

## **ECONOMICS**

### **PROBLEMS AND PROSPECTS OF THE DEVELOPMENT OF THE HIGHER EDUCATIONAL INSTITUTIONS IN THE POST-SOCIALIST COUNTRIES**

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Higher education can be regarded as a specific sphere of the market economy, and higher education — as specific educational corporations that provide educational and related services. These services are both a public good and private good. Public good is to increase the education level of the population, human resources development of the new technologies. Private good is the acquisition of the knowledge of a specific individual, which increases their value (value) of the labor market.

As in other types of economic activity, in higher education there is a competition, as well as different attributes of competition — dumping, advertising, "unfriendly attacks" and the like. Competition manifests itself in particular in the economic behaviour of educational institutions producing educational and related services. This means that in higher education, as in other areas of economic activity, market and non-market manifest challenges that involve risks (and varying degrees of direction).

Based on the analysis of the available scientific literature [1–3] can offer a list of the market factors that most significantly affect the economic performance of the higher education institutions as market institutions:

A) Macroeconomic factors:

- Demographic crisis that emerged in reducing the number of entrants (potential consumers of the educational services);
- Limited budgetary resources, which was manifested in decreased funding for higher education institutions of state and communal forms of ownership;
- Unpredictable inflation, because of what universities can not plan their own pricing policies (educational services consumed in the long run, but the price Used services can not be determined beforehand);
- Lack of opportunities for the use of traditional forms of support demand for educational services (in particular, consumers of the educational services, unlike other consumer goods, effectively denied the opportunity to attract credit resources to pay for these services);
- The lack of a sufficient level of innovation culture in society and the economy, the traditional weak linkages between the institutions of science, education and industry, which inhibits the adaptation of higher education institutions to the challenges of the market environment.

B) Sector factors :

- Essentially different status of higher educational institutions of different forms of ownership (higher educational institutions of state and communal forms of ownership

have the status of public institutions and forced to build their work within the constraints of budget legislation, universities have private ownership status of commercial organizations, aimed at making a profit);

- The lack of standardized methods of price formation provided educational services, which is why higher education institutions in the competition often resort to price methods of promotion services;

- The need for the actual production is not only educational, but also related services, which, although paid, but often do not have higher education institutions for economic attractiveness (settlement in a dormitory, passing students practice, study, military department etc.);

- A combination of forced higher education institutions operating activities (direct provision of educational services) with other forms of activities that advocate for the functioning of the market of educational services (educational process, the purpose of scholarships, employment etc.).

C) Regulatory factors:

- The existence of procedures for accrediting higher education institutions and licensing of production and provision of educational services, which generates additional risks and costs that increase the price of educational services;

- Strict regulation of the various components of the operating activities of higher education institutions (in particular, the organization of the educational process, the implementation of financial activities etc.);

- Availability of specialized bodies and institutions that carry out state control and supervision in the production (supply) to educational services in the field of higher education;

- The impossibility of making the profit higher education institutions of the state and municipal ownership (since they are non-profit organizations).

In the process of a comprehensive study of the problems of the market of educational services in the field of higher education as appropriate, in our view, conduct ongoing monitoring sentiment social environment (which is formed by the ratio of potential consumers to the different elements of the development of higher education, which may significantly affect the economic performance of higher education institutions), as well as the opinion of potential users and customers of educational services (applicants and their parents). In the course of the studying attitudes and positions of the social environment or individual target groups carry out special study results of the sociological research.

In such difficult conditions (high competition, demographic crisis, the negative perception of higher education in general) higher educational institutions must take extraordinary measures in order to attract a sufficient number of school students (consumers of educational services).

In order to establish a successful mechanism of strategic management institution of higher education is necessary to organize the work of the monitoring system in market of educational services, identification of market and non-market challenges, different risk assessments.

A key aspect of the functioning of the system of higher education is to support real (and not declarative) autonomy of higher education institutions. Remain challenges empower higher education institutions with respect to carrying out personnel policy, regulating the conditions of entry to the study, the allocation of financial resources, transparency and public scrutiny of academic and financial activities.

One result of the improvement of the system of higher education as a specific sphere of economic activity should be to achieve a balance between supply and demand in the labor market. It is about solving complex problems significantly — from the definition of the network of higher education institutions and ending methodical maintenance planning state order for training specialists with higher education. It is advisable to focus on the further development of cooperation between educational institutions and business environment, as well as the social partners.

According to our estimates, the post-socialist countries of the camp system of the higher education are the most dynamically developing in Ukraine.

Ukrainian higher education system — it is 340 universities III–IV accreditation level (universities, academies, institutes) and 460 universities I–II accreditation level (technical colleges). Over the years of independence, the number of institutions that provide a full higher education has increased by more than 2 times. Operates 96 private universities III–IV accreditation levels, in which 158 thousand students studying (data for 2013).

The creation of new universities state and communal forms of ownership took place without a thorough research and analytical studies, in particular, was not based on the real possibilities of the budget. Although the relative size of budget spending on higher education increased (in 2013 it was allocated 2.1% of GDP, and in 2000 was allocated only 1.3 %, in 2005 — 1.8%).

However, due to the rapid increase in the number of universities amount of money coming to the "micro" almost falling off. As a consequence — universities do not have the normal budgetary funding. Universities seeking to cut costs, including science, purchase textbooks, upgrade laboratory facilities. Many universities do not have adequate staffing and capacity. In 2013, job placement received 156,000 alumni — is just 27.2% of the total. Half of those who are educated by the state (due to business and citizens paid taxes) — job placement is not received.

In 2013, only 41 thousand graduates (or every tenth) entered the labor market, having adjacent working profession. In Ukraine, the average high school has about 6000 students in the EU — about 12 thousand, and in some countries — up to 22 thousand this means that European universities, concentrating in their student body, and have the economic basis for the concentration at and various resources (finance, personnel, equipment) that leads to the strengthening of university building.

A large number of universities can be justified only in one case — if they focus on training foreign citizens. Under the law, schools can take foreigners to study (it is the export of educational services), it helps to fill the budget, human resources support, attract currency into the country. However, in Ukraine, the number of foreigners studying relatively small — about 53 thousand from year to year decreases and the main contingent of foreign students — from Azerbaijan, Iraq, India and China.

Ukrainian market of services in the field of higher education has faced many challenges, for which there are no answers.

The first — many foreign universities open their branches in Ukraine, while domestic applicants willingly served there documents for receive two diplomas — Ukrainian and foreign sample. Ukrainian national universities are losing purchasing power, which means — go into bankruptcy.

Second challenge — many high school graduates aiming for higher education abroad. With tolerable knowledge of English can learn, for example, Polish or Slovak college, and any Slavic language can be learned at all for six months. In this study in a college is cheaper, and obtained by the end of his diploma gives access to work in any European country.

Third challenge — demographic hole 90s, resulting in since 2008 the university system began to feel a decrease in the number of entrants. In 2009 in Ukraine was 2.6 millions students now — just over 2.0 million, a drop — almost a quarter. Despite optimistic statements "lack" of applicants (read: consumers of educational services) will continue for at least nine years — it is enough to take a close look at the statistics of high school students. In the 2013/14 academic year, recorded an increase of only those who enter the first stage of basic secondary education (studies in elementary school), and the number of pupils 4–11 classes still declining. But even after nine years at best will only slow growth, but not a full recovery.

Calling the fourth — the de facto refusal of the state fulfils the functions of quality assurance. American scientists in the field of economics of higher education by analyzing data on the work of the world's leading universities, have shown convincingly that the key to high quality university system is adequate government funding. That budget, as university education ultimately produces "public goods" and performs non-profit objectives. In Ukraine, the relevant ministry actually banned universities to conduct international activities, as well as to make capital investments (with the exception of emergency works). These goals can not be used even special fund money (earned university), because they are also considered cost.

Calling the fifth — the coming decentralization. Now order for the training of specialists with higher education generates mainly state. State distributes government order all universities as "top", and regional. After the reform — the order will generate local authorities, based on the needs and opportunities of regional budgets. The main reference point for the formation of the order — price training, and she at regional universities in 2–3 times lower. So many "top" universities, exposing exorbitant (higher than in the EU) prices for their services, will remain without budgetary financing.

Competitive advantages of a higher education institution in the educational market generated as a result of purposeful work as part of an approved development strategy, which is the main element of effective strategic management.

The author believes that the benchmark of strategic management in higher education in the context of strengthening its market position would be to support and certain objective performance criteria.

The objective of the strategic management of higher education institutions is the constant strengthening (or support at a high level) the competitive position of the institution, which is a prerequisite for its success as a market entity.

The main strategic resource institution of higher education is the intellectual capital that is produced and sold only through the work of people who are united by the concept of "faculty". Professional competence and willingness of people forming the so-called "new performance", or in the narrow sense — makes it possible to make a "major product activity" at the appropriate level of competitiveness.

Another strategic resource of the modern institution of higher education is its physical infrastructure, which includes the production and auxiliary premises (area), educational equipment, laboratory equipment, consumables. Ukrainian tradition of higher education development suggests that higher education institution should deal primarily educational activities, standards of which are regulated by the state (government authorities), but at the same time, a requirement to conduct research. Complexity and the orientation of the university, its vulnerability as a complex system, the presence of many constraints in terms of the production educational services is the main argument for the need to implement in higher education modern tools of strategic management.

Therefore, given the challenges of market support sustainable development institution of higher education is increasingly complicated by . Said necessitates the introduction of the higher educational institutions of strategic management is aimed at developing their own strategic potential and to adapt to rapidly changing external changes.

**Conclusions.** Competitive position of a higher education institution is an organic combination of several interrelated phenomena (processes): support for educational services produced (provided) to the institution; cost of educational services; existing strategic potential, potential customers often overlooked along with the price and quality of education; reputation (image) of the institution, the prestige of his diploma; perception of the institution of higher education employers; access to government support (licensing, public order, adequate funding from the budget etc.) getting the consumer additional (related) services, paid and free. A key characteristic that affects the competitive position of the university is the quality of educational services that this facility produces. Competitive advantages of a higher education institution in the educational market generated as a result of purposeful work as part of the approved strategy (strategic program) to its development.

Competitive advantages which gets a higher education institution in the process of implementing the strategic development program, designed to solve complex tactical task — to limit the negative effects of competition, including "unfriendly expression", "competitive attack", dumping more. Each institution of higher education, regardless of their form of ownership and subordination, should be ready to adverse market and challenges that may have objective and subjective.

Assessment of the competitive advantages of higher educational institution can be carried out by various methods, including noted: analysis of volume of income; amount of revenue per student; expert interviews; polls; marketing research; rating (for rating). In Ukraine, a special distribution has become practice for rating universities.

The main strategic resource of the university, which can be used as its competitive advantage is the intellectual capital that is produced and sold based on the work of teaching staff. Another strategic resource of the modern institution of higher education is its physical infrastructure, which includes the production and auxiliary premises (area), educational equipment, laboratory equipment, consumables.

A key element of the strategic management model institution of the higher education in developed countries is its autonomy. The autonomy of higher education institutions is seen as an instrument of its independence, accountability and quality of activities simultaneously. There are academic, economic, institutional autonomy of higher education. In developed countries, the autonomy of higher education institutions is a tool that supports the solution of problems faced by the institution as a producer of educational and related services.

Leading universities in Ukraine in various forms account for documents that define the strategic guidelines for development in the long term. Single vision methodical approach development and adoption of relevant documents do not exist. The leading Ukrainian universities aspire to leadership, understood as providing top positions in different areas of activity (teaching, research, international etc.).

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