, low rates in international rankings);
- activation of the student and teaching and professor mobility without the state's policy of returning the high-quality specialists is threatening to increase the «loss of intelligence»;
- commercialization of the higher education on a global scale is aimed at achieving rapid, first of all financial results, which impedes the realization of long-term strategies for the formation of the intellectual potential of the country;
- active dissemination of the academic culture of the English-

speaking world leads to the loss of cultural identity, the peculiarities of the national system of the higher education;

– improving the quality of the higher education system by increasing its integration into the world educational space will promote the formation of the high-quality intellectual capital, but at the same time, increase the risk of its loss (emigration to countries with better working and living conditions).

In the conditions of deterioration of the demographic situation within the country and increasing competition in the world market of educational services, the image of institutions of higher education and the national system of higher education becomes very important.

In the rating «Top 200 Ukraine», the first and for the time being the only one IREG accredited academic rating in Ukraine, the National Technical University of Ukraine «Kyiv Polytechnic Institute» and Taras Shevchenko Kyiv National University are the undisputed leaders in all the selected criteria. The most complete information on the activities of higher education institutions provides a consolidated rating based on the most well-known ratings of higher education institutions in Ukraine: TOP-200 Ukraine, Scopus and Webometrics.

The Scopus database, which is a tool for tracking the citation of scientific articles, published by the educational institution or its staff, constantly indexes more than 20 thousand scientific journals, 370 book series and 5.5 million works of conferences. As of April 2016, 128 institutions of higher education of Ukraine were included in the Scopus database. According to the rating of 2016, the highest Girsh index among Ukrainian universities is the Kiev National University named after Shevchenko – 73, Kharkiv National University named after Karazin – 57 and Lviv National University named after Franko and Odesa National University named after Mechnikov – 46. The fifth and sixth steps are taken by Chernivtsi National University named after Fedkovych (44) and NTUU «Kyiv Polytechnic Institute» (38) [14].

The degree of integration of any research institution into the «World Wide Web» is evaluated using the Webometrics Ranking of World's Universities rating. As of July 2017, among the 27,000 educational establishments in the world, 300 educational institutions of Ukraine received their places. The leaders of the network presence among domestic higher education institutions are the Kyiv National University named after Shevchenko (1299th place), NTUU «Kiev Polytechnic Institute» (1685), Sumy State University (2112), Kharkiv National University named after Karazin (2124), Odessa National University named after Mechnikov (2192) and Lviv National University named after Franko (2303) [15].

The most important reasons for the low ranking of the domestic higher education institutions are: insufficient attention to the functioning of sites; lack of materials that are evaluated by this rating (full text scientific papers or abstract materials); insufficient announcement of events, actions, projects on the university website and the sites of the departments; practical absence of sites of scientific departments and state budget topics; bad status of language versions of sites; the lack of practice to evaluate the scientific achievements of the presence on the Internet and external references to works. A full network presence is possible only if the efforts of many units and scientists of the educational institution are united.

The Academic Community of Ukraine believes that the international ratings are oriented primarily on the assessment of the research component of higher education institutions, do not fully assess the historical features of the development of national educational systems, the cultural context, linguistic peculiarities – all that must be taken into account in accordance with the canons of the Berlin Principles of IREG, respectively. International ratings represent a picture of the educational space without any particular details, and national ratings are based on the construction of a detailed picture. For the domestic education system, the most attractive in the future may be systems of integration of all or most of the spheres of activity of institutions of higher education, in contrast to the existing linear ratings.

Despite the imperfection of ratings and rating techniques, in the current conditions it is necessary to adapt to their existence, since they affect the reputation of a higher education institution, which in turn, further attracts students and allows them to increase their incomes and thus improve the material and scientific base of the institution. As the practice confirms, the balance between the interests of the rankers and the academic community may be only partial, since full respect for the interests of all parties in such a complex system as higher education is problematic. An unbiased analysis of international ratings and expert assessments must be combined with an independent statement of goals and the development and implementation of effective solutions for their achievement, based not only on image considerations, but also on the real needs and interests of the national labor market.

Conclusions

The formation of a global educational market pushes national higher education systems to fulfill such new functions:

- meeting the needs of the national economy in highly skilled professionals, competitive in the international labor market;
- stimulation of higher education institutions to develop and introduce the innovative information educational technologies into the

educational process, to raise the level of education quality in order to remain attractive for potential as domestic and foreign applicants;

– implementation of a selective function in order to consolidate the education market of those educational institutions, whose performance corresponds to the international standards.

Under such conditions, the formation of a competitive educational policy in the state and a separate institution of higher education is a key task of reforming the economy.

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