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PRIVATE HIGHER EDUCATION INSTITUTIONS IN EDUCATION SPACE IN UKRAINE

The significance of higher education become paramount as knowledge increasingly plays a key role in fostering economic and social development. Private schooling has been expanding rapidly worldwide but particularly in developing countries, as rising demand for higher education has meant private providers plug a gap that public institutions cannot fill fast enough, according to a new study. Worldwide around 30% of higher education enrolments are now estimated to be in private institutions, even though public provision is still expanding in many countries. Growth in private higher educational institutions has been particularly strong in former Soviet bloc countries, in East Asia and in Latin America. [4, p. 23]

However, increasing private provision has raised interesting questions among scholars and public at large as to who gets educated in these educational institutions, possibility for increasing private supply to enlarge the circle of opportunity to reach those who might otherwise have been unable to enter public university, challenges for government in terms of quality control, the reckless growth of higher private institutions[3].

The impact of private provision in higher education is hotly debated as these for-profit enterprises are often challenged on the quality and substance of the education they provide, quite apart from the philosophical debate on the public-good nature of higher education and the appropriateness of private provision [4].

It should be noted that the system of higher education in Ukraine is in a state of transformation. Ukraine is an interesting case study due to the significant presence of private higher education institutions in the country and their contribution toward student enrolment, besides it has widened access and equity.

There is increasing demand for higher education in Ukraine, especially from the youth population, as it is viewed as an important pathway for greater social mobility. On the supply side, education, including higher education, is considered by many as a public good and a citizen's basic right [4, p. 17].

The objectives of this paper are to analyze the growth and expansion of private higher education in Ukraine.

At the time of declaring Independence in 1991, the expansion of higher education in Ukraine was possible only through the public universities, which had near monopoly in providing higher education. Universities were dependent on public funding for their growth and expansion. However, the monopoly of public universities was more of a universal phenomenon than one confined to the developing world. Indeed, nearly 95% of the students in Western Europe, 80 % of the students in the USA, and most students in Africa and Asia pursued their studies in public universities. In the developing world, market-friendly reforms in the public universities and the encouragement and promotion of private sectors contributed to the rival of the higher education sector and became a major change in higher education in the developing world [4, p.28-30].

The economic crisis and resulting financial squeeze, as well as the structural adjustment programmes after Ukraine's attaining sovereignty and independence, generally reduced the ability of public sector to provide continued and adequate

funding support for an expanding higher education sector. The market-friendly reforms introduced in Ukraine were also creating a situation conducive to the encouragement and promotion, the growth and expansion of the private sector in higher education.

To the main objectives for the establishment of private higher school in Ukraine at the end of the 20th century one can refer:

- the shift from a government-led to a private sector-led strategy for development in the country in the mid-1990s;
- domestic liberalization in manufacturing and service sectors, including education;
- necessity to respond to market forces from within and without the country;
- necessity to expand higher education due to the globalization process and growth of the knowledge economy, which depend heavily on information technology and highly trained and qualified personnel, taking into consideration the changed demand for new courses and subjects of study;
- the inability of the public sector to satisfy the increasing number of people seeking a university degree, leaving the excess demand to be met by private higher education institutions;
- necessity for diversification of sources of funding and institutional arrangements for provision of higher education as the state was not in position to support an expanding higher education sector.

Since that time the number of private providers has increased steadily. Democratic values have been introduced and traditional state guidelines have been combined with institutional autonomy and more academic freedom.

Private higher education institutions are now allowed and during the eighteen-year period 1994-2012 the overall number of students increased considerably from 60000 (1994) to 107000 (2012) students with the largest students enrolment of 113000 in 2006[1, p.11].

Having more than 2, 3 million students 846 higher educational institutions in Ukraine form a system considered to be one of the biggest in the world. Speaking about the system of higher education in Ukraine one should differentiate between colleges, basic vocational institutions and professional training schools of the I-II levels of accreditation and institutes, academies and universities accredited on the III – IV levels. School leavers can get higher education in 345 universities, academies and institutes (238- state owned and 107 - private). About 946, 000 of state university students get their education free [1, p. 8-10].

According to the official data presented by the State Statistics Service of Ukraine at the beginning of 2012 there are 185 private higher education institutions currently operating in Ukraine, including 238 institutes, academies and universities accredited on the III – IV levels and 78 colleges, basic vocational institutions and professional training schools of the I-II levels of accreditation. The number of student enrolment in private higher school stands for almost 269000 (8 %).

The system of private education in Ukraine includes all degrees from pre-school education through primary and secondary school to higher education and post-graduate study usually united in complexes. The vivid examples of such educational complexes with the joined concept of education are European University (Kyiv) and Kharkiv University of Humanities “People’s Ukrainian Academy” (Kharkiv).

It should be emphasized that The Ministry of Education and Science, Youth and Sport of Ukraine (henceforth the ‘Ministry’) has the overall responsibility for planning curricula and financing higher education. The Ukrainian Law on Higher Education from 2002 defines the main directions of Ukrainian state policy for higher education. Now the Ministry is preparing a revised law on higher education with the objective of reinforcing the Bologna process and the merging of higher education institutions.

The 2002 law “On Higher Education” proclaims accessibility of higher education for every citizen of Ukraine. According to the law, admission for studying

at an institution of higher education is based on competition. The law is binding for all higher educational institutions regardless of their form of ownership (i.e. state (public) or non-state (private)), jurisdiction or accreditation level [2, p.8].

The private higher education institutions in Ukraine are for-profit organizations, based on the principle of private management of public education and receive no funding support from the government. Some of them are registered as corporate bodies and operate like a corporate sector or enterprise. The public authority provides funding to private institutions and is in charge of their management. Some universities have established cost units, companies with operational autonomy (European University). They have the freedom to borrow money, acquire investment shares and enter into business ventures to meet a major share of operating expenses. The largest number of private higher educational institutions attained legitimacy in the period of 2005-2008 (202 private higher education institutions of the I-IV levels of accreditation). But taking into consideration the latest tendency for the Ministry to shorten the increased number of higher education institutions (including private ones), some private higher education institutions try to save their institutions through the establishment of corporate universities to share financial, infrastructure and equipment, teaching staff responsibility.

It is necessary to emphasize that the range of courses offered in private higher educational institutions reflect a commercial consideration. In general, the private higher educational institutions offer courses that require less investment in terms of infrastructure and equipment, cater to the private business enterprises and offer courses that are market-friendly. Courses in Jurisprudence, Philology, International Relations, Business Administration, Economics and Enterprise (Finance, Marketing, Accounting and Auditing, Banking), Tourism, Computer Sciences, etc., are very common for private higher schooling in Ukraine.

One of the features of private higher education in Ukraine, as mentioned earlier, is that the profitability of private intuitions depends on their savings on expenditure.

Tuition fees form the financial backbone of many private institutions. They operate like an enterprise generating profit. The total income of private institutions is determined, therefore, by the number of students and the rate of tuition levied. However, some private institutions get as a part of their resources from voluntary contributions, supplies in terms of equipment and are engaged in income-generating activities. Needless to say, student fees continue to be the dominant source of income for the private universities. Many private institutions make savings by employing teaching staff on a part-time basis and renting the state-owned premises.

Originally employment oriented and market –friendly courses attracted a larger number of students to these institutions. But demographical crisis and the Ministry’s introduction of the so-called External Independent Testing (EIT) of graduates from general secondary education as part of providing equal and fair access to quality education as the state standard for admission to all institutions of the I-IV accreditation level led to reduction in the number of students who want to continue studying in private higher educational institutions. Traditionally students used to sit for entrance exams at the local university where they want to study. This system used to be associated with corruption and causes disadvantages for students from rural areas. The EIT, however, makes it possible for students to apply to several universities (both public and private ones) at the same time and students from remote areas are now given the same chances as students from Kyiv and other academic centres. Against this background, the EIT is perceived by the higher education community and public as a way to combat corruption traditionally associated with university admission. So, the number of students’ enrolment at average private higher educational institution comprises 1 – 2 thousands of students. [2, p. 9]

To summarize, it should be noted that Ukraine’s use of private supply to absorb excess demand has important lessons for other countries as its government plays a key role in the development of private higher education in the country, in terms of the provisions of a regulatory framework as well as quality assurance. Given the financial

constraints encountered in most developing countries in terms of public provision, it is important to harness the private sector as a partner of the public sector in the supply of higher education but this has to be done with care rather than leaving it to sheer market forces alone.

Nevertheless, there are also cautionary lessons from the Ukrainian experience that need to be taken into consideration as in a short period of 10-18 years, more private higher education institutions than public ones have been established in Ukraine. Not all private institutions offer quality higher education and many have been started with the sole goal of making quick profits.

And finally, the results of the investigation show that the system of private education institutions plays a key role in the development of higher education in Ukraine, making the private sector an important partner in the provision of higher education.

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