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## Marketing Aspects of Russia-The European Union Cooperation in the Field of Education

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**Abstract:**

*In the paper the authors identified the need and identified the benefits of the development of Russia-EU cooperation in the field of education in the context of globalization, marked barriers to the development of such cooperation conditions for its development. The authors also performed a comparative analysis of the state and the market model for cooperation between Russia and the European Union in the field of education in the context of globalization and the expediency of the transition to it. As perspective directions of cooperation between Russia and the European Union in the field of education in the context of globalization the authors developed and validated a complex marketing mix.*

**Key Words:** *Education, marketing, globalization, cooperation, Russia, the European Union.*

**JEL Classification Codes:** *F19, F36, F59, F69*

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## **1. Introduction**

Under forming the innovative economy the sphere of education gains a significant meaning being a locomotive of the social and economic development. Gradual unification and formation of the world education system is being taken place influenced by globalization. International cooperation in the sphere of education creates opportunities to exchange the gained experience and expertise, mutual researches and training of the internationally recognized professionals able to work successfully in any country.

Such cooperation is very interesting for both Russia and the European Union due to their geographic closeness and forms the basis for the active interaction as well as activation and acceleration of the processes of social and economic development and overcoming of the crisis phenomena in the economy. Under market relations it is to be based on private initiatives and marketing aspects of the Russia-European Union cooperation in the education sphere in the context of globalization; that is the objective of the given article.

## **2. Materials and methods**

Fundamentals and practical specific features and marketing trends in the education sphere are considered in numerous researches of such modern scientists as Y.R. Agishev, V.S. Belgorodsky, Dembitsky, V.V. and Zotov, E.E. Vlasenko, N.G. Kuznetsov, E.S. Akopova, N.V. Przhedetskaya, T.V. Panasenkov, N.D. Rodionova, E.V. Polonsky, and others (Athanasenas *et al.*, 2015; Gorina, 2016; Guskova *et al.*, 2016; Sazhin and Saraikin, 2016; Stroeva *et al.*, 2016). Conceptual and applied aspects of Russia's international cooperation in the education sphere are considered in the works of such scientists as O.I. Borodin and M. Borodin, I.V. Kiselev, B.V. Sorvirov, I.L. Gonick, L.S. Shahovskaya, I.A. Morozov, E.G. Gushina, E.G. Popkov, O. Konin, E.I. Novakova, P.V. Taranov, A.M. Basenko, E.A. Israilova, and others (Sultanova and Chechina, 2016; Topcu *et al.*, 2015).

The reviewed literature devoted to these issues demonstrated that despite the fact the issue under consideration is researched considerably, there are a lot of gaps connected with indefinite marketing aspects of the Russian and European Union's cooperation in the education sphere in the context of globalization that makes further researches in this sphere necessary.

Such scientific methods as scientific research, method of problematic analysis, method systematic analysis, method of comparative analysis, synthesis method, induction and deduction method, method of the graphic presentation of the information as well as the special economic scientific method – marketing mix development are the basis of the methodological apparatus of this work.

## **3. Results**

Despite numerous advantages of the Russia-European Union's cooperation in the education sphere: strengthening of the scientific and technical potential, human capital development, economic competitiveness increase and others are among them, currently it is poorly developed. The most important obstacles to develop this cooperation are the following:

- the retaining substantial actual differences in the basis of the functioning of the education systems of Russia and the European Union's countries, despite the taken measures to remove them;
- unfavourable geo-political situation undermining any initiatives of the Russian and the European Union cooperation including the education sphere;
- significant state regulation of the education sphere which prevents the full effect of the market mechanism and the realization of the integration initiatives.

To eliminate the mentioned barriers it is necessary to re-consider Russia and the EU relationship that is possible only in the long-run. Let us analyze the preconditions for Russia-EU's cooperation in the context of globalization. The strategy of sustainable and inclusive growth and development of the education system "Europe 2020", adopted by the European Commission in 2012, the increase of the international cooperation for the nearest decade is supposed.

It speaks about four strategic goals of the development of the education system and professional training in the EU:

- creation of the really working continuous training system and mobility;
- increase of the effectiveness and quality of the education;
- encourage equality, social unity and active civil position;
- development of creative and innovative activity (including entrepreneurship) at all levels of education and professional training.

The most important indicators of the given strategy realization and the criteria to be achieved by 2020 are the following:

- increase in the proportion of people aged 30-34 years who have a completed higher education to 40%;
- reduction of the proportion of people with incomplete higher education to 10%;
- involvement on average at least 15% of the grown-up population aged 25-64 in the process of the continuous education;
- increase of the proportion of the university students aged 18-34 who had been trained abroad not less than two weeks to 6%;
- increase of the proportion of the university students aged 18-34 who had been trained abroad not less than for three months to 20%;
- increase of the proportion of the employed university graduates aged 20-34 who studied abroad more than three years to 82%.

In the frame of the Bologna and Copenhagen processes three key priorities are declared: mobility, earning capacity and quality, emphasizing the potential of the higher education to contribute into economic growth and employment. The EU

program "Erasmus +" was adopted in December, 2013. It embraces the period from 2014 up to 2020 and has the budget of €14,7 bln. The program supports three main priorities concerning the education system:

- study opportunities both within the EU and beyond it via international trainings, study and professional development abroad;
- institutional cooperation in the sphere of innovations and experience exchange among educational establishments, youth organizations, businesses, local and regional authorities and non-state organizations.

Four million people are expected to benefit from this program, including about 2 mln university students and 800 thousand teachers, faculty and young professionals. The Russian Federation's state-supported program "education development" for 2013-2020 adopted by the Russian Federation government's decree from April, 15, 2015 #295 focuses on the necessity to broaden international cooperation in the education sphere. It states that "Russia's accession the Bologna process broke through the isolation of the Russian higher education from the global market of talents, expertise and technologies. However full integration into the global educational space is too far".

This program pays special attention on popularization of the Russian language in the global system of science and education as well as on the development of distance learning system. It should be mentioned that this program is targeted on the development of the cooperation among the CIS countries and a number of Asian countries, wherein the EU is not mentioned at all. Total budget of the program, financed from the Federal budget, is 7 bln rubles.

The most important indicators of the implementation of this strategy and criteria to be achieved by 2020 are the following:

- increase of the proportion of the population aged 25-65, who had training and/or retraining, from total employed people to 65%;
- increase of the proportion of the university graduates who became employed within a year after graduation from the university to 80%;
- increase of the proportion of the Russian universities having leading positions in the world ratings to 20%.

Unfortunately, in practice the above mentioned preconditions do not have a significant impact and do not result in wider cooperation between Russia and the EU in the education sphere in the context of globalization. In our opinion, the main reason of this contradiction is predomination of the directives and state initiatives in this process while private initiatives of the higher educational establishments are not paid proper attention and are not realized.

To verify this assumption let us compare government and market models of the Russia-EU's cooperation in the education sphere in the context of globalization (Table 1).

**Table 1.** Comparative analysis, government and market models of the Russia-EU's cooperation in the education sphere in the context of globalization.

Criteria of comparison	Government model	Market model
The Model	Signing of the treaties on cooperation at state level with further development the institutional basis and modernization of the educational system in whole	Signing of the treaties on cooperation with separate universities with further adaptation to the conditions of such cooperation and active promotion of it implementation by all participants
Initiator of cooperation	State	Russian and European Universities
Interest and involvement of universities in international cooperation	Low (mainly regulatory character)	High (actual)
Interest and involvement of students and faculty in international cooperation	Low (mainly )	High (actual)
Volume of the science and education financing	Average	high
Burden on state budget in the sphere of the science and education financing	high	low

According to the results the comparative analysis, the government model presupposes to sign treaties at the state level with further development the institutional basis and modernization of the educational system in whole. Interest and involvement of universities is rather low, because they are sufficiently financed by the government and they do are not motivated to attract extra students and to exchange expertise and experiences.

Interest and involvement of students and faculty in international cooperation is also rather low and bears mainly regulatory character, i.e. means observing all declared requirements, but not oriented on results. Volume of the science and education financing is average because private investors are not interested to participate. Accordingly burden on state budget in the sphere of the science and education financing is extremely high.

In contrast, the market model possesses a number of substantial advantages. Firstly, it provides market impulses (formed under the influence of competition for investments), high interest and involvement of universities, students and faculty in the international cooperation.

Secondly, the volume of the science and education financing is increasing due to involvement of private investors (primarily, universities and students themselves in the frame of paid educational programs). Thirdly, burden on state budget in the sphere of the science and education financing is reducing significantly because it is not necessary.

According to Eurostat's official statistics for 2012, the volume of the public expenditures on financing German higher education totaled to €129076 mln (4,8% GDP), in France – €115479 mln (5,7% GDP), in Italy – €65884 mln (3,4% GDP). With the number of university students totaled accordingly to 2780 thousand people, to 2338.1 thousand people and to 1872.7 thousand people.

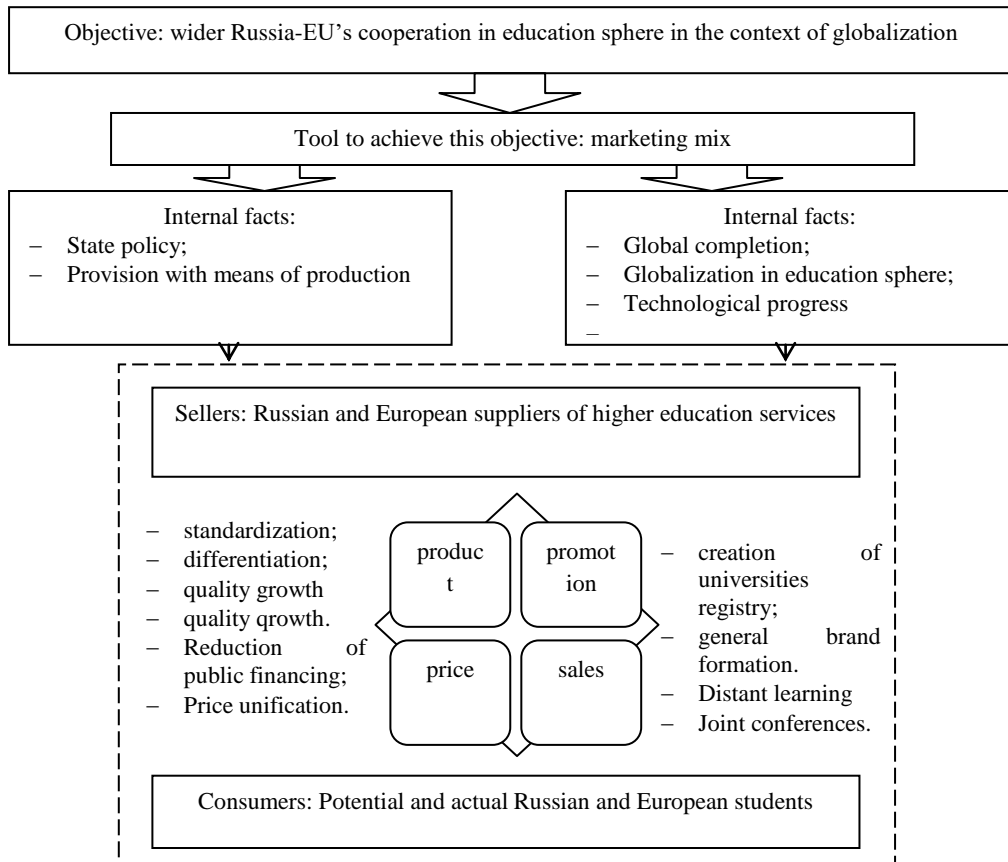
Thus, education system efficiency, the ratio of result (students' education) and expenditures (volume of government financing), is rather low. To create conditions for learning. In Germany 46.4 thousand Euro/persons are needed, in France – 49.4 thousand Euro/persons, in Italy – 35.2 thousand Euro/persons.

Reduction of public expenditures and higher education system efficiency growth at least by 20% are expected due to transition to the market model, i.e. to create conditions to educate one student in Germany €37.1 thousand are needed, in France – €39.5 thousand, in Italy – €28.1 thousand.

According to Rosstat's official statistics in 2012 in Russia the volume of public expenditures to finance higher education totaled to €67490 mln (5,4% GDP). The number of students in these countries totaled to 1298 thousand people. Thus, to create conditions for learning 28.8 thousand Euro/persons are needed. Due to transition to the market model the reduction of expenditures to 23.1 thousand Euro/persons is expected.

To transfer to the market model of Russia-EU's cooperation in the education sphere in the context of globalization it is necessary to take the following priority actions: to develop and strengthen the regulatory framework to boost economic independence of universities, gradual reduction of public expenditures to finance higher education system, to create favorable investment environment in the higher education sphere. Let us analyze the elements of this marketing mix in detail. This complex is developed for higher education space of Russia and the EU. Russian and European suppliers of higher education services (universities) both private, and with partial public financing, performing marketing activity are sellers. Potential and actual Russian and European students whose buying preferences are formed under influence of many concerned (potential and actual employers, parents, state) are consumers.

The following marketing mix as a prospective trend of development of Russia-EU's cooperation in the education sphere in the context of globalization in the short-run is suggested in this work (figure 1).



**Figure 1.** Marketing mix of Russia-EU's cooperation in education sphere in the context of globalization

Key internal facts for the development of common market of education services in Russia and the EU are the following:

- state policy in Russia and the EU in education sphere to promote the development of market relations and to strengthen international cooperation;
- provision with means of production (faculty, material and technical base. of universities, public and private financing of education sphere, etc.).

The most important external factors for the development of the common market of education services in Russia and the EU are the following:

- level and nature of competition on the global market of education services and its impact on common Russian and European education sphere;
- depth and trends of globalization in education sphere and its impact on common Russian and European education sphere;
- technological advance, especially in information and communication technologies and its impact on common Russian and European education sphere;

Higher education services are a product. Three key points are the most important while performing product policy. Firstly, it is necessary to develop and introduce common education standards, recognition of Russian and European diplomas on the whole territory of Russia and the EU in practice. Secondly, it is reasonable to differentiate education services in different universities to stimulate healthy competition and maximum satisfaction of all needs demand. Thirdly, it is necessary to focus on the quality of education services with a basic set of competences for all majors as well as to develop the education system in English. To set prices on education services it is reasonable to reduce the number of vacancies financed from state budget and to introduce wider system of paid education. It will raise students' interest in studying abroad. It is also necessary to set unified prices for local and foreign students to provide their equality.

To promote education services successfully it is necessary to design and regularly update Russian and European universities registry with detail description and comparison for the consumers to have maximum information on common market of education services. It is especially important, because a lot of students find the high level of uncertainty the key deterrent factor to study abroad. It is also reasonable to form and strengthen the common brand of Russian-European education. To provide sale it is supposed to develop the distance learning system, because many students cannot afford to live abroad but are interested in getting international diploma. It is also reasonable to hold joint conferences where students and faculty can learn more about different universities and recommend them to other consumers.

#### **4. Conclusions**

The developed marketing mix of Russia-EU's cooperation in the education sphere in the context of globalization is oriented on the development of private innovative initiatives, emerging on common Russian and European market of education services and on limited but active participation of the state in the cooperation process. At the same time it is universal and possesses only common recommendations, which can be and must be detailed in the process of its actual implementation by certain Russian and European universities depending on their specific activity and market situation. In conclusion it should be emphasized that any cooperation is always bilateral in its nature. Consequently, the given recommendations are to be recognized and introduced by all universities. It will allow meeting the objective in short- and the medium term.

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