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**NEW MODERN WAYS OF THE DEVELOPMENT OF THE HIGHER  
EDUCATION IN UKRAINE**

*The state and terms of the investment providing of higher educational establishments have been analyzed. The basic tendencies of the forming of the investment process are certain in the field of higher education. The role of the investments is shown in upgrading of the educational services in the system of the higher education.*

**Keywords:** *investments, investment providing, the development of the sphere of higher education, investing of educational technologies.*

**Introduction.** Among the significant loss of higher education of Ukraine is a substantial devaluation of the scientific, technological and innovative potential of the majority of higher education institutions, manifested in particular in the low efficiency of their research and innovation activity. Higher education institutions are expected to implement and use modern educational technologies for the provision of educational services high quality. Thus, the problem of investment development of higher education is relevant and meaningful. The actual problem is the selection and justification of advanced financial and economic models of higher education system investment with adequate modern challenges of socio-economic situation and the long-term predictions of technological development.

The purpose of the article is to present the results of research on financial support for investment institutions of higher education, to make evidence-based suggestions for improvement of financing of higher education, to meet modern challenges.

**Analysis of the research and publications.** On the basis of the dynamics of creative economics becomes an active use of creative abilities and groups of people, including a key role occupied by the knowledge, skills, initiative, innovative thinking, the ability to produce adapted to the conditions of validity of ideas and innovations. Managers of the leading companies in the world consider economic growth reserves especially in the massive innovation in all areas of intellectual activity, with its leading task, innovative saturation work content and promotion of creativity (Korovsky A., 2004).

Taking into account mentioned above, we can conclude the essential need of research resources (including investment) to ensure the development of higher education (Komarova E., 2009). Dynamics and structure of investment (and especially capital investments), aimed at the development of higher education, determine the parameters of the future of higher education and its ability to solve the

problem outlined above (Kalenyuk I., 2003; Luhovyy V. et al, 2009; Gryshchenko I., 2010).

**The main material.** In recent years, there have been some negative trends in the investment system of Ukrainian higher education caused by problems of financial and intellectual support of educational institutions. Investment process in higher education is regulated by laws and subordinate regulations, including laws of Ukraine "On investment activity", "On Innovation Activity", "On Education", "On foreign investments", "On priority directions of innovative activity", "On priority directions of science and technology in Ukraine "and others. Investment process today in higher education has several features associated with specific educational activities and functioning of higher education institutions.

First, investment in higher education is not only to build physical capital and to achieve positive economic results in the future, but also the growth of other components of capital (human, intellectual), which necessitates the use of different technologies for analysis and prediction.

Second, a large number of investment projects in the field of higher education pursue non-commercial purpose. Education is the basis of the personality, the nation and the state, it is the determining factor in the political, socio-economic, cultural and scientific life of society. Education plays and builds the intellectual, spiritual, and economic potential of society.

Thirdly, investment in higher education should take into account global trends. Education is a strategic resource for improving human welfare, national interests, strengthening the credibility and competitiveness on the international scene. Investment policy of higher education development should be formed taking into consideration the mentioned above.

Fourth, investment processes in higher education area impact on other areas of education (especially primarily school and professional) and adjacent areas of society.

Fifth, in the structure of investment sources, absorbed in higher education, traditionally significant part is the state budget (mainly in public higher education institutions of Ministry of education and science of Ukraine) as well as in various departmental programs (mainly in public institutions of higher education that log in managing other departments).

The table 1 characterizes state investment support of higher education development. Data listed in the table shows that investment activity in the field of higher education is unstable (in 2006, 2009 and 2010 a decline in investment activity is registered, and in 2007 and 2008 an increase in investment activity is recorded).

Table 1

**Investment support state of the higher education development**

Indicators	2006	2007	2008	2009	2010
Mastered (used) investment in fixed assets, mln. hrn	400.9	479.9	711.1	502.3	597.5
Investments Index in % as to previous year	90.0	103.9	117.2	57.0	98.3
Total investment share, %	0.3	0.3	0.3	0.3	0.3

Prepared according to the State Statistics of Ukraine

The rapid decline of developed investment in 2009 is due, above all, to total investment crisis (there is an investment activity decrease in all sectors of economic activity in 2009). Mastered investment share in higher education in total investment is stable (0.3%).

Investment support data of higher education development at the expense of the state budget is presented in table. 2.

Table 2

**Investment support state of higher education development in the state budget**

Indicators	2006	2007	2008	2009
Mastered (used) investment in fixed assets, mln. hrn.	400.9	479.9	711.1	563.4
Mastered investment capital from the state budget, mln. hrn.	95.0	133.0	222.4	108.5
In % as to total investments in economic activity	23.7	27.7	31.3	19.3

Prepared according to the State Statistics of Ukraine

The data shows that during 2006-2009 a significant part of investment in fixed assets (from 21.6 to 31.3%) in higher education was financed by the state budget (average rate - 5.0%).

Analyzed statistical data allows concluding that there is a lack of consistency in the conduct of public investment policy in higher education, this policy dependence on rapid changes in the macroeconomic situation and state budget revenues. Under these conditions it is needed to optimize public investment policy in higher education on basis of the common conceptual approaches development to the corresponding priorities and projects forming; to introduce new mechanisms of public-private partnerships, to attract non-traditional (new) sources of investment financing.

The approaches and criteria which are used in making investment decisions of higher education development at the expense of the budget should be revised. At the state level it is necessary to change the external criteria for assessing the quality of higher education. While the principle of "more students - more money" works - the

quality of education suffers. In this connection, it is reasonable to develop a comprehensive quality assessment criteria of the educational process, including: evaluation of learning content and technologies that are used during training; assessment of knowledge gained by a student; requirements to organization and monitoring of the learning process; modern requirements for the competence of teachers and students; a clear and transparent procedure of self-analysis of higher education institution as the basis of the quality assurance system.

Taking in consideration the above, the goal of public investment policy in higher education must involve stimulation of investment activity and improve the structure of investments in the context of creating the conditions for personal development and creative self-fulfillment of every Ukrainian citizen, educating generations of people able to work effectively and learn throughout life, preserve and increase the value of national culture and civil society to develop and strengthen a sovereign, independent, democratic, social and legal state as an integral part of the European and world community.

However, realistically assessing the current situation, it should be noted that a common investment policy development for higher education is almost impossible because higher education institutions, as a key element of this system, are fundamentally different according to the criteria of ownership and legal form of governance.

Model of the investment process in higher education must take into consideration the need to modernize physical infrastructure of higher education institutions and to improve educational technologies. It should be considered that the modernization of higher education is aimed at ensuring its quality according to the latest science and culture achievements, and social practices (V.Luhovy et al, 2009, R.Fedosov et al, 2006).

To improve the efficiency of the investment process in higher education is possible on the basis of prudent reform. It should include, in particular, optimization of the universities. Today in Ukraine more than 850 higher education institutions are engaged in the process of training specialists of all accreditation levels and forms of property that are dependent to 26 ministries and departments, 10 of them have in subordination only one institution. Departmental affiliation of education institutions often hinders their development, the introduction of integrated approaches to educational activities organization, which requires a new paradigm of education institutions interaction with both education ministries and employers and the higher education system as a whole. Analysis of foreign experience shows that countries with identical demographic index have the following average number of students in a university, for example, in Spain - 22 thousand, in Italy - 23 thousand, Greece - 14 thousand students, and in Ukraine - only 3 thousand.

The effectiveness of investment resources development directing to the evolution of higher education, will be provided on the basis of the establishment and strict observance of the basic finance principles (Smolkyn A., 1999, Bogolib T., 2006):

- Gradual transition to the formation of state and local budgets for higher education on the basis of established standards;
- A clear distinction between budgetary and extra-budgetary funding for schools;
- Ensuring accountability and transparency in the use of funds;
- Providing of state order for training in higher educational institutions of different forms of ownership on a competitive basis, taking into account the quality of educational services;
- Organizing the economic activity of educational institutions on the basis of non-profit.

The main measures meant to improving the investment model of higher education should be the following:

- Improving the formation of spending budgets technology of various higher education levels, improving quantitative and qualitative indicators for the valuation of these expenditures;
- Developing differentiated standards of various educational institutions infrastructure;
- Development and implementation of differentiated standards costs to operate schools;
- The introduction of mixed-finance innovative projects in the field of education, including the development and implementation of a preferential taxation mechanism of individuals who direct their own funds for tuition;
- Improving the legal framework for private financing of education;
- Conducting education authorities (state and local) regular monitoring of investment institutions, followed by adjustment of the response;
- The introduction of joint state and public control over the formation and execution of educational institutions budgets;
- The use of electricity and heat-technology, economical use and distribution of resources allocated to education;
- Upgrading the network of educational institutions.

**Conclusions.** Taking into account these suggestions and recommendations a definite state policy strategy in the sphere of higher education investment should be developed. Applying the strategy should be coordinated (harmonized) with other strategic documents defining the direction of accelerating socio-economic

development. In our view, it is advisable to adopt the form of a legal act, and do everything possible to ensure real implementation.

Higher education in Ukraine is developing quite rapidly, but mainly on extensive basis. One of the economic factors that hinders the transition of the higher education innovation development model is the lack of investment. Mentioned above is due to several factors: general economic crisis, demographic trends, the lack of sufficient competitive educational products, weak mechanisms of interaction of educational institutions and employers, foreign partners and international organizations, and others. Among the significant loss of Higher Education of Ukraine - a substantial devaluation of scientific, technological and innovative potential of the vast majority of higher education institutions, manifested in particular in the low efficiency of their research and innovation activity. Higher education institutions are expected to implement and use modern educational technologies for the provision of educational services high quality. Thus, the problem of investment development of higher education is relevant and meaningful.

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