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## СУЧАСНІ ПІДХОДИ ДО ОЦІНЮВАННЯ ЕФЕКТИВНОСТІ ДІЯЛЬНОСТІ КОМЕРЦІЙНИХ БАНКІВ УКРАЇНИ

*У статті проведено порівняльний аналіз класичних та сучасних підходів до оцінювання ефективності діяльності комерційних банків. На основі побудови моделі лонгітюдних даних визначено та кількісно оцінено вплив основних факторів на ключові індикатори прибутковості та ефективності діяльності банків, запропоновано напрями стимулювання ефективності їх діяльності на довгострокову перспективу.*

**Ключові слова:** оцінка доходності, ефективність, комерційний банк, економетрична модель, прибуток на власний капітал, індикатори.

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## HIGHER EDUCATION MARKET IN UKRAINE

*The article analyses key features of how the higher education market develops in Ukraine. In order to cover the topic on a large scale, we have defined the terms of education service and service differentiation. The analysis of market structure gives reasons for stating that the higher education market in Ukraine acts under the conditions of monopolistic competition.*

**Keywords:** higher education market, education service, service differentiation, monopolistic competition, higher educational establishment.

The actual features of market development concerning the higher education indicates that currently it goes through the integration of market mechanisms. Since 2009, it has faced a trend of market players' quantity reduction. During the last 5 years the number of higher educational establishments with III-IV accreditation level has reduced by 5,3 per cent, the number of students has reduced by 22,8 per cent [1]. The principal competitors of Ukrainian higher educational establishments (HEE) are foreign HEE and online education programmes. The

education abroad gets ever more popular due to education costs (in most cases it does not cost more than in Ukraine), and the opportunities of cost-free education. The outcoming flow of students is mainly restrained by the requirements to foreign language skills and the necessity to pass additional exams. Also the interest to online education grows persistently, as it gives students an opportunity to get a foreign diploma without leaving the homeland. Such a situation has resulted in an increase of competition between higher educational establishments

and the necessity of bringing changes to the system of economic management, so in order to reinforce their positions at the market the HEEs consider better pricing policy and quality marketing strategy as means of improving their competitiveness. Thus, the pricing issue gets extremely timely, as the information asymmetry is characteristic of the higher education market. Consumers do not get fully informed about the quality of services provided, so they consider the price as an indicator of education quality and reliability. As long as the pricing policy depends on the nature of competition, the Ukraine's education market features are of special importance, as well as the process of defining these features. The current research aims at defining the structure of the higher education market in Ukraine.

**The analysis** of the higher education market has been previously performed both by Ukrainian and foreign researchers. H. Yakovleva, S. Kurchenko define the market of educational services as a system of commodity-money relationships arising between a consumer and a supplier when getting a specific product [5]. The competition is defined as imperfect, which is caused by the government's influence on the relationships. The presence of government orders on the one hand stimulates the purchase of the product, and on the other hand it also reduces the demand for paid education. I. Kukurudza points out the existence of excessive supply in the market, but he does not analyze the type of competition in the market [4]. O. Karpiuk and H. Mamontova call the volume of educational services provided at market prices the key indicator of market efficiency. A research conducted using the Markov's chain indicated that the dynamics of the educational market will be negative. The researchers state that until 2016 this reduction can reach up to 10 % [3]. The highest growth will be characteristic of the fields of education dealing with internships, second grade education and educational courses. The reduction of the volumes of higher education services availability is conditioned by their high price and the possibility of getting special education (technical schools), which is not so expensive. O. Karpiuk [3] also points out the existence of five blocks of factors affecting the formation and further development of the higher education market in Ukraine: demographic, legal, social-economic, information-globalizational and the natural resources block.

The foreign researchers like Nicholas Barr and Lane Crawford [7] focus on the essence of the product created by the institution of the field under consideration and on the higher educational establishment, namely its market positioning. The education markets in the Western Europe and the United States

of America are based on perfect competition, so private universities aiming at income get ever more prevailing. The consumer abroad trusts private HEEs more, as they react on market dynamics and customers' product requirements better.

**The presentation of the materials.** As of today a number of researchers define the market of education services as a system of commodity-money relationships arising between a consumer and a supplier when getting specific products. This type of market is quite special, as there is no exact structure used for producing or consuming the product. The subjects of the market are students (pupils, attendees), companies and organizations. They affect the demand in the market. Educational establishments produce services. Education services are the goods traded. Finally, employment companies and bureaus are the agents. The main functions are of regulating and controlling nature. The presence of government orders on the one hand influence the volume of product consumed, but on the other hand it also reduces the demand for paid education. The researchers define the demand and supply values stating thereafter that these indicators have to be balanced. Both public and private educational establishments are represented in the market, though those latter are not so widespread nor popular with customers. In order to define the model of the market it is worth analyzing the following factors: the product, which is the result of the suppliers' market activity, the service supplier and the opportunity of entering the field.

The product of this market is an educational service. An educational service is a way to share information representing a set of instructions and methods aimed at explaining the reality and phenomena. This service can be described as a non-material social value that differs from other non-material services due to its special value in use; this value is also an ability to satisfy the person's needs of spiritual and intellectual development through obtaining a certain set of specialized skills [4]. The main features of the educational services are:

- disposal impossibility, along with the possibility of sharing knowledge;
- obtaining the service means obtaining new knowledge;
- the service can be sold to different consumers for an unlimited number of times.

Being a special type of goods, education services feature the following: the level of education process organization; the faculty's skills, research work, extracurricular activities and the quality of education materials presentation (dedication and real education skills); the level of resource base development at the higher educational establishment.

Despite the existence of a curriculum containing a standard set of knowledge and skills, education services can be considered a differentiated kind of goods, as they differ in quality, additional opportunities, chances for innovative directions and the geography of data provided. The differentiation is also related to the monopolistic aspect, as it makes the elements of the field under consideration "unique" [6, p. 560].

The quality of education services provided is one of the main differentiation factors, as a set of identical subjects can not secure identical results. The quality of the education process depends on the faculty's professionalism, the curriculum structure, the existence of proper resource base, the absence of students' and lecturers' overload, the structure of the educational process (featuring logical and consistent materials presentation).

The availability of additional opportunities during the educational process alters the quality of the results, as a possibility of choosing additional subjects complements the basic curriculum. Thus, students can become experts in the fields not covered by the curriculum dedicated to his or her educational program. Foreign language skills improve the students' potential mobility and provides them with an opportunity of getting education abroad.

In order to reinforce the competitive positions in the market, higher educational establishments create innovative education programs or reinforce the existing ones with new subjects, courses or irregular approaches to the education process (using case discussion or role plays aimed at modeling real processes in the educational practice). The recent education trends have indicated the growing influence of trainings and unique courses developed by real specialists. Such courses let us get important knowledge in a small, narrow field within a short period of time. In order to improve education quality, certain educational establishments apply the mentioned teaching methods and integrate them into the classic educational process.

Also, we can consider education services as differentiated goods because of the geographic location of this or that educational establishment (the so-called geographic differentiation), as getting education services provides the students with more opportunities for self-realization and social adaptation in the environment of a big city. The geographic particularities of society development can give special tasks to the educational process, as far as education seriously correlates with the demands of the labor market.

The price control is another important feature of the market [6, p. 560]. At the monopolistic com-

petition market the sellers and the buyers have no spontaneous connections, so a buyer will choose goods that will match a certain price range, and pay a higher price for defining his or her personal preferences. The seller, in turn, can only perform limited price control due to the abundant suppliers presence in the market. Applicants define their own value to be paid for education services. According to the presented requirements he should choose a supplier. In 2014, at the Ukrainian market of education services one could find offers ranging between 6,000 and 20,000 UAH for "theoretical economics" programs. Education abroad has a much bigger price range: so, for instance, the cheapest education in Italy costs between 500 and 3,000 euros, in Poland you can find programs in Polish starting from 1,000 euros, as well as programs in English starting from 2,000 euros. The pricing leaders are the United States of America (depending on the education program and the HEE, the prices can range between 13,000 and 40,000 dollars), the United Kingdom (between 7,500 and 15,000 pounds) and France (an MBA program can cost up to 40,000 euros).

The vast range of contracts you can make at one educational establishment is another special feature outlining the differentiation of these services. So, in the national university "Kyiv-Mohyla Academy" the prices for education range between 14,000 UAH for a "Biology" program and 28,000 UAH for a "Law" program.

334 educational establishments with the III-IV accreditation level were providing education services at the Ukrainian market as of 2012/2013. A serious number of market players indicates that the absolute elastic demand is not possible. Also, nothing can seriously affect the prices for education services, which is caused by state regulation and a wide range of suppliers. It is also barely possible that an educational establishment will rack up serious losses if another establishment reduces the prices for education. None of education service suppliers has a market share of even 10 %. As of today the biggest educational establishment cannot cover more than 2 % of consumers each (there are 30 465 students attending the national university "Lviv Polytechnic", which makes only 1,7 % of the total number of students).

The Ukrainian higher education market features free entrance/exit of new market players. As of 2012/2013 the number of private educational establishments in Ukraine makes 113 units, or 30,8 % of the overall number of HEEs. Getting a permission for a private education establishment is controlled by the government, which helps to cre-

ate a competitive field and improve the quality of services provided. However, today the consumers do not have much trust to the private educational establishments, only some of them have become serious market players.

Thus, the market of higher education services that has by now formed in Ukraine can be characterized as a monopolistic competition, as:

– Education services are differentiated services, which is characteristic of monopolies. They differ in quality, content, provision geography and price;

– The market features an abundance of players. This fact makes a suppliers' confederacy impossible, which is good as it can not influence the pricing policy at the market in a negative way;

– None of the educational establishments can cover a major market share in order to monopolize the market;

– Entering and leaving the market without any major obstacles is possible. A serious share of private educational establishments serves to prove this fact.

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## РИНОК ВИЩОЇ ОСВІТИ УКРАЇНИ

*У статті розглянуто загальні характеристики розвитку ринку освітніх послуг України. З метою розкриття теми було визначено поняття «освітня послуга» та «диференціація послуги». Аналіз структури ринку дає підстави характеризувати ринок освітніх послуг України як монополістичну конкуренцію.*

**Ключові слова:** ринок освітніх послуг, освітня послуга, диференціація послуг, монополістична конкуренція, вищий навчальний заклад.

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