

EDUCATION AS A FACTOR OF THE NATIONAL ECONOMIC DEVELOPMENT

Svetlana Tiutiunnykova, Oksana Berneno

Annotation

The modern development primarily depends on the knowledge, skills and abilities of people. All these characteristics contain the sphere of education. An important issue in the functioning of the sphere of education is its functions, through which it affects all spheres of human life, on all subsystems of the national economy. The functions of education affect the direction of national economic development, ensure the concentration and expansion of the potential capabilities of the national economy. Therefore, the quality management of the national educational system, its modernization becomes a priority task of any state.

Keywords: education, functions of education, human potential, intellectual capital, economic development

Introduction

The modern development primarily depends on the knowledge, skills and abilities of people. All these characteristics contain the sphere of education. The education is a unique mechanism for the transfer and assimilation of the scientific knowledge, the social and professional experience, the formation of personality, its worldview, qualities, culture. This is a relatively independent system that should ensure the formation of the personality and the professional, the development of creative abilities and ways of self-realization, the skills of building social relations - all which promotes the realization and expansion of human potential with the greatest social and economic benefits.

1. The role and function of the education in the modern development

1.1. The basic principles of the modern education

Today, education becomes a priority for a long-term development strategy for countries based on the implementation of its actual principles: continuity; innovativeness; financial support of the state; globality; mobility; effective combination of theoretical and practical knowledge and skills, humanistic orientation. The continuous education or education throughout life is treated as a complex interconnection and consistency of all stages of education throughout the life of a person; it is the totality of the entire educational process, including all its components, the main system-forming principle that underlies the development of each of the elements of the educational system.

Innovativeness of education provides for its focus on obtaining innovative skills and the formation of innovative development potential, including the active use of new education technologies. The financial support of the state is, first of all, the principle determining the priority role of education in the state. At the present stage, the quality of the country's human potential and the maintenance and preservation of the sovereignty of the country depend on the financial support of the educational sphere.

The globality and the mobility of the educational system is at the same time a mechanism for integrating national educational systems into a global one and a mechanism for ensuring the effective movement of educational resources, accessibility and inclusiveness of education.

Modern education should be inclusive, i.e. involving and providing the needs of various segments of the country's population in educational services. The mobility of education ensures its close interaction with other sectors of the national economy and, above all, effective interaction with the production sector.

The combination of theoretical and practical knowledge and skills forms the ability to think in general, contributes to the formation of the systematic scientific worldview and the skills of effective use of knowledge in practical activities. This principle is of great importance in the saturation of the national economy with highly professional creative personnel. The modern education should also have a humanistic orientation, ensure a careful attitude to the individual, most fully and adequately meet the true nature of man, create the best conditions for self-knowledge and self-improvement.

1.2. The functions of education

An important issue in the functioning of the sphere of education is its functions, through which it affects all spheres of human life, on all subsystems of the national economy. Often researchers distinguish the functions of education in their influence on the main subsystems of society (economy, social sphere, spiritual culture, etc.). Thus, according to E. Durkheim, the main function of education is the transfer of values of the dominant culture [1], and M. Weber believes that the functions of education are related to the economic and political problems that are found in it not only reflected, but also solutions [2].

Summarizing the experience of researchers, the following basic educational functions can be distinguished: the way of human socialization, the environment for the dissemination of values and knowledge, the driver of personal development, spiritual education, and the factor of economic development. We believe that at the final level of generalization these functions can be reduced to two: reproduction (culture, experience, people's activity) and development (society, economy, personality). These functions are mutually exclusive, since reproduction in an expanded format is development, and development in turn provides for reproduction. On this basis, education is also the foundation of the stability of society and the national economy through the built-in function of public support.

The functions of education can also be divided into socio-cultural (spiritual improvement of society, the formation of public consciousness, attraction to social values, etc.), socio-economic (formation and development of intellectual, scientific and technical and human resources, social stratification) and socio-political (ensuring national security, social expertise of power, sustainable development of society). They also closely interact and intertwine.

The functions of education affect the direction of national economic development, preservation and improvement of its value bases and potential, ensure the concentration and expansion of the potential capabilities of the national economy. The sphere of education has a considerable potential for institutional modeling: in the educational environment new norms and rules (general and professional) are formed and spread rapidly in the social and economic space. Innovative education is a powerful factor in ensuring innovative economic development.

An important function of the sphere of education is the formation of the continuity of generations, which is carried out through the transfer from generation to generation of the cultural and moral heritage of society. Education in this function is linked with the culture or is its organic part, provides an uninterrupted cycle of knowledge, values and innovations. Culture and education are interconnected by: a common object; universal human values; the creative nature of cultural and educational activities; compatible or complementary functions (development, training and education of a person). The education is the carrier of advanced

culture, it is a value itself and produces new values, thereby affecting all aspects of the spiritual life of society [3].

Equally important function is the accumulation, generation and dissemination of holistic scientific knowledge. In addition to the transfer of knowledge, the education system fulfills the function of its storage, that is, it forms "the social memory of mankind" (the social memory means all the accumulated real knowledge gathered by mankind during the entire period of the existence of human civilization). Thanks to this function, through the formation of a deep knowledge base and the development of creative abilities, the national economy receives an innovative focus.

2. The impact of education on the parameters of socio-economic development

2.1. Indicators of the quality of education

The main directions of the influence of the educational sphere on economic development include: the mechanism of the formation and development of the human and intellectual potential of the national economy, the creation of conditions for their effective implementation in all spheres of the national economy, and the direction of the effects obtained to improve the quality of life. Therefore, the quality management of the national educational system, its modernization becomes a priority task of any state.

To study the quality of education and its impact on the development of the national economy, the most significant indicators are: the general level of education of the population (which shows the capacity of the system to ensure the continuous growth of human capital); percentage of the population with a secondary vocational education; continuing increase in the level of qualifications (time lag), percentage of the population having a higher education; percentage of specialists with a second education; the prestige of education in the international market (by world standards) or the prestige of the diploma in the domestic labor market. These educational components have a direct impact on the national economy.

The education has a close connection with the economy: it forms its intellectual and innovative potential, which provides innovative and technological modernization, sows the national economy with highly professional labor resources, creates a network for the dissemination of scientific knowledge. Since the 60-ies of XX century, education is considered as one of the most important sources of increasing the productivity of labour. T. Schultz considered education as an independent factor of growth, as the qualitative characteristic of the labour factor [4].

Advocates of the human capital theory have presented convincing evidence of the private and social returns of educational endeavors. As such, higher education is seen as a critical "capital" with regard to individuals social mobility and consequent levels of socio-economic well-being [5].

In addition, education through a ramified system of effects has a decisive influence on the development of the socio-cultural sphere. Due to the rapid spread of the network effects of education, the potential for active influence on the direction and quality of national economic development is being formed. Figure 1 shows the main aspects of the impact of education on the national development.

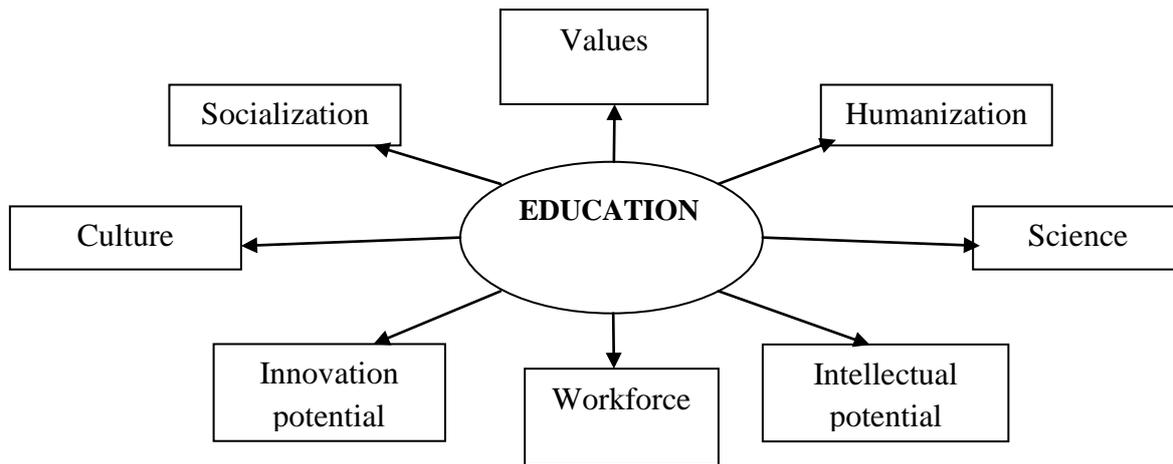


Figure 1. The main aspects of the impact of education on the national development

The final product of education is a person with a system of values and attitudes, depends on its quality. The full functioning of the personality in the modern world is determined by its full development in the educational sphere. Education is able to compensate for the inadequacy and inadequacy of influence on the formation of people in other spheres of life: in the cultural, economic, social, family, etc. These compensatory properties of education are deeply revealed by the concept of the quality of life. The quality of life has emerged in recent years as a key policy-instrument used to measure and tackle socio-economic inequalities amongst the population. This conceptual perspective provides a "holistic" notion of life and living beyond traditional econometric assessments used by some scientists. [5]. The quality of life is a set of leading parameters of life, the management of which creates and expands opportunities for a worthy existence and development of society. The quality of life presents human abilities and opportunities for improving life, self-improvement, potential for development, the realization of which is inconceivable outside the sphere of education. It ensures the interconnection of ideal quality of life constructs with real economic activity, contributes to the improvement of the leading parameters of human life [6].

Particular attention should be paid to the influence of education on the quality of national governance, which is ensured by the creation in the educational sphere of relevant management models and training of highly professional managerial specialists. In the new millennium human potential becomes the basis of economic development, and it is formed mainly in the sphere of education. The modern economy needs specialists of a new type, possessing not only high professional qualities, abilities for managerial and entrepreneurial activity, but also world outlook maturity and social responsibility. The latter qualities are becoming increasingly important in shaping the quality of human development potential.

2.2. The main directions of the modernization of education

In the formation of a new education system, which, while maintaining its fundamental nature, would form the ability to adapt quickly to changes, promoting the formation of a mature, socially responsible citizen, a special mission belongs to the universities [Berveno]. It is here the human potential of the national economy that meets the modernization needs of the economy is formed. The quality of human potential is put forward as the leading competitive advantage of countries. "It is determined," notes A. Makaryan, "by a combination of properties, characteristics that determine a person's ability to meet his purpose and requirements" [7, p. 54]. Education turns man into the creator of his future and fixes this transformation, through development and improvement, the creation of culture, spiritual and material values.

The modern state should not only develop the concept of economic development as science-intensive and high-tech, but also ensure its successful implementation in the socio-cultural environment, in the educational sphere. The quality of education ensures the quality of development of human potential that can bring the greatest return in economic development [3]. At the same time, the formative aspect of education is of great importance, the instilling of moral and spiritual values. The future of the country and the planet, the speed and quality of scientific thought as a planetary phenomenon depends on complementarity these values to the global and national development goals.

As the researchers point out, we live in the age of the society, innovative development, the system of higher education is facing new challenges. The traditional knowledge education is a model that has been filled in the course of the activity of the development of the individual, successful in society [8]. In the rapidly changing environment of a new economy, driven by knowledge, credibility of knowledge is the key to the successful development of man, company, society, economy. Possession of such knowledge - competences - is possible only in the educational system of the type, which is fully oriented to the needs of national production, to its innovative content. The realization of modernization of education in this direction implies its comprehensive integration with production and science. We share the majority of scientists point of view who fairly consider, integration of universities, research organizations and high tech enterprises should ideally be complex, combine all known areas of scientific, educational and innovative activity, and create the appropriate synergetic effect [9; 10].

The development of education must be adequate to the development of society. Another important aspect of the impact of education on the development of society is its accessibility. The opportunity to familiarize with the educational reserves of development of all strata of society ensures a higher dynamism of innovative transformations in the country. Thus, the inclusiveness and innovativeness of education are complementary goods that contribute to improving its quality.

The accessibility of education and the raising of the educational level of the population are the main condition for ensuring the egalitarian nature of society. Egalitarian society has such important characteristics as social cohesion, social solidarity. Social inclusion is formed today directly in the sphere of education. The actual aspect of ensuring the inclusiveness of education is its distance form. Its advantages include: flexibility, modularity, availability, profitability, mobility, wide coverage, manufacturability, equality of opportunity. This form essentially extends the range of educational services to the overall capabilities of the system in providing the potential for the development of the national economy.

Another important area for improving the quality of training is the provision of a decent level of technical training, due to the need to ensure that at least 60% of people with higher education in the working population have access to a new technological order. Improving the quality of the technical component in education is not only due to the transition to a qualitatively new technological order, which requires the presence of professional highly qualified and creative workers, but to ensuring the safety of the use of existing and future equipment also. Simultaneously with the technical orientation of education, it is necessary to ensure its comprehensive humanization, value orientation, bridging the gap between technical and humanitarian knowledge, socio-cultural orientation, with a direct content of education. The need to preserve the bases of fundamental scientific knowledge and classical samples of culture imposes complex tasks on education. It is believed that in conditions of continuous education through life, this set becomes the foundation on which a person independently in the current socio-cultural reality will build an appropriate strategy for the dissemination of knowledge. It should not be forgotten that the main mission of education is the comprehensive development of the individual's abilities. This requires strengthening the

dominant position of universal values in the education system as the basis for values-innovations.

Education expands the range of human capabilities, affects such aspects of people's life as health, social and political activity, the speed of information dissemination, the formation of intellectual capital, etc. Education takes an active part in the formation of social networks as a new form of sustainable social interaction, that is, it forms not only intellectual but social capital also. Education participates in the formation of social networks of interaction (professional communities, scientific schools, research groups, graduate networks, etc.), improves the efficiency of existing social and economic networks, promotes the elimination or transformation of destructive networks, facilitates the establishment of effective interconnection, participates in the formation of a network hierarchy. On this basis, education creates the prerequisites for sustainable and sustained economic growth. However, education not only affects the results of economic development, but is affected by the economic, organizational and institutional components of development itself also.

In the conditions of the economic crisis, the problems of underfunding education, the inaccessibility of educational services for certain segments of society are exacerbated. This, in our opinion, constitutes an alarming trend of a gradual decline in the quality of the country's human potential. In such circumstances, it is especially important to protect the education system from the deep penetration of market relations in it, which can lead not only to the extinction of the educational mission of universities, but also to further deformation of the content, structure and accessibility of education, as well as the complete financial dependence of educational institutions on student preferences, which leads to structural distortions in the training of specialists. Market relations in education are fraught with the threat of displacing fundamental knowledge to the periphery. "Modernization of the education system must be based on the fact that it should become a source of new qualitative supra-biological programs for human life, ensuring the reproduction and change of social life in all its manifestations, including its qualitative parameters (national quality of life)" [6, p. 183].

Conclusions

The development of the sphere of education in the country is the task not only of the state administration bodies, but of the whole society. The management resource of a society and its self-organizing potential can become a basis of quality of modernization of educational sphere. An effective mechanism for the development of education creates the prerequisites for a qualitative improvement of man as the most important factor of national development. This means that education can provide not only a decent income level and social inclusion, but also the spiritual development of society, the expansion of the country's human potential and its improvement.

Education forms a higher quality and standard of living in all their manifestations, including the ability to manage one's own destiny and the destiny of the country, to take an active part in the development of the national economy, the management of important spheres of life and the direction of national development.

The educational sphere bears the main burden of creating conditions for the all-round development of man, in solving such world-wide problems of mankind as environmental, global and national security problems, poverty, marginalization, unemployment, social disintegration, etc. The formation of a long-term stable trend of the national development depends on its quality.

References

1. Durkheim, E. Selected Writings on Education / Emile Durkheim; Pickering W.S.F. (Editor). – L.: Routledge, 2013. – 620 p.
2. Weber, M. The Theory of Social and Economic Organization / M. Weber. – N.Y.: Free Press, 2009. – 448 p.
3. Tiutiunnykova, S. V. The educational system modernization as a strategic development goal in the twenty-first century / S. V. Tiutiunnikova, O. V. Berveno // Economics of education. – 2012. – P. 87-90 [in Russian].
4. Shultz, T. Capital Formation by Education // Journal of Political Economy. – 1960. – Vol. 68. – № 6. – P. 571-583.
5. Pinheiro, R. Higher Education and Quality of Life / Romulo Pinheiro. – LAP Lambert, 2010 [Electronic resource]. – Available at: <https://www.livelib.ru/book/1001961974-higher-education-and-quality-of-life-romulo-pinheiro>
6. Berveno, O. V. Quality of life as a factor of national economic development: conceptual bases of formation and management: monograph / O. V. Berveno. – Kharkiv, 2015. – 470 p. [in Ukrainian].
7. Makaryan, A. S. Globalization and human potential: the demographic dimension. The international dimension / A. S. Makaryan. – Moscow, 2003. – 160 p. [in Russian].
8. Kostyuk, S. G. On integration of the educational process at the university and innovative activity // Innovative processes and corporate management: Collection of articles of the III International distance scientific and practical conference; V.V. Apanasovich (ed.). BGU, Institute of business and management of technologies, Minsk, 2011. – Part 1. – P. 252-256 [in Russian].
9. Emelyanenko, L. Integration of science, education and production in synergetic paradigm of public management / L. Emelyanenko, T. Shkoda // MEST Journal. – 2016. – Vol. 4. – №.2. – P. 64-76.
10. Fedulova, L. I. Knowledge economy: handbook / L. I. Fedulova; NAS of Ukraine; Insitute for economics and forecasting of NAS of Ukraine. – Kyiv, PPC «Ekvpres», 2009. – 600 p. [in Ukrainian].

Information about authors:

Svetlana Tiutiunnykova – Doctor of Economic Sciences, Professor, V.N.Karazin Kharkiv National University, Kharkiv, Ukraine. E-mail: info@karazin.ua

Oksana Berveno – Doctor of Economic Sciences, Associate Professor, Kharkiv Institute of Trade and Economics of Kyiv National University of Trade and Economics, Kharkiv, Ukraine. E-mail: oksanaberveno@mail.ru