

НАПРЯМ 3. ЕКОНОМІКА ТА УПРАВЛІННЯ ПІДПРИЄМСТВАМИ

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THE IMPACT OF EDUCATION COSTS ON THE ECONOMIC DEVELOPMENT OF THE COUNTRY

Batenieva Kateryna

Student of Higher Education

Odesa National Economic University

Karpova Olena

Candidate of Pedagogic Sciences (Ph.D.),

Associate Professor of the Department of Foreign Languages

Odesa National Economic University

The development of the educational sector is one of the key factors in the development of the country's economy. The conditions of globalization of the world economy demand from the states the development of the education sector and the formation of its investment attractiveness. Attracting investment to the education sector can have a significant impact on the country's economy, in particular on GDP growth, the creation of new jobs and an increase in export potential. However, it is necessary to take into account the risks associated with changes in the labor market and technological progress.

In general, the formation of the investment attractiveness of the educational sector in the conditions of globalization of the world economy is an important task for the development of the country. It is necessary to ensure a high-quality level of education, use innovative approaches and promote investment in the industry, which will ensure the stable development of the country's economy and increase the standard of living of the population [3].

The dynamics of education costs in different countries can be very different, as it depends on many factors, such as the economic situation, the number of the population, the degree of development of the educational system, and others. However, conducting a comparative analysis of the dynamics of education costs can help to understand the trends of education development in different countries. One approach to benchmarking education spending is to compare the percentage of GDP spent on education in each country.

We can observe that, in general, almost all countries invest more in secondary education than in higher education. This is due to the fact that in

almost all countries secondary education is compulsory and financed by the state budget, public contributions and investments (Figure 1).

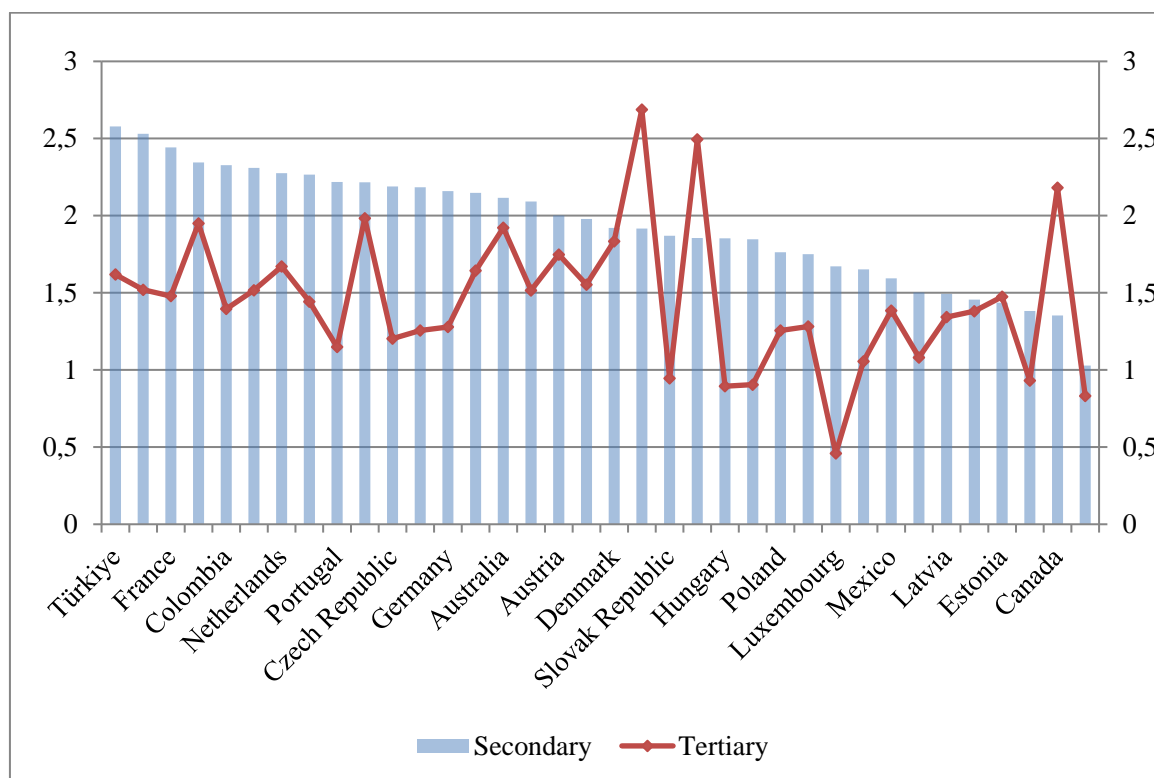


Figure 1. Education spending Secondary / Tertiary, % of GDP, 2020 or latest available

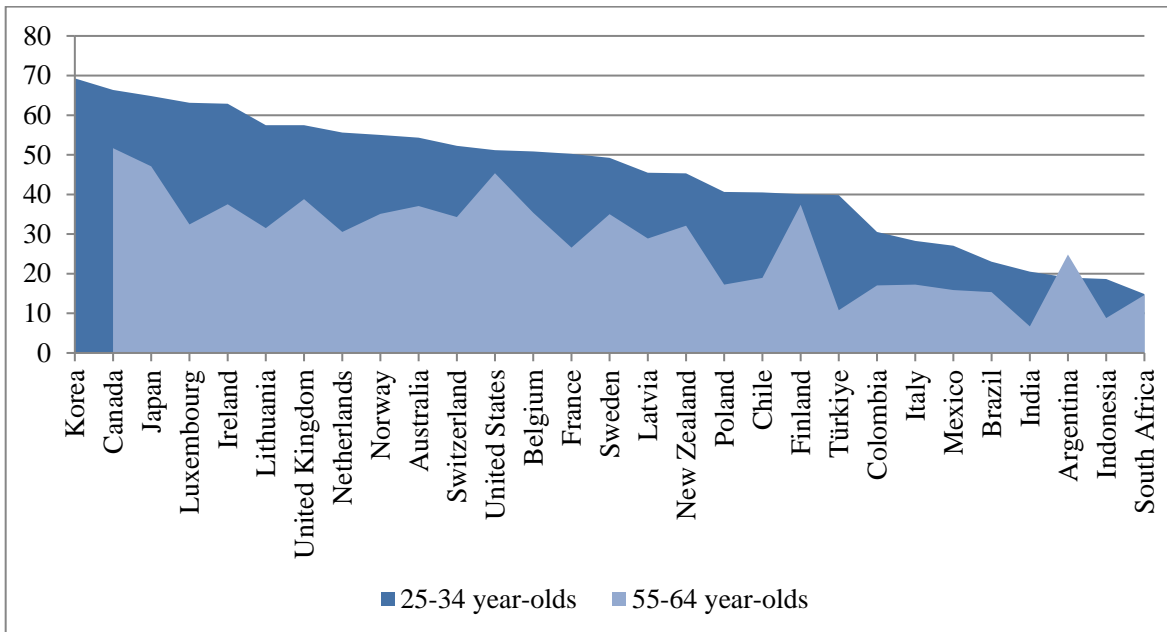
Source: [1]

The relationship between education spending and a country's economic development is reflected in the level of investment in human capital and labor productivity. Typically, countries with high levels of education spending, usually expressed as a percentage of GDP, have a higher level of economic development than countries with low education spending.

An educated workforce, provided with a high-quality education, is able to achieve higher levels of productivity, which in turn leads to an increase in the country's GDP. In addition, spending on education can stimulate the development of scientific and technological potential and innovation, which can help a country compete in a global economic environment.

We will analyze the relationship between the number of the population with higher education and the economic development of the country (Figure 2). First, we see a significant increase in the availability of higher education among the young population, which is clearly a positive factor in the growth of the quality of the countries' economy. Secondly, there is an indisputable connection between the number of the population with higher education and the development of the country's economy. A population with higher education usually has higher skills and knowledge, which helps them

to be more productive at work and occupy higher paying positions. This again contributes to the development of the economy, since the country's economy depends on labor productivity and the ability of the population to carry out innovative activities.



**Figure 2. Population with tertiary education
25–34 year-olds / 55–64 year-olds, % in same age group,
2021 or latest available**

Source: [2]

Countries with a high population with higher education usually have developed technological industries, which allows them to be more competitive in the world market and attract investment. Most innovations occur in countries with a high level of education of the population, which allows them to ensure the stable development of technologies and new products.

Conclusions. Therefore, countries that invest in education and have a high level of education of the population have greater chances for development and prosperity in the future. In addition, such countries usually have more stable economies, able to withstand external economic shocks and crises, because they have more developed technological and innovative industries.

In general, the formation of the investment attractiveness of the educational sector in the conditions of globalization of the world economy is an important task for the development of the country. An educated workforce, provided with a high-quality education, is able to achieve higher levels of productivity, which in turn leads to an increase in the country's GDP. In addition, spending on education can stimulate the development of scientific

and technological potential and innovation, which can help a country compete in a global economic environment.

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