



**New Economy**

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**FORMING THE INTERNATIONAL MARKET  
OF KNOWLEDGE'S PRODUCTION  
IN UKRAINE**

**Abstract**

In this article international market of knowledge's production is examined. We have grounded the structure of the world's higher education. We also have shown the comparative description of expenses on education in a percentage ratio to GDP in some countries of EU. The analysis of the system of knowledge's production in Great Britain is carried out. Also we described the place of Ukraine at the international market of knowledge's production.

**Key words:**

Market of knowledge's production, education expenditures, unitary and binary system, educational investments.

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The system of education, in particular higher education, as well as the culture of its nation, is the unique phenomenon, more difficult, than other systems (transport, connection, safety), because it is deeply connected with spiritual and financial aspects of the past and modernity. Taking this into account, education and its organization have their features in every country. However, the most powerful initiators of changes in the system of education are not its own problems or confusions (system factors), but those, which are outside it, i.g. priorities and requirements to the studies and education, caused including of this country to general motion of world concord in the future, changes in a production, culture and conduct. Consequently, while reformation the higher education, we take into account priorities of saving of cultural variety of the national systems of education from one side, and from other – task of improvement of international cooperation, mobility, students' employment in the European or international area, international competitiveness of higher education establishments in the field of knowledge's production.

The international market of educational services has a tendency to growth. It grounds to assert that in the nearest years its volume will be near \$100 milliards. By the data of UNESCO, at the market of international educational services operate higher educational establishments of 129 countries that own competitive educational products and technologies, which are difficult to resist in a fight for a student. And the conclusion is, that investing the capital at the international market of educational services becomes too advantageous, but at the same time hard for mastering [8: 344].

The structure of world's higher education seems extraordinarily various, however two tendencies prevail:

1. Unitary or unique system, when higher education is provided by universities or similar to them establishments. They offer as general academic degrees so the professionally oriented programs of different duration and level. In the unitary system of higher education enter only universities (the particle of other higher educational establishments (HEE) makes an insignificant percent). Such is education in Italy, Spain, Austria, Finland and Sweden.

2. Binary or double system with a traditional university sector, which in any case is based on the conception of Humboldt university and on the separate not university sector of higher education, which has the expressly outlined structure. It is typical for such countries as Belgium, Great Britain, Greece, Denmark, Ireland, Netherlands, Norway, Germany, France, Switzerland, etc.

Sufficiently effective for world's higher education is a tendency of improvement and expansion of «short and professional» higher education. We speak not about the analogues of our technical college, but about intensive studies in real HEE (it's, quite often – special subsection of universities), but during the small interval of time - to three years. On condition of good organization (i.g.

«university institutes» recently created in France) they give here thorough education, and in a result – graduating students can find work easily.

Tendencies to the comprehensive (unique) university system together with development of the strong sector of higher education of not university level promoted more wide interpretation of concept «university», which differs from determination, which is traditionally used in relation to the continental European university: establishment with an intensive collaboration, by co-ordination between teaching, studies and successes, where grant attention to individual studies [5: 111].

With the purpose of smoothing of maintenance and quality of education in the countries of European Union there was a necessity of concordance of expenses on this purpose in a percentage ratio to GDP (table 1).

Till recently, the structured systems of higher education executed limited amount of tasks in relation to saving and strengthening of state structures of country, conducting of scientific and technological researches with simultaneous preparation of research workers, and also providing the economy by specialists of high qualification.

*Table 1.*

**Comparative description of expenses on education in a percentage ratio to GDP on the separate countries of EU in 2007**

Country	Primary and middle education	Higher education	All levels of educations
Denmark	4,2	1,6	6,7
Sweden	4,4	1,7	6,5
France	4,3	1,1	6,1
Austria	3,9	1,2	5,7
Portugal	4,1	1,1	5,7
Finland	3,5	1,7	5,6
Belgium	3,6	1,3	5,5
Great Britain	3,8	1,0	5,3
Germany	3,6	1,0	5,3
Spain	3,3	1,2	4,9
Italy	3,3	0,9	4,9
Netherlands	3,1	1,2	4,7
Ireland	3,0	1,5	4,6
Greece	3,0	0,9	4,0

Basic tasks in relation to organization of educational establishments of higher education, which have the professionally oriented programs of studies parallel with a university sector, are almost identical in most countries:

- to offer professionally oriented and economic advantageous types of education for satisfaction of necessities at labour-market;
- to provide the necessities of growing amount of entrants without the substantial increase of governmental expenses on higher education;
- to offer the programs, oriented on teaching, where researches of the applied character will be used partly;
- renewal and improvement already existing professionally oriented education [1: 121].

Together with growing diversification of structures of higher education there is parallel diversification of degrees and qualifications, which is issued by different establishments of education.

There is traditional differentiation between the structure of the «continental European» degree with the long-term academic integrated studies and structure of «English-American» university degree with short studies for receiving the first degree and variety after bachelor studios, which are partly based on the module system.

In some countries, types of degrees of more short cycle are inculcated in national structure of degrees (for example, in Denmark, Finland, Italy and Portugal). In other countries such system is inculcated together with a traditional degree's structure (for example in Germany and Netherlands).

In a not university sector there is also continuous diversification of qualifications. To answer the requirements of labour-market in certain professional spheres, plenty of the new programs is inculcated for receiving bachelor degree, many kinds after bachelor courses are also developed. They can be completed by receiving of national degree or degrees with double specialization. Establishments of not university type, which have no authority to introduce the master's degree programs, can co-operate with foreign establishments, which have such right. Consequently, establishments of education get possibility to offer the international master's degree programs to the students [9: 252].

Establishments of higher education not university sector do not offer doctor degrees, but it does not mean that candidates on the doctoral programs from a not university a sector can not study them. In some countries such candidates can get access to the doctor (Phd) programs in an university (for example, Norway and Netherlands) or after preparatory courses (for example, Austria and Germany). In Norway a few educational establishments not university sector obtain a right to conduct research studios and give doctor degrees.

Growing diversification is considered to be the positive phenomenon for the systems of higher education both inside every country and in an international

context. But it runs into the problems of bad transparency of structures of qualifications of separate country and difficulties in mutual confession of qualifications from plenty of different levels and variations of the content of qualifications. The decision of these problems induces to the search of other instruments, which will promote the understanding of the got information about qualifications [7: 21].

Consequently, we will try to analyze main tendencies of progress of the systems of higher education (production of knowledge) in Great Britain illustrating the modern situation and national system of qualifications of higher education. We will pay attention to aspects of mobility, transparency, in particular: the systems of credits and confession the levels of education, guarantee (providing), quality, fees for studies and some practical aspects (structure and organization of academic year, studies of foreign students and system of vocational orientation).

Forming the system of higher education in Great Britain began a few ages ago. This sphere was presented by founded in 12–13 centuries universities in Oxford and Cambridge, which were created for elite's studies. And only in the 20 century, colleges, which prepared young people for drafting of final examinations in the London University, got the status of universities. Higher education was for elite and included very small percent of young people. However, after Second World War, the amount of universities was doubled.

Almost century the system of higher education in Great Britain had a binary structure. However, in 1992 technical institutes received the status of universities and these two branches were united, that is why for British universities typical is high level of autonomy. Department of education and science carries out general guidance of higher education, which realize this policy through councils of universities' funds of England, Scotland and Wales.

Intermediary functions between a government and universities are laid on three councils of universities' funds (England, Scotland and Wales). In these councils there are representatives of establishments of higher education from regions, schools and lyceums and employers. Such wide representation enables to connect the whole states and interests of HEE, sufficiently objective estimating the last. The students included in an university, firstly try to get the first degree qualification – bachelor, which can be received by humanitarian, natural or pedagogical specialties for 2–3 years, by architectural by engineering specialties and management – for 3–4 years, by veterinary science and medicine – for 5–6 years.

When a student receives qualification of bachelor, he/she has a right to continue studies for receiving the master's degree. For this purpose it is necessary during 2–3 years to teach, study or research one or groups of adjoining disciplines. In this country there is not the unique standard of diploma. Here are protected only titles «bachelor», «master» and «doctor».

British universities are large scientific-educational complexes, which include colleges, masters and doctoral schools, experimental institutes, scientific centers, observatories, etc.

After secondary school, not university level is given by numerous technical and other colleges, the programs of which have a clear professional orientation. Many of them are placed under Committee of technological and business education (BTEC). First BTEC-diploma can be already got after one year of daily studies, national BTEC-diploma – after 2–3 years. They differ by the strictness of requirements to the entrants.

Confession of professional qualifications is carried out, as a rule, by certain associations, which set (for the most managed professions) very strict requirements. For their implementation, the graduating students of universities are necessary years of hard work and independent improvement.

Access of citizens to education is carried out by the same way. Secondary education lasts for 13 years, two last from which are dedicated to the deep study of those disciplines, which a student plans to choose for studios in HEE. Schools give possibility to choose the courses of different level of complication, which results nonequivalence of certificates. A certificate about universal education of the promoted level (briefly «A level») gives a right for an entry to HEE without examinations. At the large autonomy of schools in an educational process final requirements are standardized, because final examinations. Most universities' entrants of UK have A-level from three disciplines.

The government of Great Britain pays very serious attention on the development of education, which is confirmed by considerable state support, which is based on long-term strategy. The dynamics of this support is shown on the figure 1, that represents investments in education from 40 milliards of pounds in 1997–1998 years to 61 milliard of pounds in 2008-2009, and if to take into account that a 1 pound is almost \$2, this sum indeed is solid, and taking into account Ukrainian realities – simply astronomic.

Capital investments in the sphere of knowledge in Great Britain grew annually, beginning from 1,2 milliards of pounds in 1997-1998 years and in 2010 (in obedience to a prognosis) must make 8,3 milliards of pounds. Considerable part of money is selected also from private funds on development of education (figure 2).

A leading role in the system of production of knowledge is played by universities, foremost London, Cambridge and Oxford. British universities, mainly have humanitarian direction. Students obtain technical specialties in universities' colleges, on the technical faculties of universities and also in the special institutes, which are not included to universities.

Figure 1.

**Investments in education of Great Britain from 1997 till 2009**  
(in a milliard of pounds)

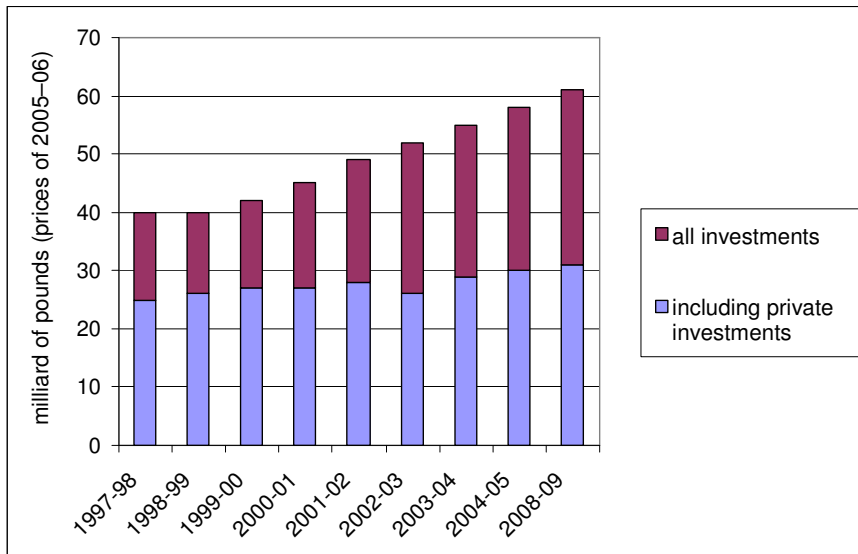
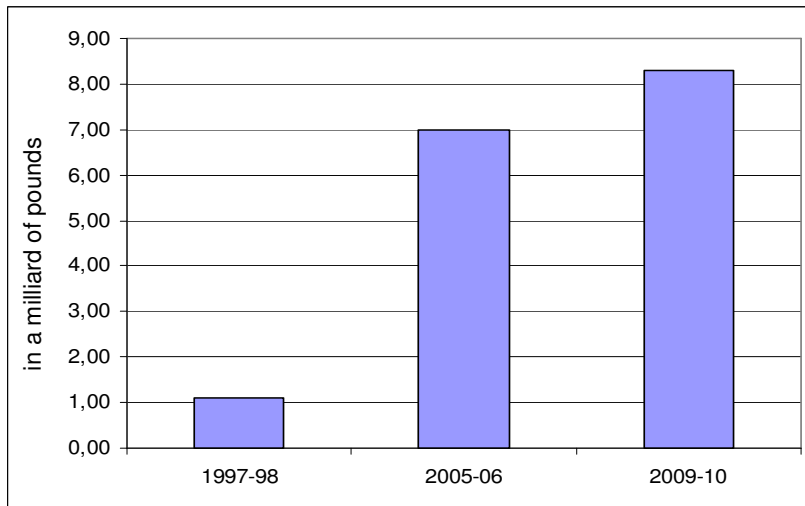


Figure 2.

**A dynamics of capital investments during 1997–2006 years and prognosis on 2009-2010 years in education of Great Britain** (in a milliard of pounds)



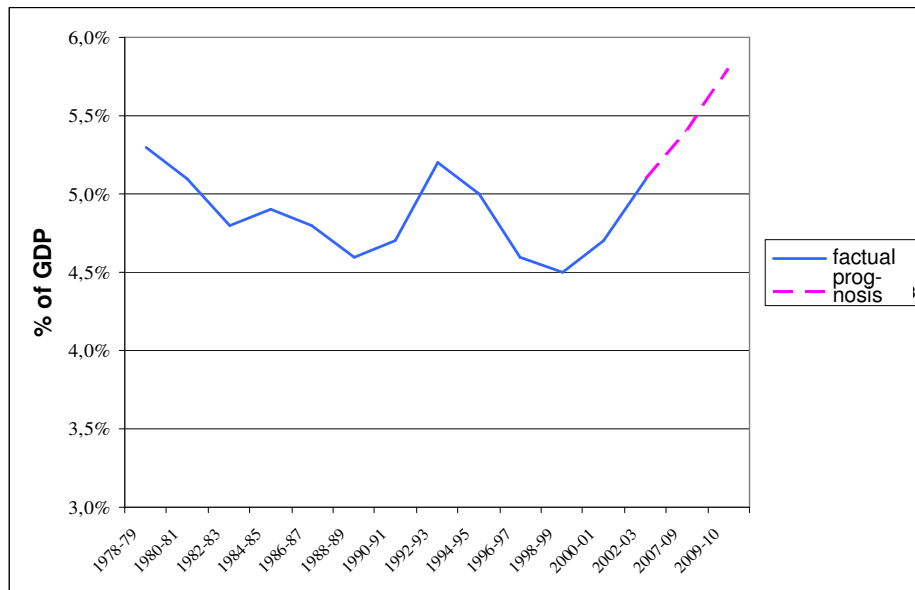
For entering, entrants apply in reception in universities and colleges (UCAS), specifying to 5 desired establishments. Documents come to HEE, which decide, whether the candidate is suitable. Although in a country they hold the policy of the opened higher education, interested organs are set by the quotas of places (a secretary of state from education – for teachers, department of guard of health – for doctors, etc.). If the amount of applications exceeds a quota or free seating capacity in audiences, a selection, the forms of which are determined by HEE, is used.

Three universities (Oxford, Cambridge and Durham) conduct competitive preliminary examinations for universities' entrants.

From the review of possibilities Great Britain, annually, beginning from 1978/79 years selects for the sphere of knowledge not less than 4,5 % GDP and in obedience to a prognosis on 2010 year, this number will be 5,8 - 6,0 %. The dynamics of expenses on education in percents to GDP is shown on figure 3.

*Figure 3.*

**Expenses on education in % to GDP in Great Britain from 1978/79 till 2009/10 years (prognosis)**





**Academic year and examinations.** Studies begin on September 1 and formal closed on August 30, but actually a school year is shorter. Every HEE is autonomous in planning the school year on condition of observance the general criteria: completion studying in June, a few (3–5) weeks of interruption on main religious holidays.

A school year is divided into three parts, but in the last majority of HEE shortens the amount of educational hours for giving the students time on the revision of material and preparation to final examinations. Part of universities has intermediate vacations (to 8 weeks) as time for the independent studies of students. However, more perceptible is a tendency to the 2 semester's year with vacations between them.

All HEE are autonomous in establishment of methods of control of work and knowledge of students: majority do an accent on final examinations, current control is often conducted taking into account its results during the decision about passing to the next course or level. After finishing the program of the first cycle, a student can get such estimations: excellent (Class 1), very good (Class 2, Division 1) with a right for continuation of studies on the second cycle, not bad (Class 2, Division 2 or «two-two»), the worst (Class 3).

For a transition from the first level to the second, it is needed to execute sufficient academic requirement (an honors diploma of bachelor) and to show thorough knowledge from the subject of specialization. There are exceptions from this rule, when on the second level they accept persons without a diploma for the first level and only with large experience from a select profession.

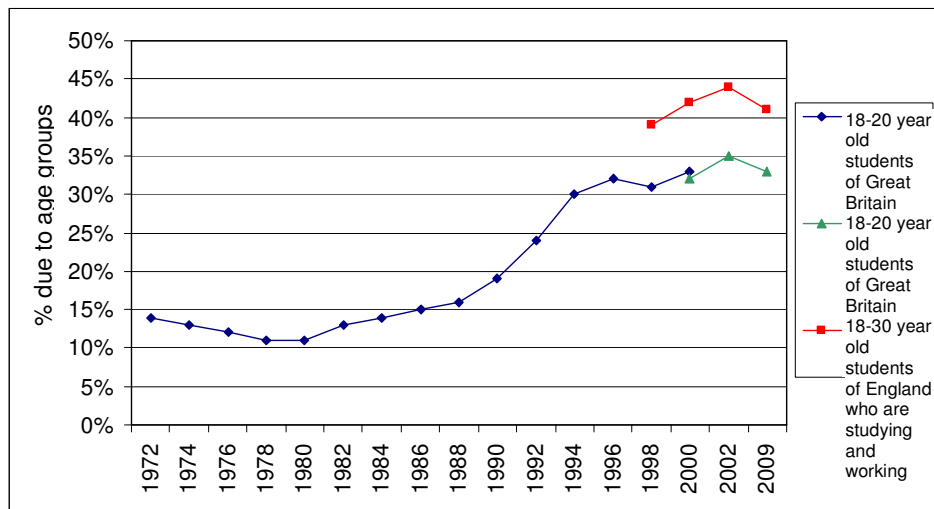
**Qualifications.** Most universities' entrants elect the courses of studies, which provide the receiving of the first qualification (often named «undergraduate degree»). This first diploma requires on the whole 3–4 years of studies, except for veterinary science and medicine (5–6 years). It is foreseen to be courses of less duration (speed-up) and possibility in a result of change of the year's duration and more intensive work to receive the first diploma in two years. In Great Britain there are spread such qualifications: bachelors of Arts (BA = Bachelor of Arts), Science (BSc = Bachelor of Science), Education (BEd = Bachelor of Education), Engineering (BEng = Bachelor of Engineering), Law (LLB = Bachelor of Law), Medicine (MB = Bachelor of Medicine). Qualification of bachelor has three variants «with a honour» depending on an amount of studies and hard disciplines: Honours of degree – 1, Joint Honours degree – 2, Combined Honours degree – 3 (or more) disciplines.

Less prestige are studies and getting the «mediocre» (Ordinary Pass degree) bachelor qualification with a not deep study and mastering of program's disciplines.

Great Britain has experience in relation to bringing young citizens of country in the sphere of knowledge, from 14, 8 % in 1972 years to 35 % in 2008 year (figure 4).

Figure 4.

**Employment of citizens in the field of higher education in Great Britain during 1972–2009 years**



After completion the studies of the first level, a student can continue education for getting higher qualification (postgraduate degree), which is often named as a «master's degree». The most spread variants are: master's degree of arts (MA = Master of Arts), sciences (Msc = Master of Science), business and management (MBA= Master of Business Administration), law (LLM = Master of Law). Receiving of this diploma opens the way to the studios of doctoral level with the appropriation of rank «PhD» (PhD = D Phil = Doctor of Philosophy), rarely – «master's degree of philosophy». Sometimes and only on condition of implementation of the proper independent researches, a doctoral rank turns out at once after a bachelor. Some universities appropriate qualification «bachelor» after the program of the second level (B. of Philosophy or B. of Literature).

Studies of students-foreigners. Great Britain remains one of the most attractive places to study for foreigners. However, a country can not satisfy all requests, that is why admittance in HEE passes through a severe selection. For increasing chances to entry, of entrant - foreigner must appeal to Service of reception (UCAS) in autumn in a previous year. The known information generator is a separation of British Council [10: 51].

Entrant - foreigner must give a document about secondary education, which gives access to the university, and accompanying papers. They should pay attention on preparation to interview, because the selection depends on its result.

Entrants from the countries of European Union, as well as British, must send inquiries to Service of reception in universities and colleges (UCAS) till December 15, and entrants to artistic establishments – to Centers of reception from arts and design (ADAR). At formal absence of limitations in a reception, however, there is a severe selection of applicants. In the case of entry on the second cycle of higher education or on doctoral studios, an applicant must appeal directly to selected establishment of higher education for the receipt of standards of forms of query and necessary information on procedural questions.

Fees for studies are set by educational establishments, but a top limit is set by the state, which it is forbidden to exceed. Information about possible grants and other forms of financial help a foreigner can get from the departments of British Council in his/her country.

An orientation of Ukraine on international integration in the field of higher education – timely, actual and practically meaningful step, as it orients society on development, which is based on knowledge [6:44]. Developed national market must cast aside market myopia and marketing at the market of knowledge should help to avoid it in forming strategy of internationalization of production of knowledge [4: 7].

Internationalization of education means an orientation on an export, to say on the international market of educational services, as vitally necessary. Only in 2001 year 1, 65 million students studied abroad, from which over 1,3 million persons – in the developed countries. 72% from the total quantity of foreign students are at 5 countries: the USA (28%), Great Britain (14%), Germany (12%), France (9%) and Australia (7%). Our state can teach not less than 500 thousands of foreign students on a year, which gives an opportunity to have an annual profit in a sum about \$ 1 milliard (for comparison: at this time about 35 thousand of foreign students study in Ukraine) [8: 344]. None national market, even most developed countries, can not use everything that is created within the borders of the country. At the same time for success it is needed to conduct the search of some segment and actively master it to carry out the purposeful public policy for supporting exporters of educational services and realize it.

In a result of the conducted research and on the basis of material, it is possible to make a conclusion. Consequently:

At first, the system of higher education, as well as culture of its people, is the unique phenomenon, more difficult, than other systems (the transport, connection, safety), because it is deeply connected with spiritual and financial aspects of the past and modernity. Taking this into account, in every country, including Ukraine, the production of knowledge has its features, which will enable to plug this country in general motion of world concord in the future, to the international labour-market and capital, where knowledge come forward.

Secondly, while reformation the higher education, we take into account priorities of saving of cultural variety of the national systems of education from one side, and from other – task of improvement of international cooperation,

mobility, students' employment in the European or international area, international competitiveness of higher education establishments in the field of knowledge's production, which will result to smoothing out the quality of education in the countries of European Union and concordance of expenses on this purpose in a percentage ratio to GDP.

Thirdly, state support of education in Great Britain, in relation to its development, is based on long-term strategy. The dynamics of this support represents investments in education from 40 milliards of pounds in 1997-1998 years to 61 milliard of pounds in 2008-2009, that provides the high level of autonomy in determination of courses, programs and methods of studies, and it allows considering it one of the best in the world.

Fourthly, Ukraine, for success at the international market of production of knowledge, it is needed to conduct the search of some segment and actively master it to carry out the purposeful public policy of support the exporters of educational services and realize it.

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