

## SOCIO-ECONOMIC EFFICIENCY OF THE MANAGEMENT MECHANISM OF COOPERATION OF HIGHER EDUCATION INSTITUTIONS FOR THE DEVELOPMENT OF GLOBAL COMPETITIVENESS



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**Abstract.** The system of empirical evidence of the advantages of the transition from cooperation to transnational partnership of higher education institutions is substantiated in accordance with the achieved level of socio-economic efficiency of the management mechanism: level of macro-level analysis: regional / national, meso-level: institutional, regional, sectoral, macro-level: individual higher education institutions and types of benefits received: economic and non-economic. Economic growth can be seen as an indirect economic benefit of transnational cooperation, which may result from increased and improved human capital stocks through either higher quality higher education or increased brain inflow and circulation, or both.

**Keywords:** International cooperation, higher education institutions establish, internationalization, massification, globalization, educational institutions.

### Introduction

Today, higher education institutions establish ties with each other for one reason or another, but most importantly and most often, they create alliances in order to be able to compete. The massification and marketization of higher education in recent decades has led to fierce competition for resources, as well as for students and faculty. The principle of marketization of higher education correlates with the principle of massification. This is because traditional universities are not exclusive or even dominant providers of educational services. New types of educational institutions appeared,

designed to satisfy the values and needs of "new" students. These students need to be taught more effectively and in work-related courses, especially after the government introduced a market ideology and cut funding to higher education starting in the 1990s. D. Bridges, C. Husbands believe that education has changed from "a public service managed by professionals to a market-driven service incentivized by buyers and clients", and HEIs have become increasingly dependent on market-based tuition fees to survive (Bridges and Husbands, 1996). From the point of view of N. Foskett: "The ideology of the market and consumer choice in pursuit of the three "E" – economy, efficiency and effectiveness" was introduced into education and empowered by the legislative power (Foskett, 1999, p. 33).

**Literature review.** International cooperation in the field of higher education is not a new phenomenon. As noted by Knight and de Wit (1995), in the Middle Ages and until the end of the 17th century, there were arguments in favor of "the use of a common language, a single curriculum and an examination system" (Knight and de Wit, 1995, p. 6-7) to facilitate the mobility of students and scientists and the exchange of ideas. Since that time, higher education institutions have cooperated in one way or another beyond state borders for various reasons – economic, political, and intellectual (Knight and de Wit, 1995). Market globalization has also led to the creation of an increasing number of strategic alliances between multiple partners across national borders. The massification of higher education, which began in the 1960s, accelerated the pace and in some cases changed the nature of international cooperation of HEIs. The use of the principle of massification of higher education has changed the relationship between higher education, on the one hand, and society and the economy, on the other. As P. Scott noted: "Rightly or wrongly, politicians believe that investment in [higher education] can be translated into comparative economic advantages, and this belief is encouraged by theories of post-industrial society that suggest that 'knowledge' has become a major resource in advanced economies (Scott, 1998, p. 110). As higher education expands and its overall budget increases, it ceases to be associated with the privileged strata of the population, and on the contrary, becomes part of the general national economic policy. Today, there are no less than 8,022 universities and 7,182 other universities in the world institutions of higher education (Denman, 2000), and most of them accept "almost" all applicants. In industrialized countries, about 50% of the relevant age group between 18 and 23 years old are currently studying in various types of higher education institutions. In 2019, there were more than 6 million international students against 2 million in 2000. The USA (with 976,853 international students), Australia (509,160 students) and the UK (489,019 students) were the most popular destinations, chosen by 33% of students (data.uis.unesco.org, 2021). Accordingly, the student body has become much more diverse in terms of age, academic standards, and socio-economic status, and the goal of university education for most of these students is only to find a well-paid job after graduating from higher education.

**Research methodology.** The main models and approaches to international cooperation in the field of higher education are based on the principles of globalization, internationalization, massification and marketization of higher education.

The principle of "globalization" in international cooperation of higher education institutions represents the consideration of the impact of global changes, which are not easy for national governments to protect against, and "the growth of hybrid world cultures, created by mixing the culture of the global brand and the traditions of indigenous peoples" (Scott, 1998, p. 122). In this sense, globalization destroys national borders, reduces national power, destroys national structures and erases the difference between societies (Urry, 1998). In higher education, globalization has led to "a process of convergence, especially in the systematization of world knowledge, ideas, people, and resources" (Denman, 2000). In combination with the development of information technologies, the forces of globalization have changed the concept of time and space, and HEIs now operate beyond spatio-temporal boundaries.

The principle of internationalization is to some extent a response to the impact of globalization. Internationalization recognizes national borders and the uniqueness of individual societies and cultures and calls for international mutual understanding and cooperation in the face of the forces of globalization. In higher education, interpretations of this principle of international cooperation of higher education institutions varied depending on "different justifications and incentives for internationalization, different types of activities covered by it, and the political and economic

circumstances in which this process exists" (Callan, 2000, p. 16). A recent definition was given by Dr. Jane Knight, who prefers a "processual view of internationalization" and defines it as "the process of integrating the international dimension into the teaching, research and service activities of a higher education institution" (Knight, 1997, p. 15). J. Knight further explained the international dimension as "a perspective, activity or program that introduces or integrates an international/intercultural/global perspective into the main functions of a university or college" (Knight, 1997, p. 15).

Regardless of the definition and in connection with the globalization of higher education, international cooperation has become an integral part of internationalization. Thus, internationalization can be considered as the desire of higher education institutions "to go beyond the borders of the country in order to increase the influence, visibility and/or market share in the international arena" (Urry, 1998, p. 5).

## Conclusions

Currently, HEIs are "market-oriented" organizations and must develop good relations not only with students, but also with employers and parents, since their interests and needs are considered the main reason for the existence of the organization (Gray, 1996). As a result, effective marketing and external relations become strategically important for the success of the HSE, and international cooperation of the HSE is an important part of the marketing and external relations strategies. After all, as it was said earlier, higher education institutions today enter the international community not only for academic reasons, but also in order to strengthen their influence, increase recognition and increase market share (Urry, 1998).

Today, higher education institutions connect with each other for one reason or another, but most importantly and most often, they form alliances in order to be able to compete in the global and mass market of higher education. HEIs must find a way to stand out from the crowd. This is especially relevant for new higher education institutions that do not have an established reputation and a large resource base. For such higher education institutions, grouping together will be one of the most effective ways to gain popularity and market share. However, older higher education institutions are increasingly joining together to make the most of their advantageous positions. A good example is the alliance between the University of Melbourne and Monash University (Maslen, 1997). Rather than competing against each other, these two universities, Australia's largest, are collaborating to further enhance their competitiveness and impact. According to D. Bridges, "colleges and universities have more leverage when they jointly solve common issues and problems" (Bridges, 1996). Motives for joint relationships, however, are numerous.

The importance of inter-university cooperation lies not only in the free movement of staff and students, but also in the creation and development of a wide range of strategic alliances, which, among other things, facilitate the use of scarce capital resources between partner institutions; provide new prospects for the development of international mobility, bringing new competitive advantages to partners" (Layton, 1997).

Globalization has also led to an increase in the number of strategic alliances that transcend national borders. Thus, the number of international university organizations has increased significantly since the 1980s. International cooperation of higher education institutions is no longer a choice, but the key to development in today's global market. Graduates are more likely to work across national borders and deal with people with different cultural backgrounds. Therefore, academic unions that allow students to gain international fame and authority will give their members an advantage in recruiting students. The recent alliance between KNUTD and Qilu University of Technology, People's Republic of China to share resources and provide students of certain approved courses with the opportunity to complete their studies at one of the partner universities is another good example.

However, the fastest growing area of international cooperation of HEIs is the joint offering of courses via the Internet or offshore programs. Currently, there are many academic consortia offering online education, and the most prominent venture in this regard is Universitas 21, a global network of 16 universities. In July 2003, it launched its first online MBA course targeting the Southeast Asian and Chinese markets. Universitas 21 includes the University of Melbourne, the University of New

South Wales and the University of Queensland in Australia; University of Birmingham, University of Edinburgh, University of Glasgow and University of Nottingham in Great Britain; McGill University and the University of British Columbia in Canada; Fudan University and the University of Hong Kong in China; University of Auckland in New Zealand; National University of Singapore; University of Freiburg in Germany; Lund University in Sweden; and the University of Virginia in the USA.

S. Husbands, studying the consequences of the introduction of market concepts into education, found that local educational institutions in England cooperate with a number of institutional types of activity: from the "free model of purchasing consortia" to "partnership models of cooperation" (Husbands, 1996). There are also consortia that simply serve as "a shell within which participating institutions develop a common identity" and "within which participating employees have the opportunity to articulate the shared values" that consortia advocate. This allows, on the other hand, to classify inter-university cooperation into "academic associations", "academic consortia" and "institutional networks":

The conducted research made it possible to identify the factors of ensuring the socio-economic efficiency of the management mechanism of cooperation of higher education institutions for the development of global competitiveness:

1. Mission and goals. It was suggested that a common identity, for example in terms of geography and history, would provide a better basis for a successful partnership. The goals must be feasible and correspond to the level of development of the partner institutions, therefore it is important to formulate clear objectives for the short and long term. There should also be a clear sense of partnership, commitment to the same goals and a profitable return for all involved.

2. Partners. Partners should be chosen according to the network's mission and goals. Cultural and other differences between partners should be recognized. Complementarity is also important, as is commonality, because cooperation only makes sense when, in addition to similarities, differences in experience are used. Last but not least, the number of partners should remain at a manageable level. Networks are sometimes too large to represent the interests of all participants.

3. Human capital. Many networks fail due to a lack of commitment and ongoing support. Therefore, it is important to identify "project champions" who have relevant experience and support the project. The selection of winners is also important, as many projects are brainstormed and passed on in management meetings before they are well thought out.

4. Projects. Because it is unrealistic for a network to cover the entire institution, networks that try to satisfy too many customers can end up in failure and disappointment. Leaders need to recognize potential differences between partnership needs and needs at the decentralized level and accept the fact that departments, centers and schools will have their own networks. However, an institutional network will also fail if it is not sufficiently engaged at a decentralized level.

5. Time and resources. Investments of both time and money are necessary for the implementation of the project. For example, time and energy are needed to ensure that the goals and objectives of the network are known, accepted and worked out within and between partner institutions. On the other hand, many networks are created to take advantage of short-term opportunities and exhaust themselves as soon as resources disappear. It is also important to control the costs of organizing the network, which should not become the main incentive for maintaining the network.

6. Communication. Networks are encouraged to recruit key players and create an account server so that as many members as possible maintain frequent contact. Given that most institutional networks are based on leadership, this factor is critical to the success or failure of a network. There are some challenges in managing educational networks. First, the organizational culture of education tends to be more individually oriented. Second, partnerships are often "triggered" by the provision of funds, and cooperation collapses as soon as the funds run out. Third, the goals set at the time of network creation may not meet the current needs of the organization and its members. Fourth, few networks consist of prime movers, and current members may not have a clear understanding of initial goals and arrangements. Fifth, there are often problems with the role of representatives, delegates and plenipotentiaries who were not previously associated with the initial formation of the network and know very little about it. All of these issues create major challenges as individuals and organizations work together. No matter how lofty the goals of the association, very quickly groups will have to deal with a lot of low-level interaction between individuals.

7. Organizational strategies. In view of the previously listed problems, individual HEIs are recommended to use a number of organizational strategies to support their institutional networks. That is, the "coordinating ability" of higher education institutions "to connect the external network with the internal matrix, the environment with the internal environment" is a determining factor for the success of university relations.

8. Management. A commitment from senior management in the form of a mission statement with rationale, goals and objectives, and a strategic plan for proper planning, evaluation and quality assurance.

9. Organizational structures. Appointment of a person with specific responsibility for international activities to develop policy and set priorities for all types of international activities, including research cooperation, institutional links and exchanges, curriculum development, student recruitment, offshore activities and international projects, Establishment of an International Office, which will include a horizontal slice of the traditionally vertical HEI organizational structure at a high enough level to engage the HEI's academic and administrative resources.

10. Personnel resources. Appointment of academic advisors who have extensive knowledge of course requirements in all faculties and authority to make decisions regarding student exchange and international student recruitment. Recognition of international initiatives and contribution to promotion and appointment procedures. Professional development programs including cross-cultural training, attendance at international conferences, international business trips and assignments.

11. Financial resources. Provision of appropriate financial incentives for support at the level of faculties and departments. Financial models that allow you to accurately calculate the cost of international activities and ensure the appropriate distribution of funds from fees. For example, there should be a clear policy on the distribution of income from international student tuition fees between the centre, supporting units and academic faculties.

12. Support services. International office for the integration of international activities and provision of infrastructure for all relevant services (Table 1). Communication channels (formal and informal) for effective communication between academic and administrative units on international issues.

Analysis of these factors allows us to find out what institutional changes the consortium provides to potential innovators, and what programs will be sustainable if they rely only on the support of the consortium, that is, without the participation of the staff of the relevant institutions. Fig. 1 explains how the "internationalization cycle" correlates with the "formation of a successful strategic alliance" and summarizes the process and necessary organizational support for successful international cooperation.

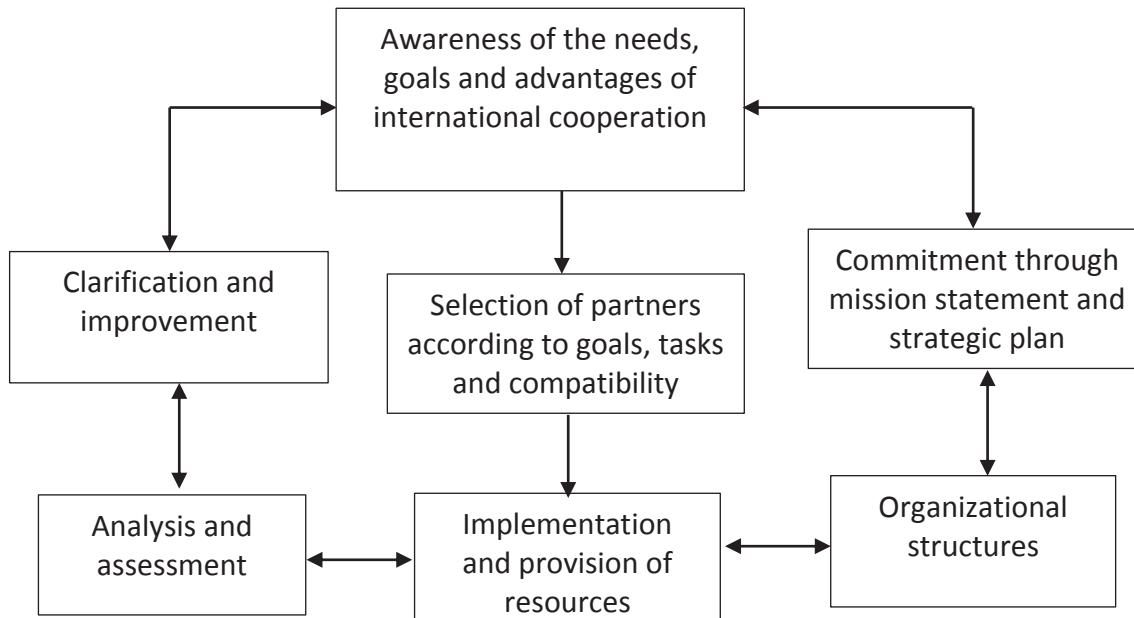
*Table 1*

*Functions of the international office of the cooperation*

Functions of coordination or integration
- attraction of foreign students
- the first point of contact for private individuals and third-party organizations interested in international education.
- careful monitoring of application processing (if applications are processed outside the international office, management and monitoring of the minimum processing time)
- negotiations and monitoring of university-wide institutional relations
- database of information about the international activities of ZVO
- promotion and administrative support of student exchange programs (both for incoming and outgoing students)
- social security and support for international students, including services in HEIs with multiple campuses (if these services are not closely linked to the international office, students may experience difficulties in accessing services and the international office loses a critical feedback mechanism resulting from close interaction with students).
- effective referral to other student services that are not specific to international students (study skills, counseling, health care, etc.)
- management of international projects and offshore programs (it is expected that for distance learning students, student support services will be established on site)

- a source of information about international opportunities
- support for international graduates (together with the general alumni office)
- communication with providers of pre-university training (basic and intermediate academic courses)

Source: [11; 12; 13; 14].



Source: suggested by the author.

Figure 1. The process of international cooperation in the field of higher education

According to fig. 1 the effectiveness of international cooperation of higher education institutions is related to taking into account the missions and goals of higher educational institutions, the ratio of the price and quality of the provided educational services to emphasize the need to take into account the accountability of higher education institutions to the main stakeholders.

Transnational cooperation in higher education can also contribute to economic growth through technological innovation that results from greater quantity and quality of basic and applied research.

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