

Investments of Slovakia in Education of Ukrainian Youth

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Abstract

The article deals with the issues of implementing the modern investment policy of Slovakia in the market of educational services. The experience of providing higher education services to Ukrainian youth in Slovakia is explored. The benefits for Ukrainian youth from studying at Slovak universities are considered. The main motives for the future movement of Ukrainian youth to study in Slovakia are distinguished.

Keywords: education, Slovakia, Ukrainian youth

JEL classification: F16, I21

1. Introduction

Slovakia's investments into the education of Ukrainian youth are strategic importance for the formation of the individual, the assimilation of a person by the socially formed international experience, the relation to international relations, social norms, roles, functions; active use of European experience by the person from the point of view of his internal positions, the formation of his own worldview, the realization of the outlook in his own

experience of interaction with other people; participation and contribution of man to the further development of spiritual values.

To measure human progress, the Human Development Index (HDI) is used, which is a synthetic parameter. It is calculated on the basis of three indicators: life expectancy, education and real GDP per capita. According to the HDI, the states are divided into three groups: countries with high human development (0.800 and above); average (0,500-0,799); low (less than 0,500). Over the years of independence Ukraine has moved to the middle level. Now the HDI indicator of Ukraine continues to decline. In 2016, according to the HDI Ukraine was at 84th place among 188 countries and territories (in 2015, Ukraine was on the 81st place). Slovakia occupied a higher position (the country was on the 40th place).

The HDI takes into account three basic dimensions of human development: life expectancy at birth; average length of training and expected duration of training; gross national income per capita. In addition, data of social protection levels, indicators of health and cultural development of the population, crime status, environmental protection, participation of people in decision-making are additionally taken into account.

The HDI is closely linked to human capital. Human capital is a kind of stock of skills, skills, abilities and motivations created by investment and accumulation of a person. Its formation, like the accumulation of physical or financial capital, requires the withdrawal of funds from current consumption in order to receive additional income in the future. The most important types of human investments include education, training at enterprises, migration, information search, health care. It is a form of capital, because it is the source of future earnings, or future pleasures, or both. He is human, because he is a part of individual (Azhazha, 2007).

2. Discussion of the problem

Investment in education is the main component of the accumulation of human capital. Investments in education are given special attention in any society, combining the efforts of both those who wish to receive education and the investors of education. Knowledge is an integral part of the effective development of human capital, which is understood by knowledge, abilities, skills and motivation. This capital is constantly accumulated. Investments in education are the most significant types of investments in human capital. Each state is interested in educating people in it as much as possible.

Education is the only sphere that completely reproduces itself, affects all other spheres, defining trends and prospects for their development. The effectiveness of investment in education works for the future, dynamically reacting to changes in the external environment, adapting to the new needs of society and simultaneously actively influencing its condition, thus defining the needs themselves. As Voronkova (2008) notes, education as a component of the humanitarian sphere, on the one hand, contributes to the formation of the information economy, on the other – to a large extent depends on it.

Financing education in Europe is a priority area in the context of the Europe 2020 development strategy. Investing in education, vocational training, lifelong learning provide human capital development to increase employability, active citizenship and social cohesion, in particular, contribute to combating marginalization and unemployment among young people. We agree with the statement of Ostenda and Wierzbik-Strońska (2014) that investments in the education of foreign students are a prerequisite for raising the university's rating.

In general, in EU public funding for education is 90% of the total investment in education. It is under pressure due to the savings and budget consolidation processes that are being implemented throughout the process of coordinating economic governance in Europe. And expenditure on education financing in the EU countries is constantly increasing. For example, funding for education in the Slovak Republic grew by 8.5% in 2015 compared to 2014 (Investments in education have received a new impulse?, 2016).

Recently, Slovakia has seen an increase in production and an inflow of investment from abroad. In a short time, Slovakia was able to form a genuine market economy and take a course toward the western market. However, now in Slovakia there is a problem of lack of specialists. That is why the universities of Slovakia show a desire to see among their students enrolled students from neighboring Ukraine. Investments in education contribute not only to human, but also to the increase of social and cultural capital (Galanská – Krkošková, 2015).

Ukrainian youth perceives education in the EU countries as an investment in their own future, connected with the acquisition of the necessary knowledge, skills and experience of a successful person. Acquiring education in the EU countries, Ukrainian youth receive a world-class diploma, high-quality knowledge, fluency in a foreign language and career prospects.

Today Slovakia offers to Ukrainian youth the optimal investment option for higher education, characterized by a number of advantages:

- the mechanism of providing educational services is regulated by EU normative-legal acts;
- the process of providing educational services in different EU countries is almost identical, since it meets European and world standards of quality and criteria for assessing knowledge;
- the diplomas of Slovak higher educational institutions are recognized and do not require additional confirmation not only in all the states of the European Union, but also in the USA, Canada, Australia, New Zealand, and a number of other countries and is a serious advantage in further pursuit of work abroad;
- the great advantage of studying in Slovakia is the affinity and proximity of the Ukrainian language with Slovak one, which can significantly facilitate preparation for admission to the university, as well as the learning process itself. The Slovak language is simpler and closer to the Ukrainian language than Polish or Czech ones. Half a year of language courses is enough for Ukrainians to study with Slovak students;
- most of Slovak universities are members of the European Association of Universities and work closely with many universities in Europe. Slovak universities are actively involved in student exchange projects, which also provides additional opportunities for students – Ukrainian citizens;
- the accommodation and education in Slovakia are much cheaper compared to more developed European countries such as Austria, Germany, England, Switzerland. The average cost of living for a foreign student is 250 EUR per month (accommodation in a dormitory in a 2-room suite with a private bathroom, meals, visits to sports clubs, swimming pools, water parks, cinemas, theaters, mobile communication);
- public transport is free of charge for students (and for students – Ukrainian citizens);
- another attractive bonus will be a discount card (ISIC-card), which can be issued by any student. It allows all students (and students – Ukrainian citizens too) to get discounts up to

40% on travel while traveling around the world, as well as in some stores, catering establishments and entertainment centers;

- teaching in all higher educational institutions of Slovakia for Ukrainian youth in Slovak is free of charge;

- the costs of education in private universities are from 1500 to 7000 EUR per year (Education in Slovakia: All about education abroad, 2018);

- for foreign students studying in Slovakia, there is a real possibility to get a scholarship from 250 to 1000 EUR within the framework of the National Scholarship Program, This Program supports the exchange of students, postgraduates, university lecturers and academics exchanged between the Government of the Slovak Republic. The main condition for obtaining a scholarship is successful studying of students (National Scholarship Program of the Slovak Republic, 2018);

- Ukrainian students, postgraduate students and teachers can get scholarships for studying and internships in the universities of the Slovak Republic in accordance with Article 1 of the current Program of Cooperation between the Ministry of Education and Science of Ukraine and the Ministry of Education of the Slovak Republic in the field of education for 2005-2008, the Slovak side is ready to accept 5 students for partial studies in higher education (up to 10 months) and up to 5 trainees and doctoral students / postgraduate students (for the purpose of collecting materials for the study of scientific literature on the subject of research) from General notes period of stay up to 10 months. Slovakia offers free tuition, scholarships, residences in dormitories (Cooperation Program, 2005);

- foreign students have already been granted the right to official employment and residence in the territory of Slovakia from the moment they study at the preparatory courses, which allows them to cover their expenses;

- the process of obtaining a visa for studying in Slovakia is much easier (the government is interested in inflow of foreign students and does not create high barriers and obstacles). Loyal attitude towards foreign students makes it easy to obtain not only a visa, but also a residence permit;

- a foreign student in a Slovak higher education institution can count on studying for half a year or a year in European countries, thanks to the program of international exchange of students of ERASMUS+;

- Slovakia joined the Schengen agreement in 2008, which allows foreign students to travel freely in all the participating countries of the treaty;

- after obtaining a diploma from a Slovak university, Ukrainian youth have a very high chance of gaining a prestigious job and staying in Slovakia or any other country in the European Union;

- high security level. Slovakia is the country with the lowest level of crime among all the countries of the European Union. The small territory of the Slovak Republic and the relatively high national homogeneity (a large part of the population are ethnic Slovaks) are the cause of the absence of territorial, interethnic, religious conflicts;

- Slovakia can be reached quickly in any European country by road, air or high-speed rail. All transport communications within the country correspond to a high European level. For students of the Slovak universities the passage in the railway transport on the territory of Slovakia is free.

In April 2014, an Agreement between the Cabinet of Ministers of Ukraine and the Government of the Slovak Republic on the academic mutual recognition and equivalence of education documents issued in Ukraine and the Slovak Republic was signed. Ukraine and Slovakia are actively cooperating in the implementation of a number of programs and projects developed within the framework of the European Union, the Council of Europe, and other international organizations.

Ukraine actively cooperates with the International Visegrad Fund and participates in its projects on an ongoing basis. On January 29, 2014, in Budapest, heads of government of the Visegrad countries (Poland, Slovakia, Hungary, and the Czech Republic – V4) approved a joint statement on the readiness of the V4 countries to continue to mobilize the International Visegrad Fund to finance projects supporting the development of civil society in Ukraine, to facilitate contacts between people and offer study programs in the V4 countries for Ukrainian students. An agreement was also reached to increase funding for the "Visegrad 4 Eastern Partnership Program" (V4EaP) program launched in June 2011, both through attracting foreign donors, through increased own resources (Cultural-humanitarian cooperation, 2015).

The study of the main directions of investment of Slovakia in the provision of educational services to Ukrainian youth makes it possible to distinguish three main motives for the future movement of students.

1. Students, going to study abroad to get skills and knowledge, access to which is limited in Ukraine, are usually returned to Ukraine. In this case, state policy measures should aim at maximizing the use of human capital and the integration of reciprocal educational migrants in the labour market (the effect of brain inflow predominates).

2. Students, going to study abroad in order to stay for permanent residence, return to Ukraine only when the migration experience was unsuccessful, for example, due to an overly optimistic assessment of the benefits or psychological costs associated with migration. In this case, measures of state policy should be aimed at promoting the creation of quality jobs in Ukraine, informing students about the particularities of employment in host countries, working with the host countries to ensure the protection of the rights of Ukrainian students and building effective policies for interaction with highly skilled migrants (the effect of brain drain is potentially predominant).

3. Students who go to study abroad in order to be reunited with a family living abroad are likely to stay abroad. In this particular case that it is particularly important to understand whether they are guided by the possibility of future employment when choosing a specialty. If the horizons of planning such students are limited in the near future, then there is a likelihood that after graduation they will choose the professional path of their parents and will be employed in areas that do not require the education. On the other hand, in the event of an unsuccessful migration experience and a return to Ukraine, they may face the fact that their knowledge and skills are not demanded on the Ukrainian labour market (the effect of a waste drain is potentially predominant).

The difference in salaries in Ukraine and in Slovakia will affect the decision of young people from Ukraine who receive higher education in Slovakia. According to T.Nestorenko's study (2016), with the higher cost of studying in Slovakia and the more years of schooling, it seems less desirable for Ukrainian youth to come back to Ukraine, where salaries are several times lower than in the Slovak Republic.

3. Conclusions and policy implementation

The investments of Slovakia in the education of Ukrainian youth have a beneficial effect on the rates of economic growth and welfare of the population, but only under certain conditions. In this regard, the state needs to move to more effective forms of education and ensure that additional resources are attracted to this area from different sources. It is necessary the program that involves structural and organizational changes in the field of general and higher education. However, the rationalization of the state system of education is a necessary but rather lengthy process. In order to increase Slovakia's investments into the human capital of Ukrainians, in the coming years, first of all, an increase in the possibilities of individual choice, in addition to the comprehensive reorganization of the existing education system, there should be expansion of training abroad and the invitation of foreign specialists to Ukrainian universities.

Investments in education are justified, since they have a positive effect: countries with significant level of such investments are the leaders in terms of GDP. In other words, investments in education are paid for both for the country and for the individual, and the rates of return are different for different countries. It should be noted that the rate of return on investments in education is quite high both for the state and for the individual.

The Organization for Economic Cooperation and Development has defined the profitability rate for persons with higher education. According to these estimates, investment in education yields a return of 6% to 24%, depending on the country and age of graduates. In some cases, it exceeds the average rate of profit for manufacturing enterprises. This kind of investment is expedient in all aspects, as they always bring economic and social benefits.

It is necessary to take into account the link between education and investment in other sectors of the economy as an important point in terms of determining the size of investment in education, which in these particular conditions would provide optimal economic growth. The methodology for determining the effectiveness of educational services is of particular interest at the level of subjects of the educational market of colleges, universities, and universities.

The analysis of the links between the costs of education and investments in Slovakia in other sectors of the economy is important in terms of determining the size of investment in education, which in the given specific conditions would provide optimal growth of the economy.

In the short term, Slovakia's investments in education bring an increase in employment, which leads to the creation of new jobs in those sectors of the economy, which are designed to ensure the normal livelihoods of the student.

That is, the investments of Slovakia in the education of Ukrainian youth lead to a revival of economic activity in such areas as the purchase and rental of housing, trade in food products and manufactured goods, service (cooking, transport, communications, household services), banking services, etc. Growth in employment and job creation lead to the recapitalization of incomes from these jobs. Such a stimulus for the economy of the state and the region is similar to what can often be achieved through private investment, but the differences are significant, especially in terms of how such investments can benefit the largest number of citizens and society as a whole.

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