

STATE PROCUREMENT IN HIGHER EDUCATION AS AN INSTRUMENT OF ECONOMIC POLICY AND REGULATION

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In the rapidly changing socio-economic environment of the 21st century, the state's involvement in the regulation and support of higher education has become increasingly strategic. Among the various tools at the government's disposal, state procurement, sometimes referred to as the state order, stands out as a particularly influential mechanism. This system enables the government to directly influence the output of higher education institutions, ensuring that the training of specialists aligns with the nation's economic priorities, regional development goals, and the ever-shifting demands of the labor market.

This dynamic is especially significant in Ukraine, a country currently navigating profound transformations and facing external threats. In such a context, state procurement has evolved from being merely a funding instrument into a vital means of sustaining the stability and resilience of the national education system. It not only reflects the government's priorities in preparing professionals across various educational levels, ranging from higher education to vocational and technical training, but also serves as a lever for economic policy, enabling the redistribution of budgetary resources in response to demographic changes, regional disparities, and strategic sectors in need of development.

The implementation of state procurement is a complex process, involving meticulous planning, forecasting, and resource allocation. To be effective, this mechanism must remain flexible, capable of adapting to rapid changes such as armed conflict, large-scale migration, and technological innovation. Since 2020, Ukraine has undergone a significant shift in its approach to funding higher education, moving toward a formula-based model. This new system replaces static administrative planning with a transparent, data-driven approach, allocating funds based on quantifiable indicators such as student enrollment, academic achievement, research productivity, and international engagement. [1]

This transition has brought about greater objectivity and has fostered healthy competition among universities. Nevertheless, it has also exposed several critical challenges. Chief among these is the difficulty of balancing efficiency with equity. The formula-based model, while transparent, does not always account for regional disparities, the destruction of infrastructure in conflict-affected zones, or unequal access to educational resources. [2]

As a result, Kyiv continues to lead in terms of overall funding, while the Western region shows steady growth in student enrollment and enjoys relatively stable resource allocation. The Central and Southern regions are marked by moderate increases in student numbers, with funding levels remaining stable or experiencing slight declines. Meanwhile, the Northern region, despite its proximity to the border and challenging security conditions, has managed to maintain relatively consistent financial support. In contrast, the Eastern region has seen a notable rise in the number of higher education students but has faced a decrease in funding. [3] This points to a structural misalignment in the current funding model and highlights the need for strategic recalibration. The principle that “money follows the student” is sound in theory, but in practice, it must be supplemented with safeguards to support regions in crisis. Without such measures, there is a risk of further weakening the educational and socio-economic fabric of already vulnerable areas.

To address these issues, a more nuanced funding model is required that incorporates socio-economic coefficients and allows for policy-driven adjustments. State procurement should be seen not only as a planning tool but also as a reflection of national values and priorities. When designed and implemented effectively, it can promote regional resilience, workforce development, and innovation. However, if treated merely as a financial transaction, it risks deepening existing inequalities and undermining the country’s long-term strategic objectives.

Looking ahead, Ukraine needs a more integrated approach to higher education funding, one that combines economic forecasting, labor market analysis, and regional development strategies with flexible, responsive funding mechanisms. Diversifying funding sources, developing dual education systems, and strengthening the links between universities and local economies should be central to modern education policy.

In conclusion, state procurement in higher education is a powerful instrument of economic policy and public governance. In a country undergoing significant transformation, its effectiveness depends on the ability to adapt to changing conditions and to ensure equitable access to quality education across all regions. A well-calibrated procurement mechanism can help sustain the nation’s intellectual potential, support regional development, and contribute to Ukraine’s post-war recovery and modernization. By embracing flexibility, foresight, and fairness, Ukraine can turn its education system into a cornerstone of national resilience and future prosperity.

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