

*Diana Kucherenko*

# Modern Transformation of the Educational Services Market in the Ukraine in the Social Integration Conditions



## *Summary*

The modern features of the global market are analysed, the key directions of an efficient educational policy in the Ukraine are determined and ways are sought to accelerate the export of educational services.

---

*Researched problem.* The main system characteristics of globalization include the information and communication revolution, growth in transnational research and educational networks and relationships, the integration of the world economy and the competition between nations and markets. Among these circumstances, the country must clearly identify priorities for the education system to ensure its international competitiveness.

*Relevance of the study.* From an industrial society we have been moving towards an economy based on knowledge. Currently, the competitiveness of an economy is determined by the volume of production or by natural resources, especially the intellectual potential. Knowledge is becoming a source of wealth for individuals and for the state in general.

Education is one of the most important components in human development. Today the highly developed nations of the world clearly demonstrate the significance of

---

DIANA KUCHERENKO, PhD in Economics, Associate Professor, Science and Research Institute for Economic Development.

higher education in the implementation of structural reforms, innovation, freedom and self-improvement, wealth, growing needs, social security and so on. The globalization of the world, the rapid development of scientific research and new information technologies require accelerated development in advanced innovative education, the creation of conditions for personality development, intelligence and spirituality. Today we can speak of a new globalization of the world market of higher education, and education is seen as a guarantee of a country's competitiveness in the new global economy. For this reason, a study of the trends and consequences of globalization in the world market of educational services for the educational system of the Ukraine is an important and urgent problem.

*Analysis of the recent research and publications.* The challenges posed by the globalization of the educational space is discussed by the following Ukrainian and foreign scientists: F. Altbaha, L. Verbitsky, A. Dzhurynsky, A. Lyferova, J. Knight, L. Oderiya, R. Patory, O. Sahinovoyi, P. Scott, Hans de Vita. The possibilities in integrating the Ukrainian market of educational services are analysed by V. Zhuravsky, M. Zgurovsky and M. Stepko. However, this investigation remains open to questions relating to the trends in transforming education in the Ukraine to meet the modern challenges of globalization for the global educational market.

The objective of the study is to analyse the major trends in the global educational market and the possibility of increasing the export of services in this area from the Ukraine to the global educational space.

*Isolation of the unsolved aspects of the problem in the study.* The integration processes seen in higher education have intensified globalization, and played a preponderant role in the development of the post-industrial world. This is evidenced by the appearance of new information and communication technologies in new forms of learning and new areas of international education; increase in the number of research centres engaged in the current issues of training; efforts made in developed countries to implement a coherent policy and even develop a single strategy in the field of education, including universities (ECTS). However, there is an urgent need to identify the main directions in the export of educational services in the Ukraine in the globalizing world educational space.

*Presentation of the main material.* Today, the concept of a "global educational market" is manifest in international relations in the field of training. The globalization of education is uneven: the United States of America takes the lead and controls one third of the international educational market, followed by the United Kingdom with 13%, Germany with 10%, and France with 9%. According to experts, the education market traded USD 110 billion in 2010, and competition is still intensifying. The globalization of the higher educational space is the integration of educational services, which includes transition to uniform educational programmes. The main conditions of the globalization of educational services can be identified as follows:

- general trend in the globalization of the world economy;
- development in the world labour market;
- development of the information society.

The modern effects of globalization, which are felt particularly strongly after the global financial crisis of 2008, clearly highlighted two groups of countries - those who benefited from globalization and those who lost on it. The most economically developed countries and the financial and industrial groups developed in them have won. The other category, those who have lost on this business include less developed countries, as shift towards an integrated system of world order requires enormous material and social costs from them.

Thus globalization in the modern world is a process that ensures the well-being of the strong by exploitation of the weak. However, globalization is unavoidable for the Ukraine as well as most other countries. For this reason, in this stage an important task is to preserve the Ukrainian identity, culture, mentality, and educational potential etc.

An important factor in the international competition for the educational market is the development of export in education, providing an additional source of revenue for schools, as part of their image and credibility and as a necessary condition for the effective development of education and science in the country. The export of educational services takes four basic forms: students abroad, distance learning, opening branches and faculty exchanges.

In a globalized educational market, the Ukraine must adopt a range of measures to protect the interests of its national institutions and speed the process of educational market integration by increasing the export of educational services:

- foreign students studying at universities in the Ukraine should have easier access to entrance examinations, visas and documentation and free access to information;

- state support for students abroad, which in the Ukraine is currently exclusively funded by private philanthropists and foundations in support of talented youth. A good example to follow is the cooperation between the state and students in India, where students are exempt from the payment of the cost of studies abroad if they return home to work.

- expansion of the number of licensed training places in the most prestigious educational institutions of the Ukraine;

- use of marketing tools, including a set of measures aimed at increasing demand for education services offered by domestic institutions.

In our opinion, currently the main barriers to exporting educational services and the development of a competitive educational environment in the Ukraine are:

1. Unstable political environment, and as a result, lower safety in training;

2. Powerful development of new competitive global education market participants.

The world market for educational services has three major competing markets:

- North America (U.S. and Canada);

- European markets (UK, Germany, France). The educational market, and more specifically new and traditional universities, are improving the quality of their services, but due to depopulation and declining birth rates in many countries, particularly in the Ukraine, Russia and Europe the number and proportion of young people are declining;

– Pacific markets (Australia, New Zealand, Japan). According to many experts, the eastern Asian countries have an increasing share in the export of educational services, growth rates are rising rapidly in respect of other market participants, and consequently the evolution of the fourth educational centre (China and Singapore) can be conceptualised;

3. Disparity in educational quality requirements in the global educational process;

4. Low quality management system in education, and as a result, high levels of wear logistics, reducing the quality of the teaching staff;

5. Lack of government support for training local students abroad and the low level of investment in the development of science.

6. Insufficient national universities for teaching students were hard visas etc.

An objective assessment of the state of the educational market of the Ukraine reveals that the key competitive advantages in the export of educational services, which may serve to attract foreign students, include the low price of tuition, teaching a particular subject in a way others cannot, and using the Bologna system in the formation of curricula.

*Main conclusions.* The contemporary processes of globalization in all spheres of social life involve building a single educational space based on the integration of national markets, including educational services, and the harmonization of educational standards. In the current context of globalization the main trend of the global education market as part of the socio-economic system is integration. The Ukraine determines its place in this process to ensure that the education received in the state has been competitive in the European and world educational space. An important direction for the integration of the Ukrainian and world educational space should remain focused on the competitive advantages of domestic higher education systems (low cost and the accessibility of higher education for foreigners). At the same time, considerable work should be done to reduce the impacts of negative factors. Therefore, the Ukraine should consider the possibility of expanding the export of educational services, the relationship between traditional and non-traditional forms of education, and the competitiveness education.

*Prospects for the use of research results.* International experience shows that the vast majority of the education market consists of public and private sectors. In the future, research may be done in the field of international experience and the internationalization of the various features in the educational activities of public and private higher education institutions, and the mechanisms to attract private sector funding to universities and other tertiary institutions.

## REFERENCES

- M. M. Akulich: *Education in the context of globalization*. University Management, No. 38., 2005, 50–57.
- I. O. Buzko: *The development of the education market in the Ukraine under globalization*. The Economist, No. 8., 2007, 28–33.
- D. Delanty: *New models universities*. Mode of access: <http://socio.tamp.ru/1.htm>
- Foreign/international students enrolled*. Mode of access: <http://stats.oecd.org/Index.aspx?DatasetCode=RFOREIGN>

- A. Garbera: *Theoretical basis of international market research services in the global economic system*. Investment: practice and experience. No. 24., 2009, 52–56.
- A. O. Hornopoltseva: *Transformation of Nature international market in the context of globalization*. Countries and regions, Series: Economics and Business, No. 4., 2007, 266–269.
- T. L. Kelder: *Services International Market: Trends and Problems of Development. State and the regions*. Series: Economics and Business, No. 5., 2011, 33–37.
- L. M. Kuzmenko: *The role of higher education in economic growth the Ukraine*. Bulletin of Economic Sciences of the Ukraine, No. 2., 2007, 89–90.
- A. M. Lyalyuk: *Relationship education market and the labor market: problems and their solutions*. Scientific Bulletin of Volyn State University, Ukrainian named by Lesia Ukrainka, No. 12., Lutsk, 2007, 22–25.
- R. Patora: *Formation of the education market: The Polish Experience*. Bulletin of National University "Lviv Polytechnika", 504: Problems of Economics and Management, Lviv, 2004, 128–134.
- O. V. Voinova: *The world market for education*. Sociology of Education, No. 1., 2008, 56–82. [http://library.uipa.kharkov.ua/library/BD/BolonProz/3\\_Stati\\_iz\\_periodicheskikh\\_i\\_prodogaug\\_shiesa\\_izdaniy/soc\\_obr\\_sov\\_soc\\_prob.htm](http://library.uipa.kharkov.ua/library/BD/BolonProz/3_Stati_iz_periodicheskikh_i_prodogaug_shiesa_izdaniy/soc_obr_sov_soc_prob.htm)
- R. O. Zablotska: *Comparative advantages of developing countries in international trade in services*. Actual problems of international relations. Vol. 93, No. 2., National University named by T. Shevchenko, Institute of International relations, Kyiv, 2010, 175–182.