MARKET OF EDUCATIONAL SERVICES IN CONDITIONS OF GLOBALIZATION

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Abstract. The purpose of this study is to analyze the General state of the market of educational services in the context of globalization. The following methods were used for the research: the study of scientific and methodological literature and legal acts; content analysis of scientific sources; monitoring of publications; mathematical processing and tabular presentation of literary data.

The results are of great practical importance:
- identified important trends in the market of educational services,
- identified weak players in the market of educational services in the context of globalization.

The results can be used to study problem areas in East European and South American universities.

Keywords: globalization, services, educational services, educational services market

Introduction

Since the late 40s of the 20th century, education has become a business of international scope [1]. The expansion of trade and investment in the global economy since the 1980s has been accompanied by an associated growth in the international trade in education services, particularly higher education [2].

The paper [3] studied the definition of "educational services". In this paper, I would like to acquaint the reader with the result of a General analysis of the market of educational services.

One of the main development trends of the worldwide educational services market is globalization, which is the main force changing the world today. For example, the paper [4] addresses the growing demand for access to higher education and the conditions under which this is leading to a worldwide market. The supply of transnational education and the export of educational services play an increasingly important role in fulfilling this demand. The globalization process covers all national education systems. Higher education is undergoing a serious transformation under the direct and indirect influence of global trends [5].

Higher education institutions exist in a complex and changing environment with an increasing need for fast and effective strategic responses to external pressures [6]. Forces of demand and supply are changing the dynamics of the higher education market [7]. Transformation of institutions of higher learning into competitive enterprise is underway.

The global educational services market is a combination both of educational services consumed abroad by citizens of different countries, and of educational services provided by foreign institutions in domestic markets.

Methods

The study was carried out in Pedagogical University of Cracow in 2016-2018.

The aim of the study is to analyze the global market of educational services. The object of the research is educational services. The subject of the research is the market of educational services.

The following research methods were used in the work:
- the study of scientific-methodological literature and normative legal acts;
- content analysis of scientific sources;
- monitoring of publications;
- mathematical processing and tabular representation of literary data.

And, at last, I have made the conclusion.

Literature review

In order to determine the main directions of research in the field of higher education,
The content analysis of 100 publications was performed. They were most related to the topic of "The Challenges of Higher Education". The publications have been studied in journals, indexed in the databases SCOPUS and Web of Science. It has been studied period between 2001 and 2016. Further monitoring on this topic was carried out between 2017 and 2018.


The purpose of the content analysis was to identify centers of research activity in higher education challenges. From the list of one hundred most relevant publications, 53 publications were selected that are related to various aspects of the current study, for example, papers [8-16], etc.

These 53 publications were divided into groups according to the geographical regions in which the authors of the articles carried out the researches. The general results of the content analysis are presented in Table 1.

<table>
<thead>
<tr>
<th>№</th>
<th>Geographical region</th>
<th>Country</th>
<th>Number of publications</th>
<th>Number by region</th>
<th>Percentage, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>North America</td>
<td>USA</td>
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<td>15</td>
<td>28.3</td>
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<td>2</td>
<td></td>
<td>Canada</td>
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<td>3</td>
<td>South America</td>
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<tr>
<td>4</td>
<td>Western Europe</td>
<td>Spain</td>
<td>2</td>
<td>15</td>
<td>28.3</td>
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<tr>
<td>5</td>
<td></td>
<td>Ireland</td>
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<td>6</td>
<td></td>
<td>Great Britain</td>
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<td>7</td>
<td></td>
<td>Norway</td>
<td>1</td>
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<td>8</td>
<td>Eastern Europe</td>
<td>Croatia</td>
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<td>9</td>
<td></td>
<td>The Republic of South Africa</td>
<td>4</td>
<td>5</td>
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<td>10</td>
<td>Africa</td>
<td>Ethiopia</td>
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<td>Turkey</td>
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<td>13</td>
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<td>India</td>
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<td>16</td>
<td>Australia</td>
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<td>Total:</td>
<td></td>
<td>53</td>
<td>53</td>
<td>100.0</td>
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</table>

Source: The results of own calculations

The table 1 shows that the centers of activity in research on higher education challenges are located in the USA, Great Britain and India.

As it follows from the table 1, scientists from countries of South America do not carry out world-class research. The research percentage in countries of Eastern Europe is about 2.0%.

Data of table 1 indicates low scientific activity in relation to the Eastern European segment of higher education. The economies of countries of Eastern Europe began to open up for trade with the rest of the world only in
the 1990s. Hungary and Poland are among the most susceptible to market economies. The attractiveness of Eastern European markets for global companies lies in the similarity of preferences with Western consumers. Due to the influence of television, cinema and various products, consumer tastes in Eastern Europe have become significantly similar to the preferences of people in Western Europe and North America [17]. This naturally affects the educational needs of youth. And some young people seek higher education in the West. This fact weakens the position of higher education in Eastern European countries in the global educational services market.

**Results**

At the end of the 20th century, we can assume that the international market of educational services, which have become the objects of foreign trade, has been fully formed. In the early 21st century, the concept of "Transnational higher education" appeared. Transnational higher education is a rapidly growing phenomenon that is under-researched and often even misunderstood [18].

Today, the world education system is increasingly transforming into a multi-billion industry [19], one of the most profitable areas of which is the training of foreign students. The global market for higher education is often called the tertiary market. The tertiary level educational services include, as a rule, higher and postgraduate education [5]. Another approach to the definition of tertiary education can be found in the International Standard Classification of Education (ISCED), according to which tertiary education includes secondary vocational education, higher education, and postgraduate education.

This means that many universities are forced to act like businesses and enterprises as they have to take care of their financial sustainability [20-22].

According to experts, the volume of the global higher education market is 4.5-5.0 trillion US dollars [23], and in the coming years, he promises to increase to 6-7 trillion US dollars. The largest and the most mature market as of 2016 is the USA, and its growth rate is approximately +4.0–4.4% annually. The second largest region is Southeast Asia, primarily China and India, which is gaining momentum much faster (+17%). In 2016, it overtook Western Europe: $11.7 billion vs $6.8 billion.

At the moment, in terms of market volume, Eastern Europe, with its $1.2 billion [23], is lagging noticeably behind Western one, although it is growing much faster (+17%).

The results of the study [24] show that higher education is an important driver of economic growth in advanced industrial countries like Britain. Return on investment in education is very high. Today in the USA there are more than 30 universities, entirely funded by high-tech corporations. At the same time, many corporations are seeking a return of 25-30 dollars for every dollar invested in the education development [1].

Today, according to the richest man in the world, Bill Gates [25]: "Education is the best investment of money".

The specificity of economic activity in the field of education is that the educational institution that conducts it operates and competes simultaneously in two markets [26], educational services and labor one. In this paper, the focus will be on the educational services market.

Increased competition in different areas is an integral factor of globalization [5] and characterizes the modern development of the global education market. Increased competition in different areas is an integral factor of globalization and characterizes the modern development of the global education market. There is growing competition between classical state-owned universities and alternative higher education institutions such as virtual, corporate educational associations that are in the hands of private capital. The struggle for students between universities within the country and between countries is increasing.

The creation and development of a successfully functioning system of international education, attracting a significant number of foreign students is not
only one of the opportunities to increase the budget of the university and raise its prestige, but also a way to promote the policy, culture, economy, lifestyle of the host country to the student's homeland. It is also one of the opportunities to increase the competitiveness of the country's economy through the employment of the most talented foreign graduates [19]. In this regard, the study and analysis of the main directions of development of the international educational services market have the research and practical interest.

The potential of the international higher education market is estimated at about 140 million students in 2005 [5]:
- 59.4 million students accounted for Asia,
- 6.8 million students accounted for Arab countries,
- 15.3 million students accounted for the countries of the Western Hemisphere,
- 33.4 million students accounted for North America and Western Europe,
- 3.5 million students accounted for the countries of Subsaharan Africa,
- 19.4 million students accounted for Central and Eastern Europe.

Of the total number of students in higher education institutions, 2.8 million people studied abroad [27].

Over the last years, the participation has increased in international operations in the educational services market of countries in Western Europe. As a result, the total figures for the preparation of foreign students in only three countries - the UK, Germany and France - exceeded the level of the United States.

Inter-regional competition increased after the statement made in June 1999 in Bologna by the ministers of education of a number of European states. "The viability and effectiveness of any civilization is due to the attractiveness of its culture for other countries. We need to be sure that the European higher education system is acquiring a worldwide level of attraction consistent with our extraordinary cultural and scientific traditions", the statement said [5]. The goal formulated in the ministerial statement was "to increase the international competitiveness of the European higher education system".

Along with developed countries, many developing countries are taking part in the struggle for a place in the worldwide educational services market [1]. In contrast to the United States and Western Europe, these countries rival even more for a place in the global international education market. For example, by the year 2020, some countries intend to attract foreign students [28]:
- China – about 500 thousand people,
- Jordan – 100 thousand people,
- Malaysia – more than 200 thousand people.

Several years ago, Turkey launched a large-scale program to attract foreign students to Turkish universities. The goal of the Turkish authorities is to bring the number of foreign students to 100 thousand in 2020, which will bring about $3 billion to the economy [28]. Dozens of Turkish universities already offer educational programs of different levels in English.

In 2016, the position of Russian education strengthened, primarily in the Asian market [29]:
- 20% increase in the number of students from India compared with the previous year,
- the number of students from China is 10% higher than the previous year.

At the moment, the number of students from Europe, who came to study in Russia, still remains at a low level, however, has increased by 40% compared with the 2014-2015 academic [29].

Eastern Europe and Latin America are the least attractive regions for learning [5]. This fact may explain the weak interest of researchers in the Eastern European region (table 1). Note that this is the third mention of Eastern Europe as a weak segment of the global educational services market.

When forming the European educational space, in April 2009, new Priority directions for the development of higher education for the period up to 2020 were announced [30].

1. The social dimension: equal access to education ("We emphasize the social nature of higher education and strive to create equal opportunities for quality education").
2. Lifelong learning ("Accessibility, quality of education and transparency of information must be guaranteed"),
3. Employment ("Universities ... must improve the services, availability and quality of employment services ..."),
4. Student-centered learning, and the mission of learning in higher education, ("We ask universities to pay special attention to improving the quality of teaching curricula at all levels"),
5. Education, research, innovation,
6. Openness at the international level ("Transnational education should be guided by European standards and guidelines for quality assurance"),
7. Mobility ("We believe that the mobility of students, young scientists and faculty members improves the quality of programs ..."),
8. Data collection ("... basis for analysis and comparison"),
9. Transparency mechanisms ("Transparency tools should be closely related ... to the quality assurance and recognition, which remain our top priority and should be based on comparable data and relevant indicators to describe the diverse profiles of universities and their programs"),
10. Financing ("Government funding remains an important priority as a guarantee of equal access and the subsequent continuous development of autonomous higher education institutions").

We can see that in the aforementioned document, paragraphs 1, 2, 4, 6, 7 and 9 are focused on increasing the quality of educational services. The content of paragraphs 3-5 is additionally focused on the interests of students.

In the Communiqué of the Conference of European Ministers Responsible for Higher Education, Bucharest, Romania, April 26-27, 2012, "Bologna reforms have changed higher education throughout Europe...", students enjoy the benefits of more diverse educational opportunities and are becoming even more mobile [31].

Careful analysis carried out by T. Chinaeva made it possible to identify a number of major trends in the development of the global educational services market [19]:

- growing demand for higher education outside own country,
- growing competition for attracting foreign students to universities,
- a shift from mass student recruitment to more selective recruitment of talented youth.

At the same time, researcher L. Abdrakhmanova shows that global trends in the educational services market reveal the need for a student to develop a systematic, flexible, and creative mindset [23]. These are qualities that are most in demand in developed countries, where at the present stage there is a transition from consumption of goods to the consumption of highly intelligent services.

Discussion
It was studied more than 100 sources of scientific and legal information about the state of the market of educational services. For the most part, these were papers published in journals indexed in the SCOPUS and Web of Science databases.

The number and quality of sources give us a reason to believe that it is possible to obtain a General picture in the market of educational services in a globalized economy.

Conclusions
1. The global higher education market has transformed into a multi-billion dollar industry. There is number of major trends in the development of the global educational services market:
   - growing demand for higher education outside own country,
   - growing competition for attracting foreign students to universities,
   - a shift from mass student recruitment to more selective recruitment of talented youth.

2. East European and South American Universities are shown as weak players in the global educational services market.

3. Based on the main trends in the development of the worldwide educational services market and the development priorities of European higher education, we must pay attention to the student as a consumer of educational services.

4. The next task is to study problem areas in East European universities.

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Bibliography


РЫНОК ОБРАЗОВАТЕЛЬНЫХ УСЛУГ В УСЛОВИЯХ ГЛОБАЛИЗАЦИИ

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(Польша, г. Краков)

Аннотация. Целью данного исследования является анализ общего состояния рынка образовательных услуг в условиях глобализации. Для проведения исследования использовались следующие методы: изучение научно-методической литературы и нормативно-правовых актов; контент-анализ научных источников; мониторинг публикаций; математическая обработка и табличное представление литературных данных.

Результаты имеют важное практическое значение:
- выявлены важные тренды рынка образовательных услуг,
- определены слабые игроки на рынке образовательных услуг в условиях глобализации.

Результаты могут быть использованы для исследования проблемных зон в Восточно-Европейских и Южно-Американских университетах.

Ключевые слова: глобализация, услуги, образовательные услуги, рынок образовательных услуг.