

Mykola P. Denysenko¹, Sergii V. Zakharin²
**INVESTMENT SUPPORT FOR HIGHER
EDUCATION DEVELOPMENT**

The state and terms of investment provision for higher educational institutions are analyzed. Basic trends of the investment process formation in the field of higher education are evaluated. The role of investments is shown in relation to educational services modernization in the system of higher education.

Keywords: investments; higher education; investing in educational technologies.

Микола П. Денисенко, Сергій В. Захарін
**ІНВЕСТИЦІЙНЕ ЗАБЕЗПЕЧЕННЯ
РОЗВИТКУ ВИЩОЇ ОСВІТИ**

У статті проаналізовано інвестиційне забезпечення вищих навчальних закладів. Оцінено основні тенденції участі установ вищої освіти в інвестиційному процесі. Показано роль інвестицій як чинника модернізації освітніх послуг у системі вищої освіти. Ключові слова: інвестиції; вища освіта; інвестування освітніх технологій.

Табл. 2. Літ. 15.

Николай П. Денисенко, Сергей В. Захарин
**ИНВЕСТИЦИОННОЕ ОБЕСПЕЧЕНИЕ
РАЗВИТИЯ ВЫСШЕГО ОБРАЗОВАНИЯ**

В статье проанализировано инвестиционное обеспечение высших учебных заведений. Дана оценка основным тенденциям участия учреждений высшего образования в инвестиционном процессе. Показана роль инвестиций как фактора модернизации образовательных услуг в системе высшего образования.

Ключевые слова: инвестиции; высшее образование; инвестирование в образовательные технологии.

Introduction. Higher education in Ukraine is developing quite rapidly, but mainly extensively. One of the economic factors that hinder the transition of higher education to the innovation development model is the lack of investments, caused by the following factors: general economic crisis, demographic trends, the lack of sufficient competitive educational products, weak mechanisms of interaction between educational institutions and employers, foreign partners and international organizations etc. Among the significant losses of higher education in Ukraine is the substantial devaluation of scientific, technological and innovative potential of the vast majority of higher educational institutions, manifested in particular in the low efficiency of their R&D. Higher educational institutions are expected to implement and use modern educational technologies for the provision of high quality educational services (Baydetsky, 2013).

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 for higher education investing taking into account the challenges of socioeconomic situation and the long-term predictions of technological development.

¹ Kyiv National University of Technologies and Design, Ukraine.

² National Academy of Pedagogical Sciences, Kyiv, Ukraine.

The literature review, the choice of methods. For justification of advanced financial and economic models of investing into higher education system there has been published a lot of scientific papers – T. Bogolib (2006), I. Kalenyuk (2003), E. Komarova (2009), A. Korovskiy (2004), A. Smolkyn (1999), S. Zakharin (2011). However, certain strategic objectives of this sector should be clarified with the need to strengthen its competitiveness.

In recent years, there have been some negative trends in the investment system of Ukrainian higher education caused by the problems of financial and intellectual support of educational institutions.

I.M. Gryschenko et al. (2010) demonstrated exceptional importance of higher education in promoting sustainable socioeconomic development of a modern state, maintaining high spirituality of society and dissemination of culture. Higher education system, as opposed to other educational areas, being designed to teach to think and act creatively in real challenges and risks, to be able to utilize knowledge and skills to unusual situations, has a modern technology including information and communication. This is very important taking into consideration the fact that most harmonious development of promising components are secured within the concept of the so-called "creative economy", characterized by the dominant position of human creativity (creative) over other activities in the production of public goods (Kalenyuk, 2003).

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 knowledge, skills, initiative, innovative thinking, the ability to produce adapted to the conditions of validity of ideas and innovations. Managers of world leading companies consider economic growth reserves especially in massive innovation in all areas of intellectual activities, with its leading task, innovative saturation work content and promotion of creativity (Korovskiy, 2004). It is estimated that in the United States almost 2/3 of "white collars" are focused on creative work, which involves not only the language of ideas and their prospective evaluation, but the implementation of these ideas, followed by commercialization. This manifestation is known in the West, as the expert in HR R. Inhlhart said: "People are employed only where human evaluation, reasoning and creativity are needed, ... important is not physical strength but the ability to innovate" (Heyts et al., 2006).

Taking into account all mentioned above, we can conclude the essential need for research resources (including investment) to ensure the development of higher education (Komarova, 2009). Dynamics and structure of investment (and especially capital investments), aimed at the development of higher education, determine the parameters of higher education future and its ability to solve the problem outlined above (Kalenyuk, 2003; Luhovyy et al., 2009; Gryshchenko et al., 2010).

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

The object of this research. Investment process in higher education is regulated by laws and subordinate regulations, including the 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 in higher education has a number of features associated with specific educational activities and functioning of higher educational institutions.

First, investment in higher education is needed 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 higher education pursue a non-commercial purpose. Education is the basis of personality, nation and state, it is the determining factor in political, socioeconomic, cultural and scientific life of any society. Education 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 internationally. Investment policy of higher education development should be formed taking into consideration the mentioned above.

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

Fifth, in the structure of investment sources, absorbed in higher education, traditionally significant is the role of state budget (mainly in public higher education).

The research purpose is to expound the results of the research on investment process in higher education.

The research methods are systemic and comparative analyses of scientific literature and statistical information.

Basic results. In recent years, there have been some negative trends in the investment system of Ukrainian higher education caused by problems with financial and intellectual support of educational institutions.

Table 1 characterizes the state investment support of higher education development.

Table 1. The state investment support of higher education development

Indicators	2006	2007	2008	2009	2010
Mastered (used) investments in fixed assets, mln UAH	400.9	479.9	711.1	502.3	597.5
Investments in % 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, 2012.

The data in Table 1 shows that investment activity in higher education is unstable (in 2006, 2009 and 2010 declines in investment activity were registered, and in 2007 and 2008 increases in investment activity were recorded).

The rapid decline of developed investment in 2009 was due, above all, to the general crisis (there was an investment activity decrease in all the sectors of economic activity in 2009). Mastered investment share in higher education in total investments 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 for higher education development from the state budget

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

Prepared according to the State Statistics, 2012.

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 from the state budget (the average rate – 5.0%).

Analyzed statistical data allows concluding that there is a lack of consistency in the state investment policy in higher education, this policy depends on rapid changes in macroeconomic situation and state budget revenues.

Under these conditions it is needed to optimize public investment policy in higher education on the 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.

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

State universities as state-owned institutions have to generate and implement their own investment policy taking into consideration government regulations in the context of the state investment model. Today state investment resources are limited (as estimated up to 95% of budget expenditures in 2009–2011 were directed to finance secure expenditures, especially funding salaries to public sector employees, social benefits and purchasing energy) that is why the implementation of strong public investment projects was actually impossible.

V. Andruschenko et al. (2006) points that in order to accumulate necessary investment resources for the support of higher education development "experienced rector creates 5 to 10 additional sources", administration of institutions cannot rely on government support in shaping investment plans. So investment of public higher education does not correspond to the principles of integrated approach and is irregular.

Under such circumstances, public universities are forced to shift to the current capacity support for learning process and take traditional measures.

State and local governments provide budget institutions financing, based on the understanding of their functioning support (educational and cultural institutions, research institutions, governments, legal authorities etc.). Budget institutions financing, as well as for some other companies, organizations and individual activities is accomplished, as a rule, on the basis of the planning methodology.

In practice of budgetary institutions financing, there is also a problem of determining their optimal number (because it affects the volume of expenditures for the maintenance of such institutions).

The investment process model 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 (Luhovyy et al., 2009, Fedosov et al., 2006).

The improvement of the investment processes efficiency in higher education is possible on the basis of prudent reforms. It should include, in particular, the optimization of universities work. Today in Ukraine more than 850 of higher educational institutions are engaged in the process of training specialists of all accreditation levels and ownership forms. Affiliation of educational 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. The analysis of foreign experience shows that countries with identical demography have the following average number of students in a university, for example, in Spain – 22 ths, in Italy – 23 ths, Greece – 14 ths of students, and in Ukraine – only 3 ths.

The approaches and criteria used in making investment decisions on higher education development at the budget expense 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 regard, it is reasonable to develop a comprehensive quality assessment criteria for educational processes, including the evaluation of learning contents and technologies used during training; the assessment of knowledge gained by a student; requirements to organization and monitoring of the learning process; contemporary requirements for the competence of teachers and students; a clear and transparent procedure of self-analysis of higher educational institutions as the basis for a quality assurance system.

Solution of the problem with proper investments support in higher education will help to achieve not only a short-term economic success, but also lay the foundations for sustainable long-term development of the national economy and its further integration into the European higher education area (Luhovyy et al., 2009).

Taking in consideration the above, the goal of public investment policy in higher education must involve the stimulation of investment activity and improve the structure of investments in the context of creating conditions for personal development and creative self-realization 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 European and world community.

The effectiveness of investment resources development directed at the evolution of higher education will be provided on the basis of the establishment and strict observance of basic financial principles (Smolkyn, 1999; Bogolib, 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 the state order of training in higher educational institutions of different forms of ownership on the competitive basis, taking into account the quality of educational services;

- organizing economic activities of educational institutions on the non-profit basis.

The main measures meant to improve 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 evaluation 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 for the individuals who direct their own funds for tuition;

- improving the legal framework for private financing of education;

- conducting regular monitoring of educational investments;

- the control over the formation and execution of educational institutions budgets;

- the economical distribution of the 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 field of higher education investment should be developed. Applying the strategy should be coordinated (harmonized) with other strategic documents defining the direction of accelerating socioeconomic development. In our view, it is advisable to adopt the form of a legal act, and do everything possible to ensure its real implementation.

We believe that investment activity in higher education is possible due to integration processes, i.e. setting mutually beneficial economic relations between subjects of higher education and other entities within the national economic system. The most promising way is to activate integration of higher education and business. New economic conditions need educational institutions (education) and leading companies (business) to find as possible "crossing lines" to "debug" effective cooperation, including investment in education projects. It should be also considered that in the post-industrial economy a new phenomenon is going to become widespread – a powerful system of corporate education. Large companies usually act as agents of global investment and innovation system, they have to respond to the challenges of competitive environment, including the formation of human capital (as already mentioned). In accordance with this, leading companies face the problem of accumulating investment resources and investment projects for human capital development.

Further research prospects. In the future, comprehensive research should be carried out to develop promising financial and economic model of higher education considering the best international practices.

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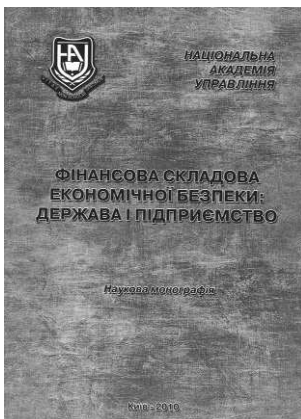
СУЧАСНА ЕКОНОМІЧНА ТА ЮРИДИЧНА ОСВІТА
ПРЕСТИЖНИЙ ВИЩИЙ НАВЧАЛЬНИЙ ЗАКЛАД

НАЦІОНАЛЬНА АКАДЕМІЯ УПРАВЛІННЯ

Україна, 01011, м. Київ, вул. Панаса Мирного, 26

E-mail: book@nam.kiev.ua

тел./факс 288-94-98, 280-80-56



Фінансова складова економічної безпеки: держава і підприємство: Наук. монографія. – К.: Національна академія управління, 2010. – 232 с. Ціна без доставки – 40 грн.

Автори: **М.М. Єрмошенко, К.С. Горячева.**

У монографії розкрито місце і засади фінансової безпеки в системі економічної безпеки на двох рівнях управління економікою країни: держави і підприємства. Розкрито роль економічної безпеки в розвитку економіки України, визначено і обґрунтовано шляхи забезпечення фінансової безпеки на рівні держави.

Викладено методологічні основи фінансової безпеки підприємства та управління нею. Визначено форми і методи удосконалення механізму управління фінансовою безпекою на рівні підприємства.