

MODERN TRENDS OF PRICING IN EDUCATIONAL SERVICES MARKET

Almost every citizen needs high-quality education in order to keep up with progress, find the desired job or create his/her own business, which will allow him/her to successfully realize his/her potential and skills.

Top skills which are in demand in the labor market are changing every year. Today the most popular are those skills that are paid well by the employers. According to the results of research of McKinsey Global Institute the specific workforce skills are basic cognitive skills, higher cognitive skills, social and emotional skills, technological skills. Rating of skills is presented in such a way: advanced IT skills and programming (91%), basic digital skills (69%), creativity (40%), leadership and managing others (33%), entrepreneurship and initiative taking (33%), technology design and engineering and maintenance (31%), interpersonal skills and empathy (30%), scientific research and development (28%), advanced communication and negotiation skills (27%), advanced data analysis and mathematical skills (25%), adaptability and continuous learning (24%), complex information processing and interpretation (18%), critical thinking and decision making (17%), teaching and training others (14%), project management (2%) [1]. The popularity of top skills in the labor market will also influence the process of formation the trends of pricing in educational services market. According to the presented rating of skills advanced IT skills and programming, basic digital skills and creativity, leadership and managing others are in demand. This means that the pricing policy in these spheres is more open to quick changes. Students will be oriented to choose these specialties, because they are well paid by the employers and they correspond to future professions, indicators of life expectancy of consumers.

The education indicator, along with indicators of life expectancy and per capita income, underlies the assessment of the human development index (HDI) in the country. This index is used to identify differences between developed, developing and underdeveloped countries. In addition, it is used to assess the impact of economic policy on the quality of life of the country's population. Such an assessment is carried out annually by the UN. According to the UN Human Development Report for 2018, Ukraine took the 88th place in the ranking of 193 countries and largely due to the high level of education [2].

According to the World Economic Forum, Ukraine occupies the 10–12th position in the world by the rate of enrollment in higher education. It is received by 79% of people aged 20 to 26 years [3].

Today there are over 650 institutions of higher education in Ukraine. Most of them are state-owned. According to the data of the Ministry of Education and Science of Ukraine, the training of specialists by institutions of higher education is concentrated in five regions: Kyiv and Kharkiv, Lviv, Dnipropetrovsk and Odessa regions. These regions account for 50% institutions of higher education that receive funds from the state budget. At these universities, over 59% of students study under state order, i.e. using budget funds [4].

According to the State Statistics Service, at the beginning of the academic year 2018–2019, there were 1.522 million students in Ukraine. In the same academic year, 51.2 thousand applicants were enrolled to Institution of Higher Education (IHE) on the basis of tuition free program funded by the state.

Based on the number of population, Ukraine has an average of 6.35 universities per 1 million people, which is significantly more compared to the European countries. For example, in the UK there are only 160 universities, 48 of which are included in the world ranking of top 400. In relation to the population in Britain there are 2.48 university per 1 million people. Sweden and Germany have 4.95 and 5.28 university per 1 million people, respectively [3].

According to the analysis of 167 institutions of higher education, the Ministry of Finance of Ukraine determined that the total expenditures of the state budget to pay the fees for training specialists in these institutions in 2018 amounted to over 15 billion UAH. According to the Ministry of Finance, the average estimated cost of training one student on a state order in 2018 amounted to 44.6 thousand UAH. However, at some universities this indicator exceeded the national average by 2–3 times [5].

As for tuition fees on a contractual basis, it is significantly less than the specified amount. So, for example, the cost of the contract for training specialists in economic specialties in 2019 amounted to an average of about 20 thousand UAH in Ukraine [5]. The cost of training depends largely on the university and language of training. For example, studying in English is more expensive than in Ukrainian. Prices for economic specialties for foreigners start from \$ 1,500 a year and up to \$ 2,500 a year, depending on the specialty and language of training [6].

In connection with the current situation, when a university student is paid twice as much from the budget as a contract student, the Ministry of Education and Science of Ukraine planned to set optimal prices for contracted studies at universities for the period of the

2020 entry campaign. Such a restriction applies to about a third of all specialties, including economics, sociology, journalism, management, law, medicine, international relations, philology, etc. [7].

The use of the indicative cost of training is planned to be introduced gradually: 2020 - 60%, 2021 - 70% and 2022 - 80% of state funding per student. At the same time, it is envisaged that the cost of training will correlate with the incomes of the population in the region. The IHE may not raise the price for contract education, if it exceeds the size of three average wages in the region [5].

As noted in the Ministry of Education and Science of Ukraine, the introduction of indicative cost (minimum tuition on the contract) will bring the tuition in line with actual costs. Establishing indicative costs will help to restore the conditions for fair competition among institutions of higher education and will prevent the risks of underfunding.

In addition, the Ministry of Education and Science notes that increasing the cost of the contract will contribute to a more responsible attitude of students towards their studies and will open up the possibility for IHE to update the material base and raise teachers' salaries [8].

At the same time, the increase in the cost of training has serious negative consequences as well - a decrease in the number of students due to the inability to pay for tuition.

A serious problem for higher education and the Ukrainian state as a whole is the outflow of Ukrainian students to study at foreign universities. More and more of young Ukrainians choose universities in Poland, Germany, USA and even China. At the same time, tuition prices in many leading foreign universities are quite comparable with tuition prices in Ukraine. In addition, some foreign universities offer foreign students free tuition in the language of their country (for example, Prague University of Economics (Czech Republic), Erfurt University of Applied Sciences (Germany)).

Many Ukrainian graduates, having received a modern education abroad, do not return to Ukraine, but remain to work and live in Europe. Almost 70 thousand Ukrainian students study abroad (that is, every 20th), and, according to the Institute of Public Relations (ISP), only 7% of Ukrainians studying outside the country plan to return. Among the main reasons for choosing education abroad, according to the research results, they call obtaining a European diploma (about a third of Ukrainian students abroad plan to go to other EU countries after graduation), unsatisfactory living conditions in Ukraine, as well as obtaining the better knowledge [9].

It should be noted that domestic universities also attract the attention of foreign students. In the 2019-2020 academic year, 63,820 foreign students study at institutions of higher education of Ukraine. Among them: 14,860 students from India, 6,046 students from Morocco, 4,858 students from Azerbaijan and 4,541 students from Turkmenistan [10]. Foreigners choose Ukraine for getting higher education for the following

reasons: state accredited universities; attractive tuition fees dormitories for international students; simple procedure for submitting documents; low prices for a living; many international programs with universities in Europe and America; tolerant society [11].

Thus, when setting the price for the contracted form of training at universities, it is necessary to take into account all the consequences of the overstated or understated cost of the contract and choose the best option that would attract both domestic and foreign applicants.

In conclusion it should be said that the main trends of pricing in educational services market are the following: adaptation, flexibility and stereotype. Adaptation is associated with the students' plans to go to other EU countries. Flexibility is connected with setting optimal prices for contracted studies at universities. Stereotype is explained by the choice of foreign students Ukrainian universities, because they are state accredited.

References

- [1] <https://www.greycampus.com/blog/others/the-top-skills-to-learn-to-defend-against-automation?fbclid=IwAR2eGiH-UIXTd7bwtDWLdm-3H1ftius0GPAg0EXu-IvBfOdVxQDWKIE6cgU>
- [2] Индекс человеческого развития [Электронный ресурс]. – Режим доступа : <https://ru.wikipedia.org/wiki/%D0%A1%D0%BF%D0%B8%D1%81%D0%BE%D0%B>
- [3] Высшее образование в Украине – путь в неизвестность [Электронный ресурс]. – Режим доступа : <https://golos.ua/i/560097>
- [4] Освіта в Україні [Електронний ресурс]. – Режим доступу: <https://thebabel.com.ua/news/38466-u-minfini-rozpovili-skilki-vitrachayut-na-studentiv-byudzhetnikiv-naybilshkoshtiv-yde-na-lotnu-akademiyu-nau>
- [5] Мінфін повідомив вартість витрат на навчання студентів-бюджетників [Електронний ресурс]. – Режим доступу : https://zaxid.net/ministerstvo_finansiv_povidomilo_skilki_derzhava_vitrachaye_na_navchannya_studentiv_byudzhetnikiv_n1493367
- [6] Стоимость обучения в ВУЗах Украины в 2019 году [Электронный ресурс]. – Режим доступа: <https://пяточок.dp.ua/obrazovanie/489-stoimost-obucheniya-v-vuzax/>
- [7] В українських ВНЗ стрімко зростає вартість навчання [Електронний ресурс]. – Режим доступу : https://vgolos.com.ua/news/v-ukrayinskyh-vuzah-strimko-zroste-vartist-navchannya_1179939.htm
- [8] Вартість контрактного навчання у вишах зростає [Електронний ресурс]. – Режим доступу : <https://osvita.ua/vnz/69082/>
- [9] Украинские студенты за рубежом [Электронный ресурс]. – Режим доступа : <https://kp.ua/life/617405-ukraynskye-studenty-za-rubezhom-70-tysiach-kotorye-ne-sobyrauitsia-vozvraschatsia>
- [10] Стало известно сколько иностранных студентов учатся в Украине [Электронный ресурс]. – Режим доступа : <https://www.unn.com.ua/ru/exclusive/1834227-stalo-vidomostilki-inozemnikh-studentiv-navchayetsya-v-ukrayini>
- [11] Образование в Украине [Электронный ресурс]. – Режим доступа : <https://www.fdstudy.com/ru/obrazovaniye-v-ukraine>