



# Education and training for economic competitiveness in Ukraine

National qualitative survey

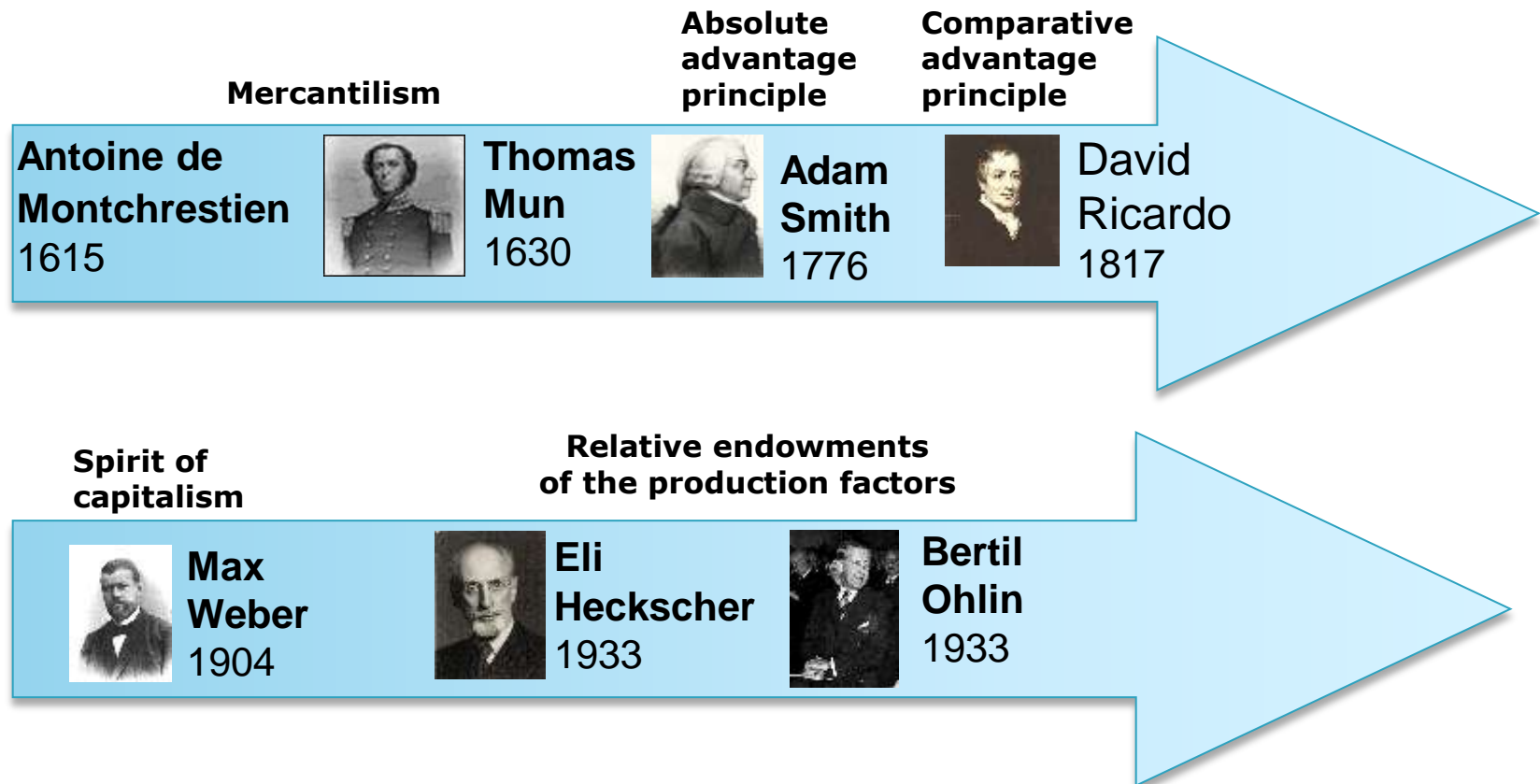
*Prepared by:*

*For:*

*Council on competitiveness of Ukraine*

*European Training Foundation*

# Background: evolution of term COMPETITIVENESS



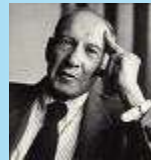
# Background: evolution of term COMPETITIVENESS



## Entrepreneur spirit - innovation



**Joseph  
Schumpeter**  
1934



**Peter  
Drucker**  
1945



**Alfred  
Sloan**  
1920

## Technological progress theory



**Robert  
Solow**  
1956



**Nicholas  
Negroponte**  
1970



**Michael  
Porter**  
1979

## Competitive advantage theory

# Background: evolution of term COMPETITIVENESS



## Value migration theory



**Adrian  
Slywotzky**  
1995



**Adam  
Brandenburger**  
1996



**Barry  
Nalebuff**  
1996

## Co-opetition theory

## Core competency factor and value creation in value chain



**Gary  
Hamel**  
1990



**Coimbatore  
Prahalad**  
2001



**Venkat  
Ramaswamy**  
2004

# Background: measurements of the COMPETITIVENESS



World Economic Forum (Switzerland) –  
*Global Competitiveness Index*



Institute for Management Development (Switzerland) –  
*World Competitiveness Yearbook*



LEGATUM Institute (UAE) –  
*Prosperity Index*

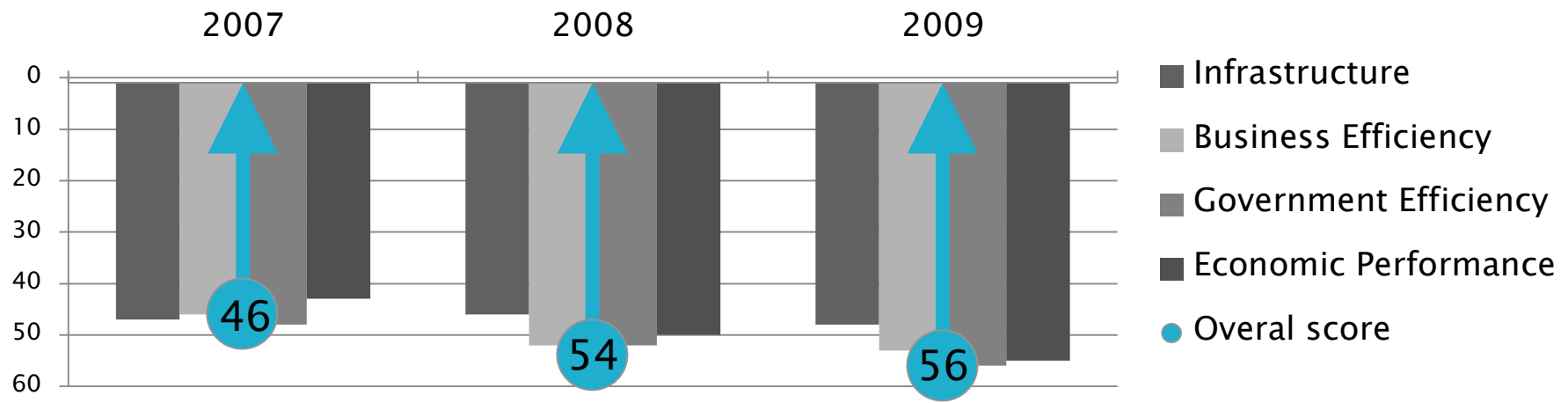


Research Institute for Industrial Policy (S. Korea) –  
*National Competitiveness Index*

# Background: Ukraine in the international competitiveness scores



## *Ukraine in the score of Institute for Management Development*

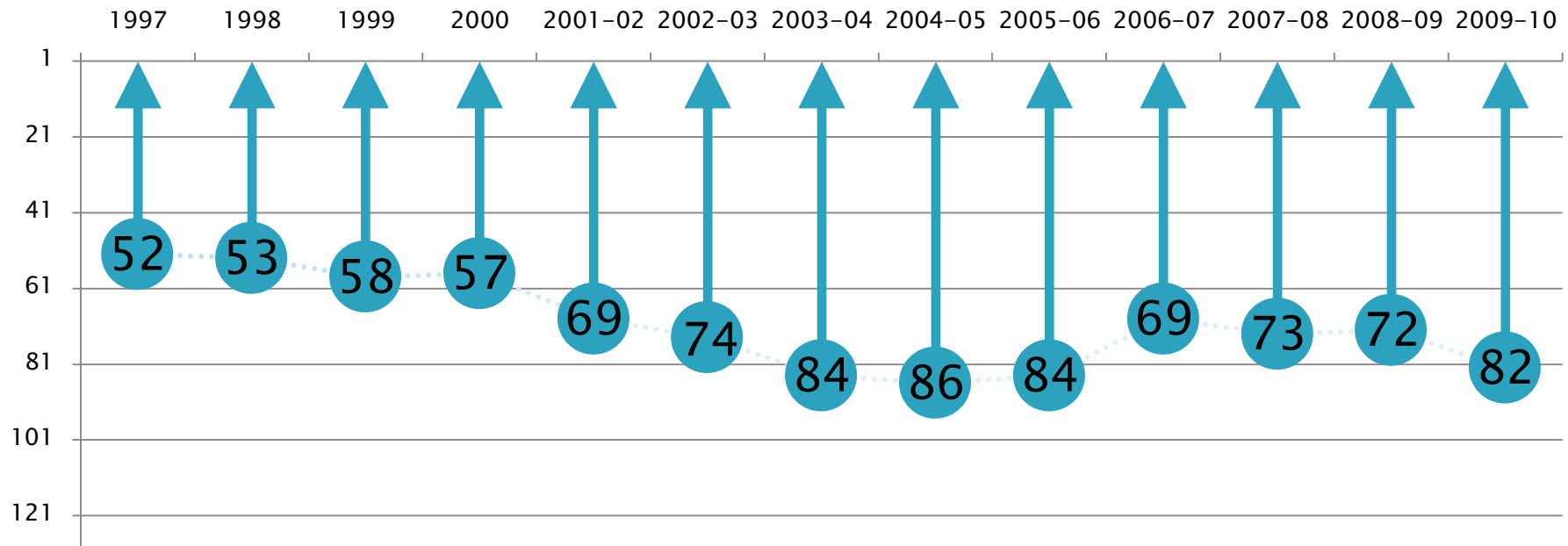




# Background: Ukraine in the international competitiveness scores



## *Ukraine in the score of the World Economic Forum*



# Background: human capital and international competitiveness



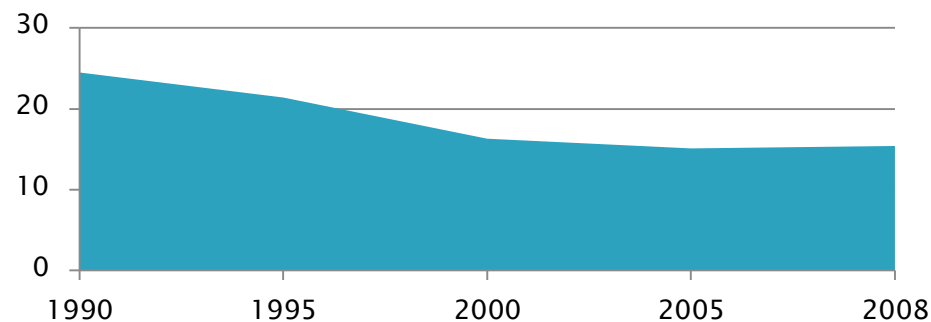


# Background: education in Ukraine

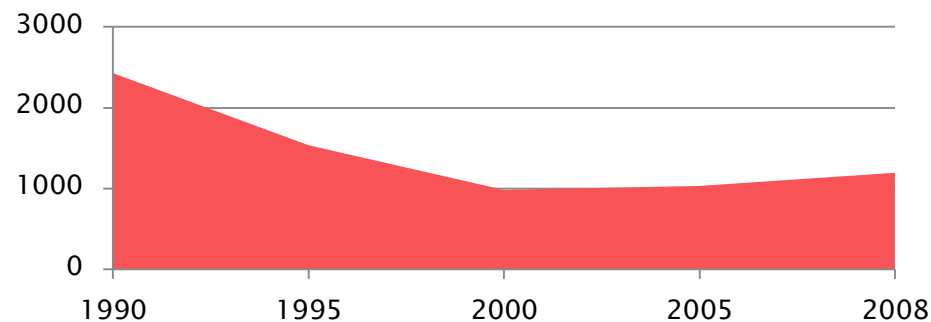


## ***Primary education (children gardens)***

Entities (CG)  
(‘000)



Children in CG  
(‘000)

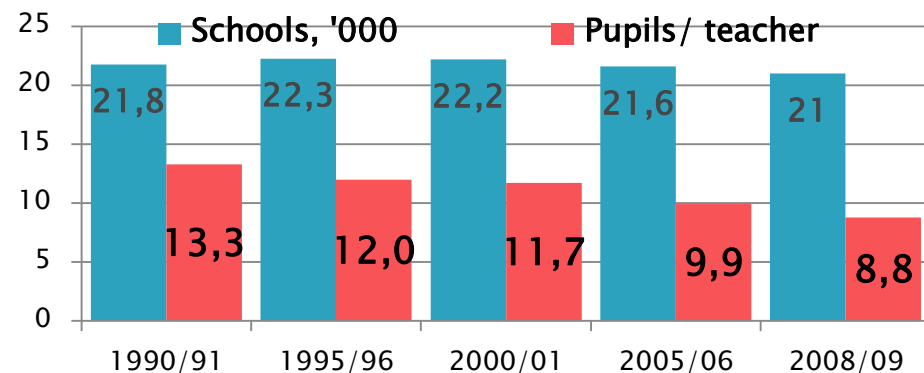


# Background: education in Ukraine



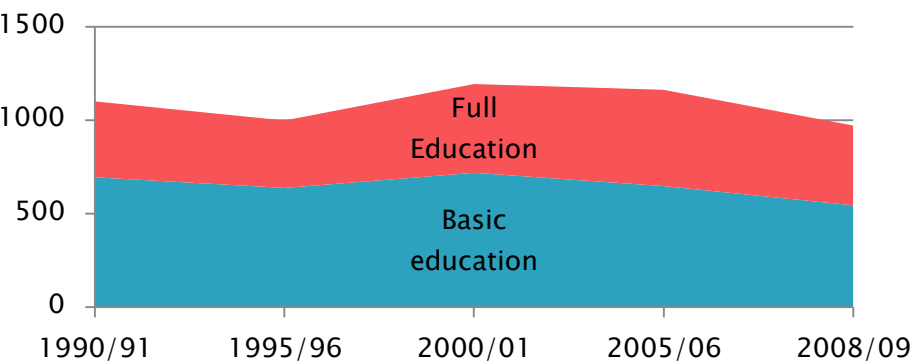
## ***Secondary education (schools)***

Schools, pupils and teachers



School graduates

('000)

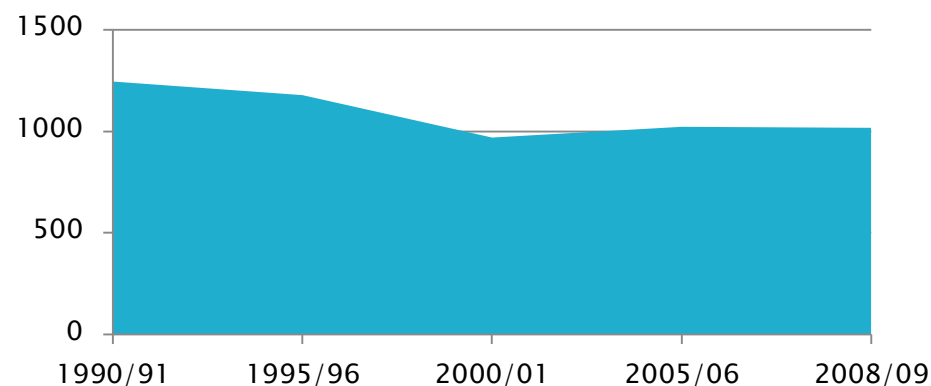


# Background: education in Ukraine

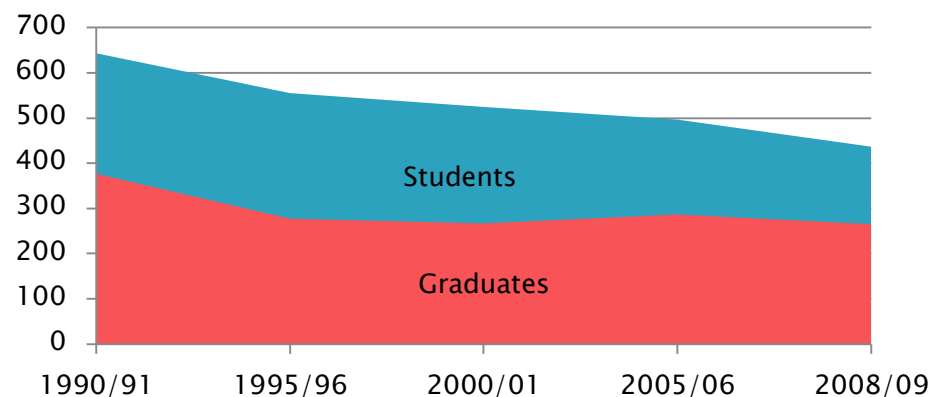


## ***Vocational education***

### Entities



### Students and graduates (‘000)

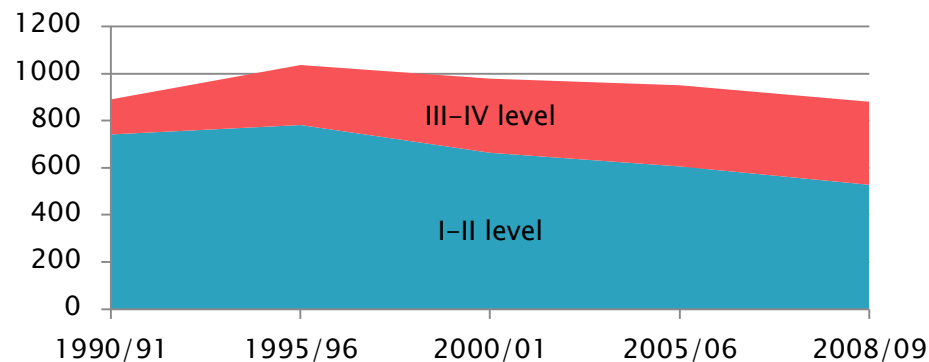


# Background: education in Ukraine

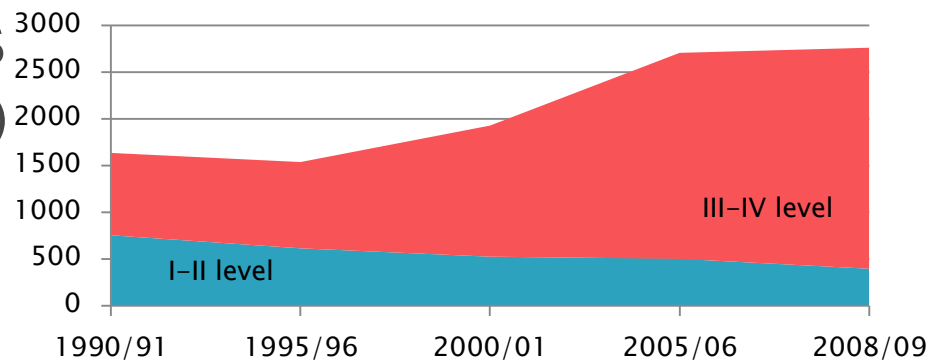


## *Higher education*

### Entities



### Students (‘000)

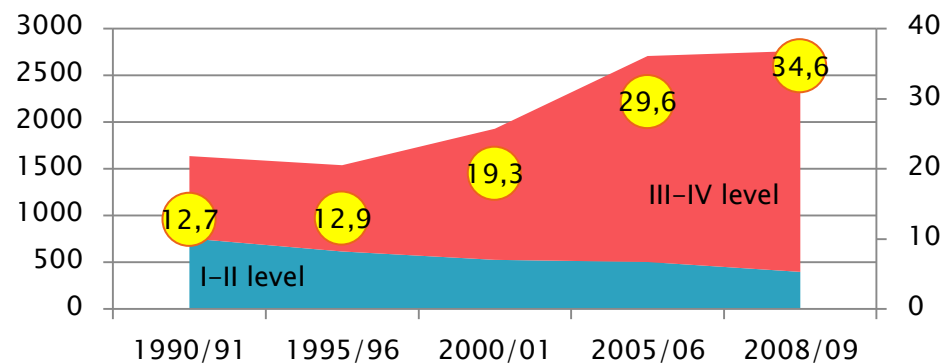


# Background: education in Ukraine

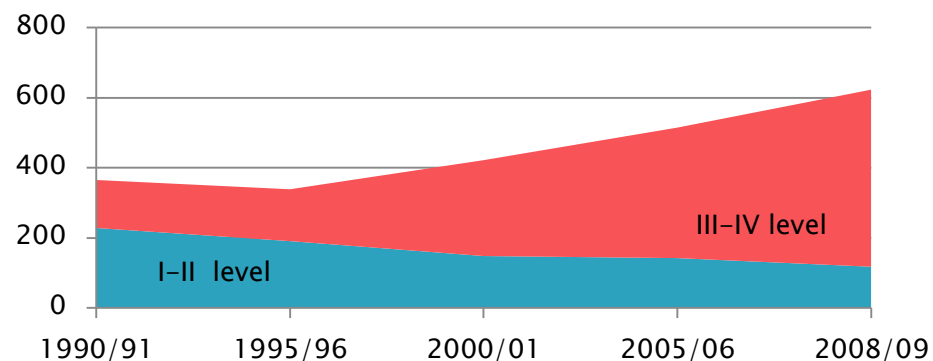


## *Higher education*

**Students**  
(share of relevant population group)



**Graduates**  
(‘000)

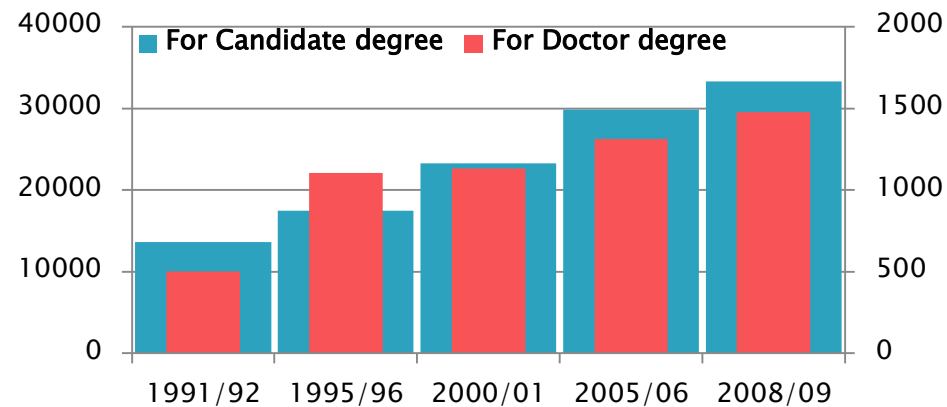


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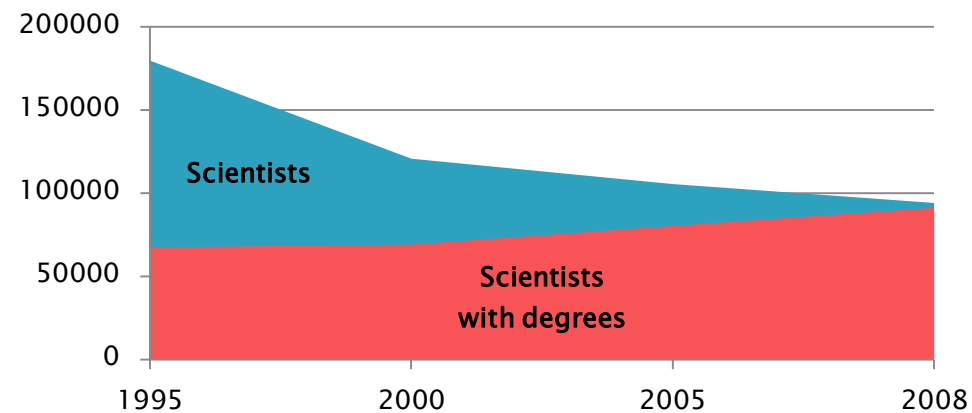


## ***Science***

### Postgraduate students



### Scientists





# Mission of the Survey Organizers



***European Training Foundation***

<http://www.etf.europa.eu>

# Mission of the Survey Organizers



## ***European Training Foundation–***

is an EU agency and promotes the values and objectives of the European Union. In particular, the ETF's work is based on the fundamental contribution that vocational education and training makes to competitiveness, employability and mobility in modern economies. By sharing expertise in vocational education and training across regions and cultures, the European Training Foundation (ETF) helps people to develop their skills, thereby promoting better living conditions and active citizenship in democratic societies that respect human rights and cultural diversity.

# Mission of the Survey Organizers



***Council on Competitiveness of Ukraine***

<http://www.compete.org.ua>

# Mission of the Survey Organizers



## ***Council on competitiveness of Ukraine –***

is a non profitable Non Government Ukrainian Organization. CCU' mission is to initiate a dialogue in the society — among science, business, state authorities, non-governmental organizations, mass media — in order to elevate the idea of national competitiveness to the forefront of national consciousness. Since 2006 CCU has monitored the level of Ukrainian competitiveness. Due to cooperation between CCU and Swiss Institute for Management Development in 2006 Ukraine firstly became a member of the score of the World Competitiveness Yearbook published by IMD. Since 2006 CCU has printed its own magazine called “The Competitiveness Monitor” which focuses on the all aspects of Ukraine' competitiveness.

# Survey Goals



This survey is a part of the international project which aims to generate knowledge and share it with education policy-makers, business leaders and other interest groups in order to

- ▶ better understand how education can advance national economic competitiveness;
- ▶ better understand the role of human capital to strengthen economic development.

# Survey Goals: basic questions



1. What does **economic competitiveness** mean?
2. What are the **main obstacles** to improve national economic competitiveness?
3. What are the most important **requirements for workers** to improve economic competitiveness?
4. How well is the **current formal education system** able to prepare young people for them to be successful in a competitive working environment?

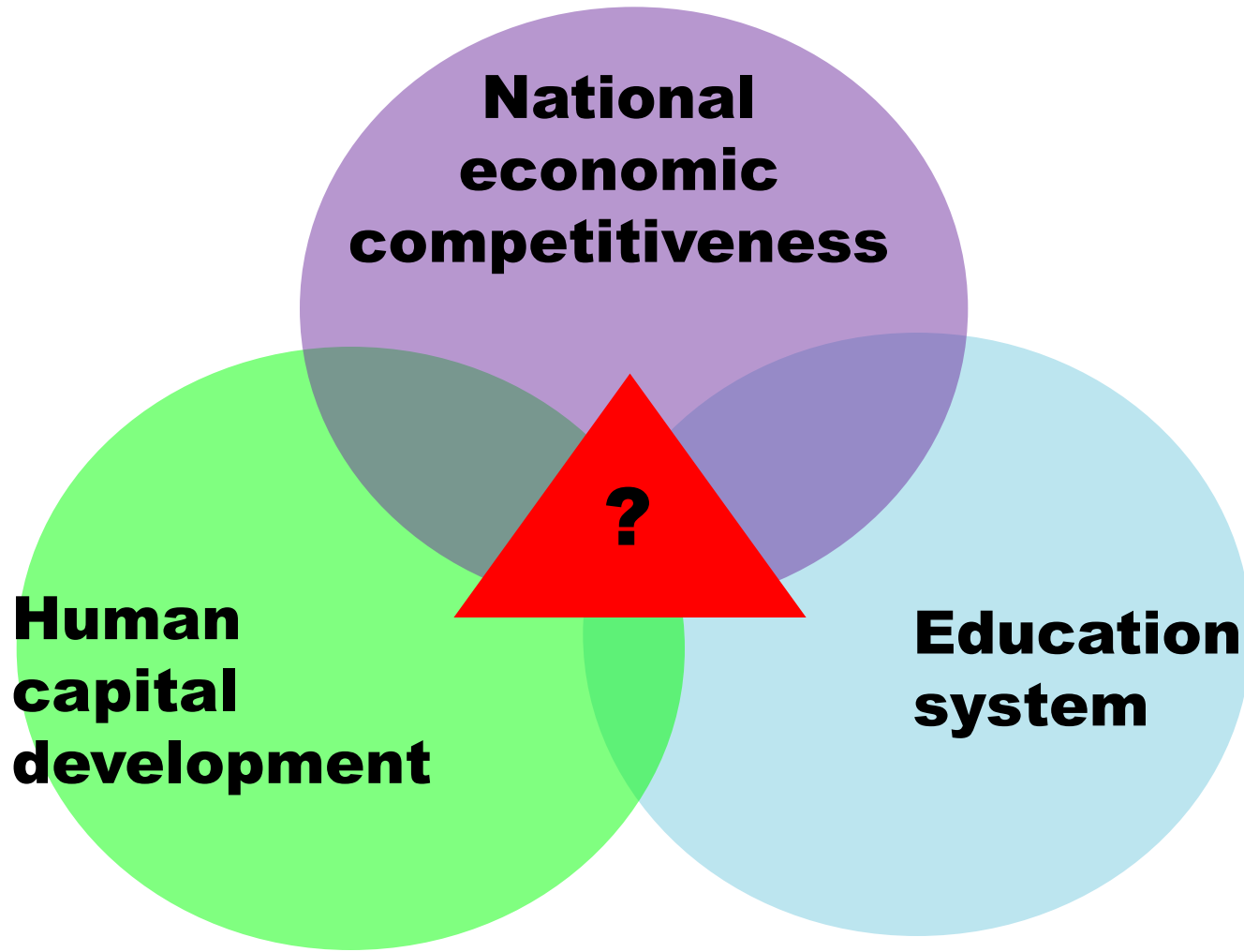


# Survey Methodology



- ▶ Defining of the expert group consisting from representatives of education and business communities which also represent:
  - Different regions of Ukraine,
  - Different elements of education system (primary, secondary, vocational, higher),
  - Different economic sectors
  - Different policy maker institutions
- ▶ Completing of guide for in-depth interview
- ▶ Interviewing the experts
- ▶ Interview scripting
- ▶ Interview analysis

# Survey methodology: **analysis model**



# Survey methodology: respondent profile/ **education**



Higher education reps



Primary and secondary  
education reps



Vocational education reps



Policy makers in education



# Survey methodology: respondent profile/ **business**



International business reps



Domestic business reps



Business associations

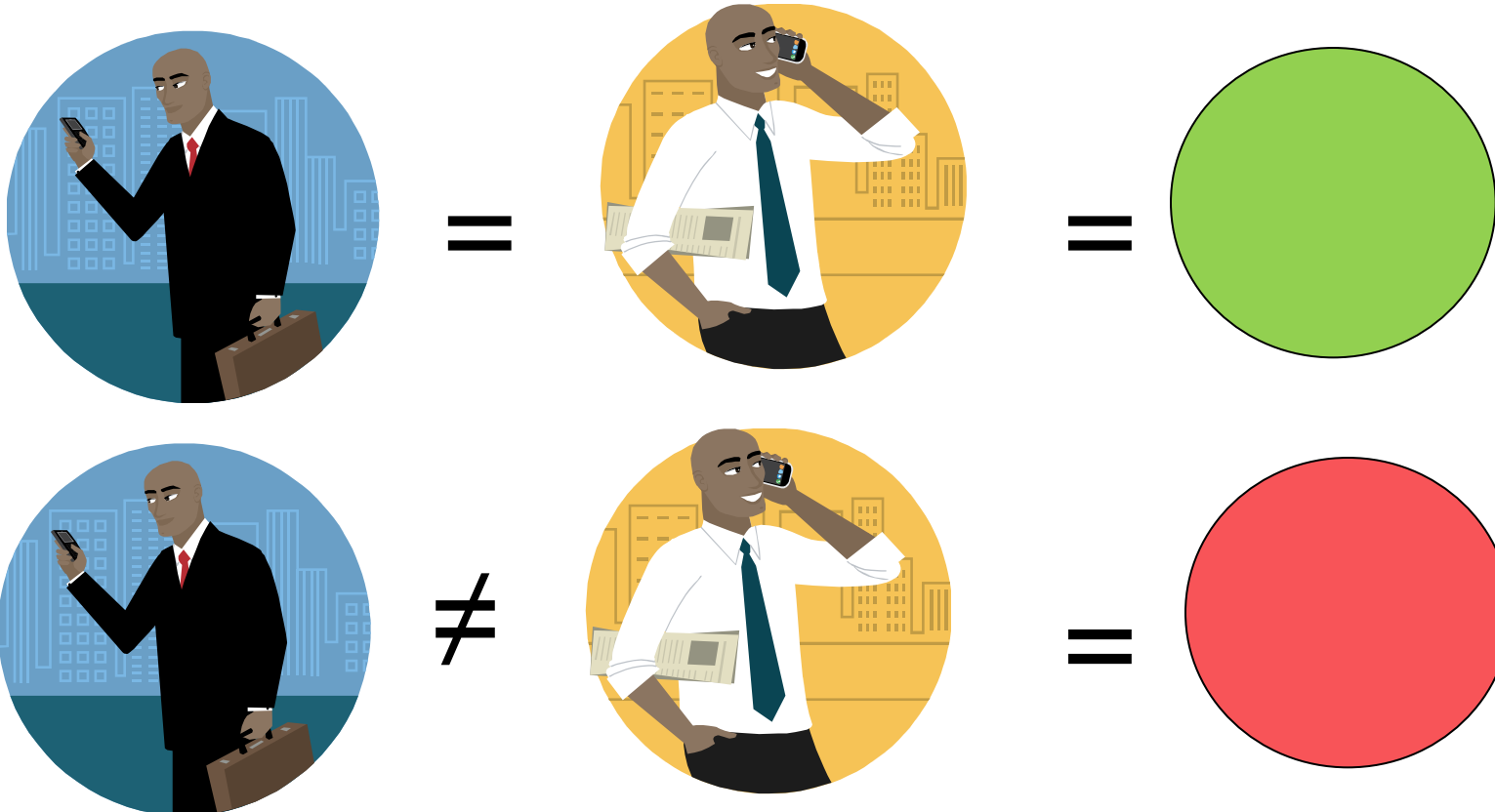


Policy makers in economy



# Survey methodology:

Comparison of the answers of two community representatives on the same question:



# The 1-st basic question: clarification

*What does **economic competitiveness** mean?*

How do you understand the term “economic competitiveness”?

Which levels of “economic competitiveness” would you mark out?

Can you tell that the concept «economic competitiveness» has begun to sound in a new fashion recently?

What is your understanding of “national competitiveness»?

How would you define the term “human capital development”?

How does term «human capital development» correlate with term «national competitiveness»?



# The 1-st basic question: result


*What does **economic competitiveness** mean?*

- How do you understand the term “economic competitiveness”?
- Which levels of “economic competitiveness” would you mark out?
- Can you tell that the concept «economic competitiveness» has begun to sound in a new fashion recently?
- What is your understanding of “national competitiveness»?
- How would you define the term “human capital development”?
- How does term «human capital development» correlate with term «national competitiveness»?

The 1-st basic question: conclusion

*What does **economic competitiveness** mean?*

There is a consensus in understanding of competitiveness conception but there is no common understanding of its factors and components



## The 2-nd basic question: clarification

***What are the **main obstacles** to improve national economic competitiveness?***

How would you estimate the level of COMPETITIVENESS of Ukraine in a context of global economic system today?

Do you know any international institutions who measure a level of NATIONAL COMPETITIVENESS?

According to many experts, COMPETITIVENESS of Ukraine is low today. Do you agree with this?

Is it possible to raise level of competitiveness of our country today?

What are the BASIC BARRIERS to enhance a COMPETITIVENESS of Ukraine?

Could you name NATIONAL COMPETITIVENESS as a driving factor for strategic planning of the country?

Some survey results

# Factors of competitiveness of Ukraine



## ***Factors of soviet legacy***

N A G A T I V E	<b>D</b> ual standards	P O S I T I V E	<b>E</b> ducated professionals
	<b>P</b> awn mentality		<b>G</b> uaranteed financing
	<b>L</b> ow energy efficiency		<b>P</b> arts of perfect education system
	<b>E</b> conomic structure		<b>F</b> undamental science experience

Some survey results

# Factors of competitiveness of Ukraine



## ***Independence period factors***

N A G A T I V E	<b>D</b> egraded system of values	P O S I T I V E	<b>D</b> emocratic public power
	<b>H</b> uman capital degradation		<b>A</b> bility to use domestic natural resources
	<b>C</b> orruption		<b>L</b> anguage knowledge
	<b>W</b> eak government		<b>I</b> nternational experience exchange

Some survey results

# Factors of competitiveness of Ukraine



## ***Global factors***

N A G A T I V E	<b>S</b> ensitivity to market shrinking	P O S I T I V E	<b>O</b> pportunities of growing markets
	<b>D</b> ependence on market price trends		<b>L</b> oan accessibility
	<b>C</b> ompetitive business environment		<b>D</b> irect investment
	<b>B</b> rain drain stimulation		<b>E</b> ducation system integration



# The barriers on competitiveness enhancement in Ukraine



- ▶ There is no reform in tax legislation
- ▶ There is no effective law maker system
- ▶ There is no cohesion
- ▶ There is no national idea
- ▶ There is no political power
- ▶ There is no motivation for government
- ▶ There is no partnership between public institutions, science and business
- ▶ There is no understanding of goals in public institutions
- ▶ Greediness of ruling people – many do not see own political future
- ▶ Protectionism for huge businesses in national level
- ▶ Clans in business and politics
- ▶ Corruption;
- ▶ Personal indifference – people may believe in any false

# The barriers on competitiveness enhancement in Ukraine









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- ▶ Personal indifference – people may believe in any false

**A lack of strategic planning in Ukraine**

## The 2-nd basic question: result


***What are the **main obstacles** to improve national economic competitiveness?***

-  How would you estimate the level of COMPETITIVENESS of Ukraine in a context of global economic system today?
-  Do you know any international institutions who measure a level of NATIONAL COMPETITIVENESS?
-  According to many experts, COMPETITIVENESS of Ukraine is low today. Do you agree with this?
-  Is it possible to raise level of competitiveness of our country today?
-  What are the BASIC BARRIERS to enhance a COMPETITIVENESS of Ukraine?
-  Could you name NATIONAL COMPETITIVENESS as a driving factor for strategic planning of the country?

The 2-nd basic question: conclusion

*What are the **main obstacles** to improve national economic competitiveness?*

National economic competitiveness may be deployed as cohesive national idea but it has been misused by politics and country's leaders



# The 3-d basic question: clarification

***What are the most important requirements for workers to improve economic competitiveness?***

Do COMPETITIVENESS of Ukraine is important for Ukrainians?

Is HUMAN DEVELOPMENT a specific component of NATIONAL COMPETITIVENESS?

What are the main features of HUMAN DEVELOPMENT?

How would you estimate the level of HUMAN DEVELOPMENT of Ukrainians today?

Is it possible to make the situation in the country better – to provide the maximum conditions for HUMAN DEVELOPMENT,?

What professionals are needed today in Ukraine? In which spheres?

Do you think that worker qualifications relate to the ECONOMIC COMPETITIVENESS?

Where do Ukraine should find new professionals?

# The 3-d basic question: result

***What are the most important **requirements** for workers to improve economic competitiveness?***

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- Where do Ukraine should find new professionals?



## Requirements to workers

Ability to apply skills and knowledge

Responsibility

Mastering in related specialties

Understanding of specific working conditions

International experience



## Labor force demand

Technical professionals – people who can work by hands

Managers with international experience

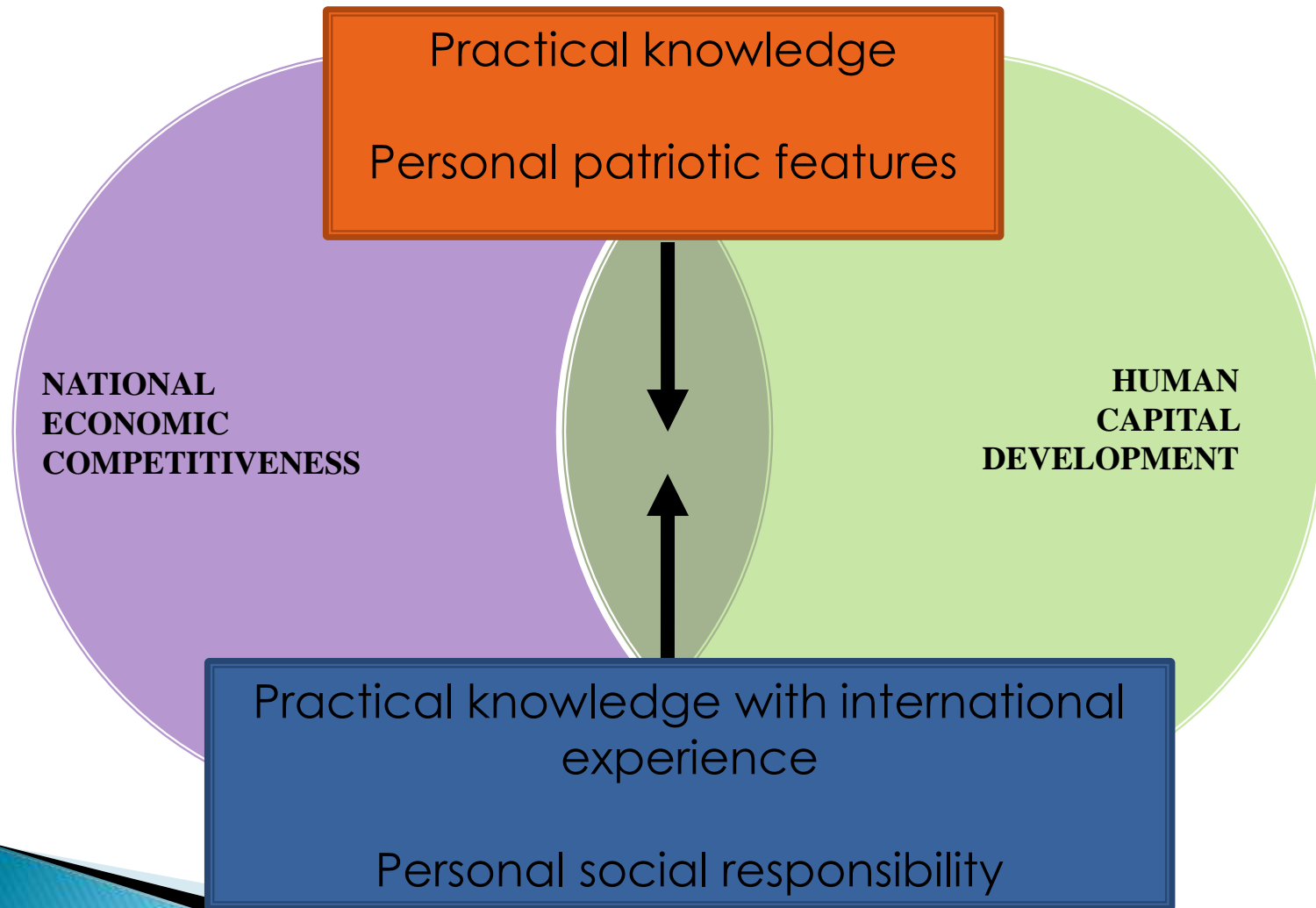
## Where to find employees

To foster professionals in Ukraine - to import technologies not employees



Some survey results

# Human capital development for national competitiveness






The 3-d basic question: conclusion

*What are the most important **requirements** **for workers** to improve economic competitiveness?*

It was supposed that Ukrainians do not feel the correlation between their human capital development and national economic competitiveness (they do not and they rarely must do).



# The 4-th basic question: clarification

*How well is the **current formal education system** able to prepare young people for them to be successful in a competitive working environment?*

What role has Ukrainian education system in the course of formation of HUMAN DEVELOPMENT and NATIONAL COMPETITIVENESS

What do you think, if Ukrainian education system is capable to provide high level of HUMAN DEVELOPMENT?

How would you estimate today's level of preparation of professional staff for Ukrainian SCHOOLS?

There is an opinion, that today's system of higher education in Ukraine CONCEDES to that functioned 10-15 years ago. Do you agree with this?

Is it possible to improve today's situation in system of education in our country?

Please, end a phrase: IDEAL COMPETITIVE HIGH SCHOOL or WORLD CLASS Ukrainian University is

Some survey results

# Comparison between modern and soviet education system

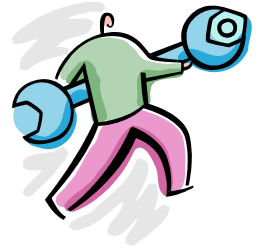


## ***Primary and secondary education***

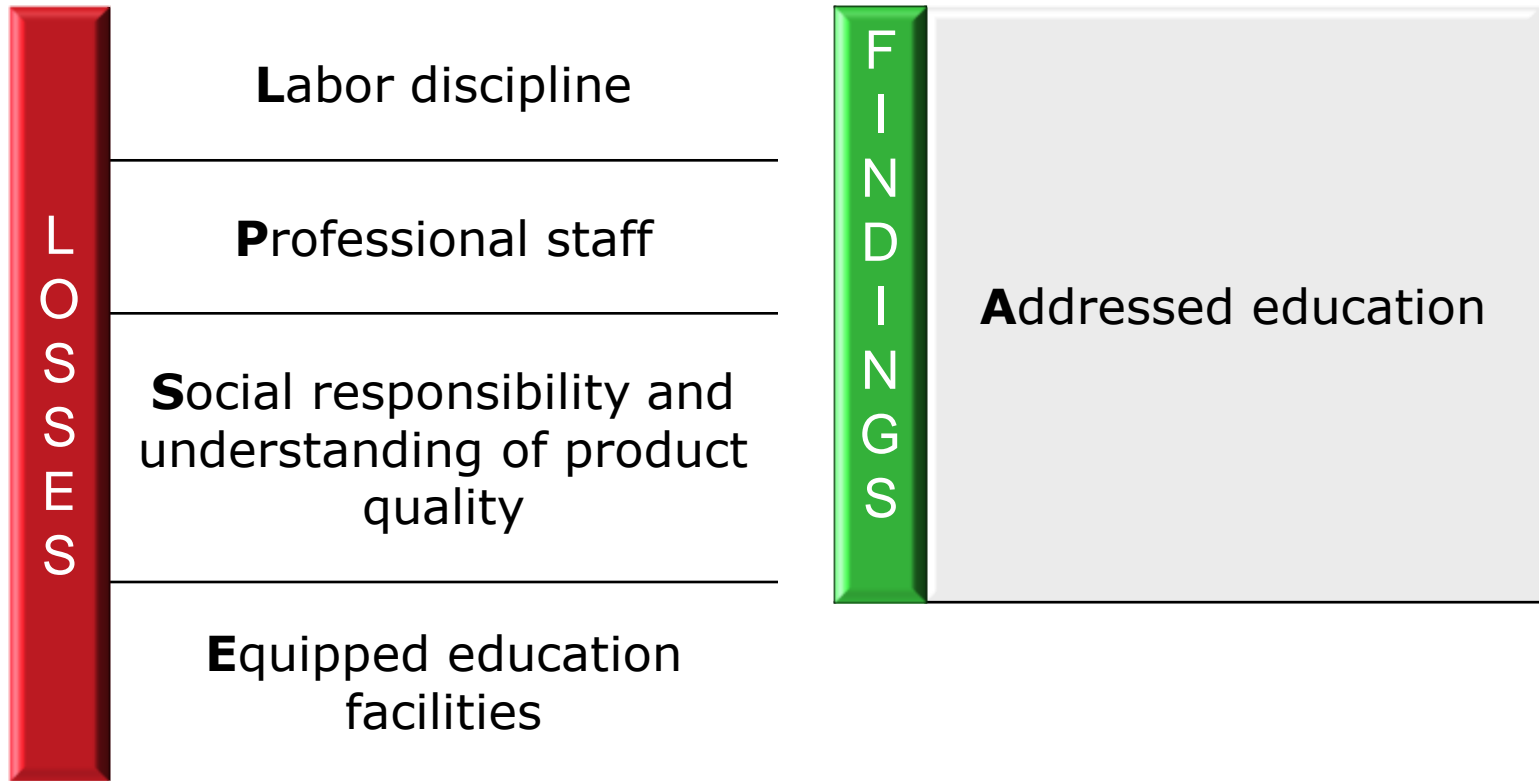
L O S S E S	Motivation instruments for teachers	F I N D I N G S	New learning methodologies
	Examination system		Testing system
	Pedagogic graduates with solid knowledge base		Mobil and inatiative staff
	Pedagogic practice		International pupil exchange system
	Equal accesibility to competitive education		Private education

Some survey results

# Comparison between modern and soviet education system



## ***Vocational education***



Some survey results

# Comparison between modern and soviet education system









## ***Higher education***

L O S S E S	Doctorate education	F I N D I N G S	Language knowledge
	Equipped laboratories		Student mobility
	Competitive technical education (fundamental sciences: physics)		Access to information
	University fundamental research financing		Private education
	Prestige status		Bologna process

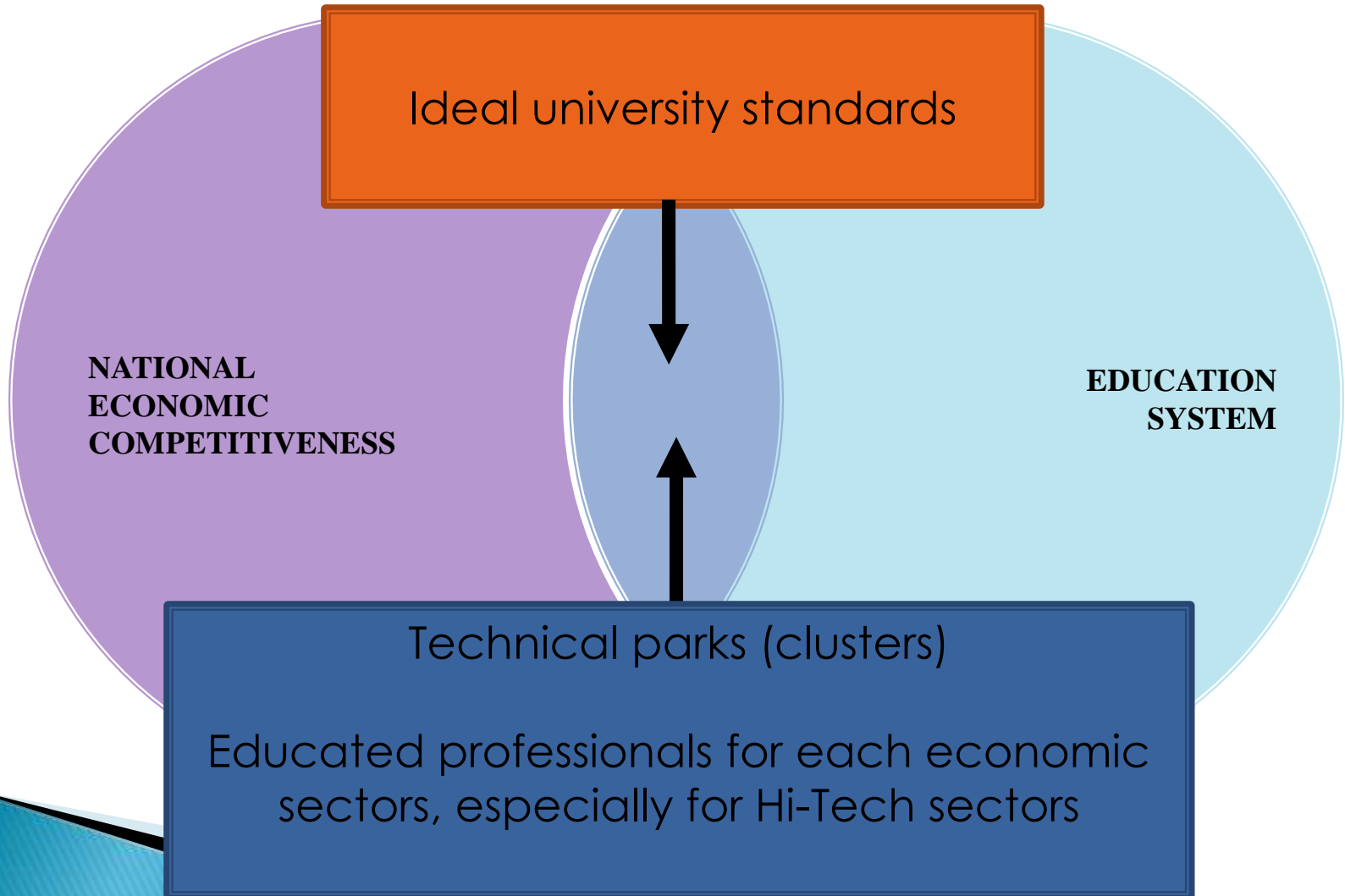
# The 4-th basic question: result

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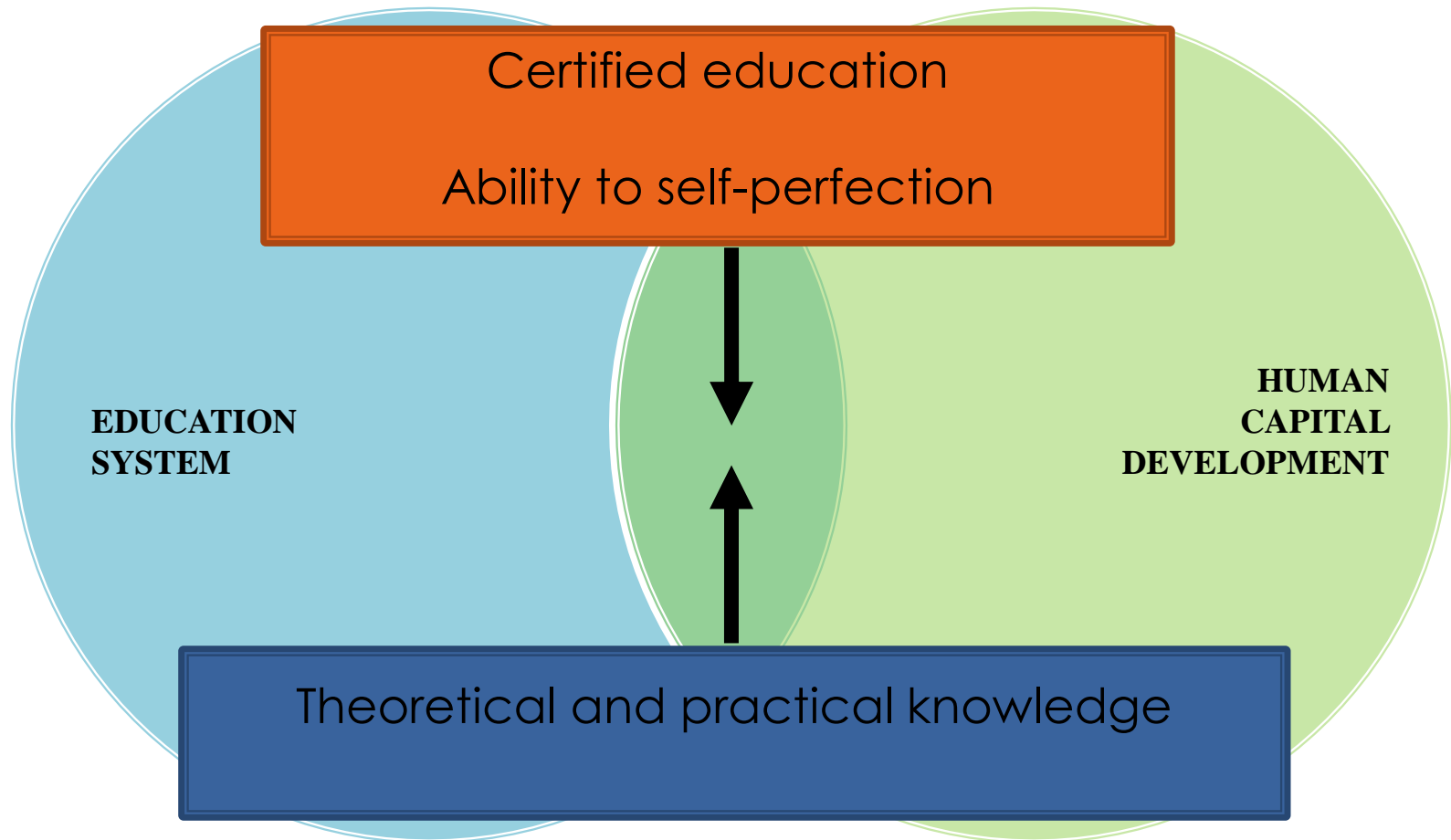
Some survey results

# Education system for national competitiveness



Some survey results

# Education system for human capital development






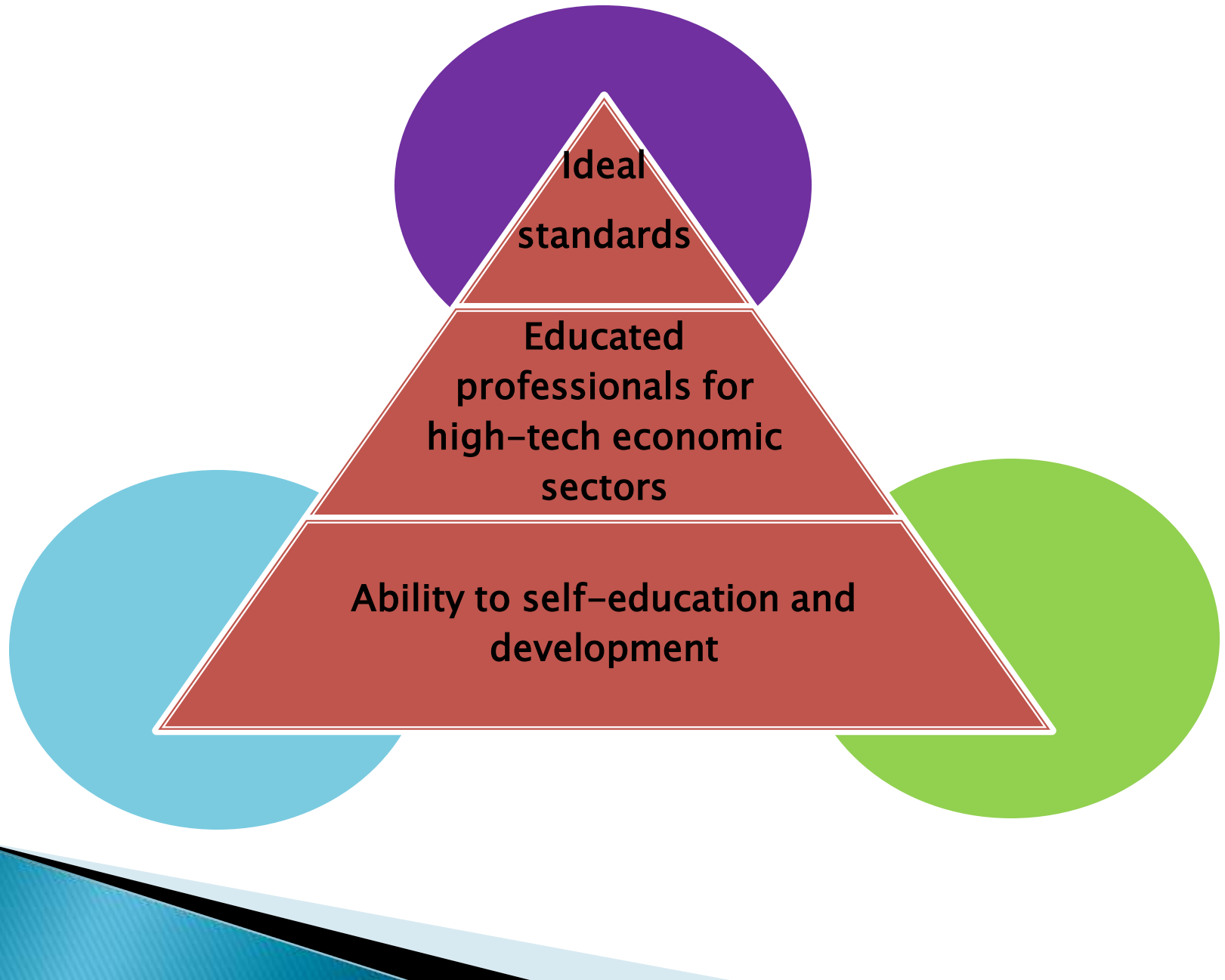
The 4-th basic question: conclusion

*How well is the **current formal education system** able to prepare young people for them to be successful in a competitive working environment?*

Education system has lost its role as a builder of human capital for Ukrainians acting as disintegrated player in country's life



# Conclusion



# Conclusion



**Competitive Ukraine  
is a REALITY**

Ідеальні  
стандарти  
професіонали для  
інноваційних  
економічних секторів

Можливість самовдосконалення  
та розвитку

# Conclusion

Questions without answers:

**Is participation of Ukrainian education system in Bologna process a step forward to World Class University standards for Ukrainian education institutions?**

**When people will feel a personal social responsibility in Ukraine?**

Question under the curtains:

**Why respondents did not remember constitutional right to free education?**

