

PROCESS OF THEORETICAL COMPREHENSION OF PRIVATE EDUCATION  
AS A NEW SOCIAL PHENOMENON

*Strategy for public and private universities in the education market of Ukraine is defined. Ways to enhance the efficiency of private universities through the mechanism of competition are explored.*

*Keywords: higher educational institution, non-governmental education, educational policy, business, process, social phenomenon, strategy, theoretical reflection.*

**Кобець А. С. Процес теоретичного осмислення недержавної освіти як нового соціального феномену**

*Визначено стратегію розвитку державних і приватних ВНЗ на ринку освітніх послуг України. Досліджено шляхи підвищення ефективності діяльності приватних ВНЗ через механізм конкуренції.*

*Ключові слова: вищий навчальний заклад, недержавна освіта, освітня політика, підприємництво, соціальний феномен, стратегія.*

**Кобец А. С. Процесс теоретического осмысления негосударственного образования как нового социального феномена**

*Определена стратегия развития государственных и частных вузов на рынке образовательных услуг Украины. Исследованы пути повышения эффективности деятельности частных вузов через механизм конкуренции.*

*Ключевые слова: высшее учебное заведение, негосударственное образование, образовательная политика, предпринимательство, социальный феномен, стратегия.*

### Introduction

Modernization of higher education as determined by the imperatives of a modern national education policy of Ukraine is carried out under market conditions. Market relations gradually enter into the sphere of education. They determine the directions and forms of higher education institutions' (HEIs) activities, orient them to the needs of consumers and to the diversification of funding sources, increase competition as between universities on the market of educational services as among graduates in the labor market.

### Analysis of recent research

Certain attention to the problems of state regulation of education in the overall context of the knowledge economy was paid by well-known scientists G. Becker, E. Bowen, E. Denison, J. Kendrick, J. Minser, and T. Schultz. In the works of domestic scientists L. I. Antoshkina, T. N. Boholib, A. I. Butenko, V. A. Visyashchev, V. V. Geyts, O. A. Hrishnova, B. M. Danylyshyn, G. A. Dmytrenko, T. A. Zayets, S. N. Zlupko, I. S. Kalenyuk, O. A. Kratt, V. G. Kremin, V. I. Kutsenko, L. K. Semiv, A. P. Sologub, D. M. Stechenko, L. A. Jankowski and others specific organizational and economic problems faced by the system of

higher education are highlighted. However, market conditions of functioning of higher education require the elaboration of new mechanisms of state regulatory activities in the sphere of its management.

### Statement of research objectives

- to identify the development strategy of public and private universities on the market of educational services in Ukraine;
- to explore the ways of increasing the efficiency of private universities' activities through the mechanism of competition.

### Results

A word combination «business structure» in relation to higher educational institutions shows in particular the type of connections and relationships within it, the way of its organization and management. Legislative provision of the business status for the private higher educational institutions will allow them to implement a strategy to maximize the present net income, to openly conduct its business activities (for example, to publish annually a balance sheet).

It should be recognized as an important advantage of private higher educational institutions

that they, having a high level of freedom and mobility, are able to diversify their activities. Their main business of teaching students, in our opinion, must be unprofitable. However, in the price of educational and other services private higher educational institutions can lay down a certain level of profit.

Entrepreneurship in education, which is apparent in the functioning of private higher educational institutions, changes the economic nature of the student. The student becomes a client of higher educational institution. This approach has advantages and generates a number of challenges. The changing role of the student to the client, on the one hand, will involve strengthening of the higher educational institutions' responsibilities for the quality of services provided. On the other hand it can lead to the situation where the student is not recognized as unfit for education in order not to lose money that he pays to the university. Or, conversely, this situation can lead to the exemption of marginal students with the aim of not to lecture them once again, which is associated with additional expenditures [6].

Analysis of 20 years activities of private higher educational institutions allowed formulating certain strategies for their development and comparing them with the relevant strategies of public higher educational institutions [8].

Most of higher educational institutions have used various modifications of the above mentioned strategies. To make the operation of private higher educational institutions more transparent and understandable to the public, there is a need to continue to formulate their own strategy (including the mission and goals), and to make it concise, clear and show it to the general public.

It is understandable that even within a certain time private higher educational institutions can not create hard competition for public system of education. At the 21st year of independence of Ukraine, which gained the status of market economy, in the Programme of Education Development developed for the years 2010-2015, nothing is said about the role and prospects of private education. And this is despite the significant number of existing privately owned higher educational institutions (over 200 at all levels of accreditation). This is an indication that private higher education institutions still have no significant achievements recognized by the state and are not regarded as an important factor in increasing the competitiveness of national education.

Today much is said about the difficulties in system of public higher education in Ukraine. These are the isolation from the economic practices, corruption, an aging infrastructure and others. However, these deficiencies do not affect a lot the level of competition to public higher educational institutions, which remains high. This can be explained, on the one hand, by the conservatism and inertia of the Ukrainian society, and, on the other hand, by the long-term and absolutely deserved fame of these schools, which has developed in Soviet times.

Performance improvement of private higher educational institutions is possible primarily through the mechanism of competition. Because public higher educational institutions raise «the bar» on the activities in the educational services market, the state must take all measures to improve the quality level of education and scientific work at public universities. Then private higher educational institutions will be forced to or «pull-up» to the level of public higher educational institutions, or to terminate their activities. The lack of requirements from potential university entrants and their parents to the quality of teaching makes viable unscrupulous private universities.

It should be recognized that in Ukraine private higher educational institutions can not compete favorably with public higher educational institutions unless they find their niche on the educational services market, unless they offer entrants educational services on such a level, that are not offered to them by public educational institutions. In these circumstances for the Ukrainian private higher education extremely important is what I. Ilyinsky calls «self identification» [4, p. 10], in other words, the understanding private higher education's essence, its advantages over paid public higher education. It is important to understand which feature will allow the private education, if paid public higher education remains, to preserve its sovereignty.

The advantages of private higher education institutions, whose use can improve their competitiveness in the market of educational services include:

1. Orientation of private higher education institutions to narrow demand. Public education, of course, pays attention to the market and to the demand. But public education as paid and free nevertheless focuses on mass that is standard training. Private education is more independent and flexible. It has the ability to effectively focus on the

individual and low income demand for human resources, to pay more attention to specific areas of demand, to consider not only its various aspects, but also the individual tones.

2. Focusing on individual work with students. Private higher education institutions are freer in building the educational process; they can create individual programs. This allows private institutions to apply an individual approach to their students to as talented ones and, as to those whose level of training is below average. After all, public education, occupied with mass training, often ignores the first ones and simply does not consider the second.

In private higher education institutions it is possible to establish special groups for various contingents of students, such as those with insufficient level of training (if such students' income level of parents allows to pay for their individualized training, which will enable them to get full education); who in the future is going to inherit parents' business, or planning to start their own small business. It is possible to offer more intense programs, additional courses, and classes in their spare time for gifted students.

3. Greater opportunities for education of comprehensively advanced people. Paid education and orientation to the appropriate contingent of students gives the educational institution great opportunities. For instance, higher education institutions may offer classes in elite sports, music, art, rules of etiquette, in-depth study of foreign languages (not necessarily international), and so on. In addition, private higher education institutions have more opportunities to take into account the wishes of certain ethnic groups, religious settings of parents and so on.

4. Development and use of flexible schedules for students who found employment in the specialty (i.e. not earlier than after five semesters), had a baby, but do not want to transfer to the distance education or to take sabbatical leave. Still high standard of requirements for knowledge of such students should be kept; the composition of academic groups may be unstable.

5. Ability to more effectively organize practical training (academic, industrial-technological, pre-diploma) of students. Most public higher education institutions do not offer students a place of practical training. Practice manager of the company, without having financial rewards for his/her work with the student, is not interested in effectively carrying out the role of mentor, adviser

and, in the best case, limits his activity to providing material for student's report. Private higher education institutions have wider possibilities to establish long-term contacts with enterprises and organizations, to pay for the work of practice manager of the enterprise, to monitor student's work in the enterprise, which should improve its passing.

6. Ability to abandon the ideological settings of the state. With no ideology private higher education institutions can invite as representatives of different parties, as scientists-carriers of different conceptual visions of this or that field of science to speak to their students.

7. In private higher education it is easier to try new teaching methods, new applications, new subjects and specialties. In this regard, private higher education institutions become a testing ground for various experiments (for example, the famous case-method appeared in the Harvard University). For innovation public higher education institutions need a long time because their initiatives are considered, agreed and approved in many regional and state bureaucracies. Private higher education institutions are more flexible and quicker for such decisions.

8. Private higher education institutions are attractive for faculty who are willing to experiment, to seek new approaches to teaching, to change the content of the subjects. Work in private educational institutions is usually more highly paid and more flexible, because teachers can focus all their energy on teaching and scientific work and not to seek additional sources of income.

We agree with I. Ilyinsky, who upholds the principle of «rescue of the drowning is in the hands of the drowning». He defends the idea that attention and support from the state and society need only those private higher education institutions which have proven worthy in the education market and were able to confidently stand on their feet. Instead, helping outsiders is impractical: «Let them firstly help themselves... Let them prove that their intentions are real. Let them prove that they are capable and are strong enough to carry them out» [4]. This approach is a market approach, because under the conditions of competition the strongest «survive».

At the beginning of 2007/08 academic year in Ukraine operated 202 privately owned higher education institutions, out of them – 42 universities, 9 – academies, 80 – institutions, 71 – technical schools and colleges [8]. A significant number of private universities highlight the scientific com-

ponent of their activities, their material, technical and personnel security's base.

The contribution of private higher education institutions in the development of the education system (as of 2010) [7]:

- created thousands of workplaces (in private higher education institutions the total number of core staff is about 25 thousand people, including doctors of sciences 14.5 %, Ph. D. s – 70 %.);

- provided an opportunity for tens of thousands of young people to get education, particularly in new specializations. In the higher education institutions of private ownership as of 2010 426,000 students are enrolled (in private higher education institutions 14% of all students in Ukraine are enrolled, that is every seventh student);

- in 199 universities in private ownership more than 10 doctoral dissertations and more than 100 candidate (Ph.D.) dissertations were defended in the last three years;

- private universities paid about 15-17 millions UAH of wages monthly; from this amount they paid more than 2 million UAH of income tax and 6 million UAH of other taxes and fees;

- except for teaching staff the private sector employs about 17 thousand employees: managers, accountants, financiers, lawyers, business managers, maintenance staff.

- private universities annually prepare 70-100 thousands of specialists;

- for the years of their activities private universities have invested in Ukraine's economy 1.2 billion UAH;

- made a significant contribution in publishing educational and methodological materials for higher education. For the first 10 years of their activity private higher educational institutions prepared and released into the world over 300 titles of textbooks, collections, and methodical materials;

- made a step in the creation of lifelong learning, successfully worked on development of distance learning's mechanisms (for instance, distance learning technology has been successfully implemented already for several years in Kharkiv Humanitarian-Technical Institute, in European University);

- for a quite short period gained considerable experience of computerization of the whole educational process.

- have gained experience of individualization of students' education, along with traditional commonly used new forms of training (training methods, teaching author's courses, workshops, role-

playing and business are used; the introduction of flexible pedagogical techniques and individual lessons).

Employers point out that private higher educational institutions are ideal for getting second higher education [2, p. 51]. But there are also major shortcomings in the functioning of private higher educational institutions; they are not so unambiguous and include:

- payment for educational services and, therefore, the inability (or constraints) of educational use of material incentives;

- difficulties in the employment of graduates because employers are wary of the newly established educational institutions, especially if they operate on a commercial basis;

- specificity of the psychological mood of students (all is paid, you can rest);

- low level of base preparation of many entrants;

- significant psychological and physical burden on the university's management who has to solve a wide range of issues. The main one is the need to form model of collective organization in the collective that would best meet the nature of the institution of such kind;

- small number of staff, the need to attract part-time workers, which increases the burden on the payroll;

- problems of conducting researches.

Concerning the latter, there are private higher educational institutions which are successfully engaged in scientific activities. The distinctive features of scientific work in private higher educational institutions are the conclusion of various agreements on scientific-technical and creative collaboration with academic research institutions, governance structures, creation of scientific, educational and industrial complexes, laboratories [5]. Conferences on the problems of education are regularly organized (Vinnitsa Finance and Economics University, Donetsk Institute of Social Education, European University, Kharkov Institute of Economy and Market Relations Management) [3].

We assume that one of the reasons of the poor level of scientific activity of private universities is ignoring this important component by public universities, especially by classical universities. Private universities must understand that it is not enough to obtain a state license and have a set of students. The affiliation to the sphere of higher education requires active conduction of scientific activities.

There were many state audits of private universities in 2010. As a result of these audits number of private higher educational institutions lost their license. Among the most common deficiencies were indicated the following:

1. Some private universities do not comply with licensing requirements, or work without a license at all.

2. Organization of educational process does not always meet modern requirements of high school.

3. Do not always have the opportunity to ensure human resources, mainly through regional features. A lot of lecturers work part-time, and, therefore, they do not have interest in using their authoring.

4. Material and technical base sometimes fails against any criticism; there are not enough teaching areas and those that are there often rented without sufficient guarantees and are difficult to adapt to the learning process; not always there are libraries, reading rooms, computer networks, medical points, and dining room etc., without which it is impossible to imagine the normal functioning of the institution.

5. Most private universities are not enough purposefully engaged in research work, and if it is done, then at a low, primitive level.

6. Occasionally engaged in educational work.

7. Positive side is that computer skills and modern information technologies have become a mandatory requirement for applicants to the private university put in unequal conditions children from urban and rural areas.

Analyzing the experience of private higher educational institutions' activities, they are divided into three groups [1].

1. Innovative universities that have proved worthy of the education market, have a steady replenishment of applicants and work on the development of national system of education. These universities are active and productive in research work, especially in the educational field. (The total number of such private universities is not more than 20 % of the total number of higher educational institutions). These include The Interregional Academy of Personnel Management, Kharkiv University of Humanities «People's Ukrainian Academy», Graduate School of Business – Institute of Economics and Management (Alchevsk city), Nikopol Institute of Management, Business and Law, Dnipropetrovsk University of Management, Business and Law. These universities are

characterized by extensive infrastructure, existence of their own modern computer database, and powerful libraries.

2. Higher educational institutions that received the license for educational activity and even accreditation. However, their situation is not yet stable and in the pursuit of funding sources they sometimes implied violations of licensing conditions, making business activities not related to education. Majority of these higher educational institutions in the foreseeable future will be able to fill up the first group, if consistently accept the rules offered by the Ministry of Education and Science, Youth and Sports of Ukraine and the Association of educational institutions of private ownership.

3. Higher educational institutions that have come to the market of educational services for the sake of «making money». These higher educational institutions are characterized by persistent advertising and unrestrained distribution of promises to teach everything and in the short term. (Their share in the market of educational services according to various estimates reaches 40 %). Such clearly commercial activity is characteristic of young «neglected» market of educational services.

The main directions of improving the operation of private higher educational institutions in Ukraine include:

- finding a niche in market of educational services, where private higher educational institutions may be more effective and invoked;

- formation in the public consciousness a positive image of private higher educational institutions, but based on real data by means of systematic information about the valuable work they are doing and about improvements in their activities;

- strengthening the legal framework of private education, enhancing its legal protection, involvement of private higher educational institutions to the legislative process;

- overcoming the existing gap in the quality of educational services in non-state higher educational institutions in major cities and regions;

- establishing a new paradigm of self-government of all non-public education.

In economically developed countries all higher educational institutions, regardless of ownership, operate and are funded within a single educational space of the country; they claim the state order concerning training practically on the same principles. And this is despite the fact that public

and private higher educational institutions objectively function as quite different models of education and form of ownership with different structure and management system. The state should approach the regulation of non-state educational institutions not on the basis of ownership, but on the basis of the quality of services provided by them.

The state must protect its citizens from abuses in the sphere of private education, primarily by creating an effective legal framework. To ensure the quality of training the state should support the policy of accreditation of private higher educational institutions and certification of training programs by approving them with the level of national standards.

Private higher educational institutions operate based on the same principles as other business structures: economic independence, self-financing and self-support. They are inherent in such business signs as riskiness, initiative, and innovation as a condition to ensure competitiveness and development. Because of the aforementioned it can be argued that the operation of private higher educational institutions is one of the areas of entrepreneurship in education. The consequence of the freedom of their activities can be both successes and failures; the latter depends solely on them. As for policy, private higher educational institutions build it relying on their own strengths, cultivating entrepreneurial spirit and such type of internal or-

ganizational relations, characterized by trust, understanding, responsibility, clarity, performance, and discipline.

The current stage of development of Ukrainian private higher educational institutions can be characterized as a «time of «break» between non-state higher educational institutions: the separation of good from bad, important from the unimportant, best of backward, honest from dishonest».

### Conclusions

Thus, despite the prejudice and difficulties, private higher education sector in Ukraine took place. However, today is the process of serious theoretical understanding of private education as a new social phenomenon. The emergence of private higher educational institutions is an objective and logical process for a country on the path of building a market economy. Basic foundations of the market – freedom and private property are deep and fundamental reasons for private education's emergence; the role of other factors is secondary. Given the irreversibility of market transformations in Ukraine and public opinion, it is logical to assume that in the next decade the sector of private higher education will remain as more flexible shell of powerful state's nuclei, which are public universities. Further «fate» of private higher educational institutions will depend on many factors, but the key one among them is the efficiency of their operation.

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