

## INTERNATIONAL ECONOMIC CO-OPERATION IN THE FIELD OF HIGHER EDUCATION

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**Abstract.** This article examines international economic co-operation in higher education as a complex, multidimensional process integrating economic, institutional, academic, political, and security components. The research is based on a theoretical and methodological framework that draws on approaches to the internationalisation of higher education, concepts of the knowledge economy, theories of international economic co-operation and approaches to analysing transnational higher education and the global market for educational services. Particular attention is devoted to analysing the economic nature of international co-operation in higher education, including its main forms and strategies such as academic mobility, international educational programmes, grant financing, transnational education and the activities of international branch campuses. It is demonstrated that, in the current climate, higher education operates as a sector of international trade in services, with universities playing an active role in global economic interactions. In its applied dimension, the article outlines the main risks associated with international economic co-operation in higher education. These include financial dependence on external resources, institutional asymmetry, intensified competition between universities, the loss of intellectual capital and the instability of short-term economic models. It demonstrates that, in times of war, these risks become systemic and directly impact the functioning of Ukraine's higher education system. The study concludes that a balanced model of international economic co-operation is needed, combining integration into the global educational space with the preservation of institutional autonomy, the development of national scientific potential and the economic sustainability of higher education institutions. *Research methods.* The research is based on formal, legal, systemic, structural, functional and comparative methods, as well as an economic and analytical approach to assessing international co-operation in higher education. The study is based on an analysis of international scientific research, statistical data, legal and regulatory documents, and the operational practices of higher education institutions within the global educational landscape. *Purpose of the article.* The article aims to provide a comprehensive analysis of international economic co-operation in higher education. It seeks to determine the economic essence of this co-operation, its forms, and the strategies for its implementation. Additionally, it aims to identify the risks and limitations that affect the development of Ukraine's higher education system under conditions of globalisation and martial law. *Conclusions.* The study concludes that international economic co-operation in higher education is an integral part of the modern knowledge economy, as well as being an important means of integrating states into the global community. Higher education fulfils a social and an economic function, ensuring the formation of human capital, encouraging innovation and enabling participation in the international market for educational services. It has been determined that the primary forms of international co-operation possess significant economic potential; however, they simultaneously generate risks of financial dependence, institutional asymmetry, and loss of human capital. Under conditions of war, it has been shown that international co-operation has a dual nature: on the one hand, it is a critically important resource for support and development; on the other hand, it makes the higher education system more vulnerable to external factors. The argument is made that an effective model of international economic co-operation should be based on

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the principles of long-term strategy, diversification of funding sources, institutional resilience, and the combination of international integration with the development of national educational potential.

**Keywords:** international economic co-operation, higher education, internationalisation, transnational education, academic mobility, educational services, human capital, globalisation, innovation, risks

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## 1. Introduction

The contemporary development of the global economy and the formation of the knowledge economy are accompanied by the active internationalisation of higher education, which increasingly extends beyond national educational systems and acquires the characteristics of a fully-fledged object of international economic co-operation. Higher education has evolved beyond its traditional role as a socio-cultural institution, becoming an integral component of international trade in services. This transformation is crucial for the development of human capital, the promotion of innovation, and the integration of states into the global landscape.

These processes are of particular significance for Ukraine, which, in the context of European integration and martial law, is required to address three concurrent tasks: the modernisation of the higher education system, the preservation of scientific potential, and the assurance of international competitiveness. In this context, international economic co-operation in higher education functions not only as an instrument of integration but also as a mechanism for supporting the functioning of the system, attracting resources, and creating preconditions for post-war recovery.

Concomitantly, such integration is accompanied by a number of complex challenges related to financial dependence on external sources, asymmetry of opportunities among universities, risks of intellectual capital outflow, and the influence of geopolitical factors on international educational interaction. This necessitates a comprehensive study of international economic co-operation in higher education, taking into account its economic, institutional and security dimensions.

## 1. Research Methodology

### 1.1. Scientific Analysis of Scholarly Works on the Research Topic

The present state of scientific research on international economic co-operation in the field of higher education is formed at the intersection of economic theory, international relations, educational policy, and studies on the internationalisation of education. The theoretical foundation of the concept of the knowledge economy, the globalisation of educational processes, and the conceptualisation of

higher education as a component of the international market for services, is of particular significance in this context.

In the academic literature, a significant amount of attention is dedicated to the study of the internationalisation of higher education as a complex, multidimensional process integrating academic, economic, and institutional components. In particular, it has been demonstrated that contemporary higher education increasingly functions as an element of the global economic environment, within which universities act not only as educational institutions but also as active participants in international economic activity (Altbach, Knight, 2007).

A separate line of research focuses on transnational higher education and international branch campuses as a means of exporting educational services. These studies emphasise that the establishment of international campuses is the result of a deliberate economic strategy aimed at market expansion, diversifying funding sources and strengthening universities' competitive positions (Wilkins, Huisman, 2012). Further research shows that the development of international branch campuses is systemic and determined by a combination of economic, institutional and cultural factors (Escrivá-Beltran, Muñoz-de-Prat, Villó, 2019; Paniagua, Villó, Escrivá-Beltran, 2022).

A significant aspect of the scientific discourse pertains to studies that directly address international co-operation in higher education. These studies involve the analysis of the mechanisms of its formation, the stages of its implementation, and the determinants of its effectiveness. It is emphasised that international co-operation constitutes a complex process requiring a clear definition of objectives, proper legal formalisation, adequate resource provision, and systematic monitoring of outcomes (Chan, 2024).

In the context of Ukrainian academic literature, a substantial degree of attention is allocated to issues pertaining to the integration of the higher education system into the European Higher Education Area, the development of academic mobility, and the establishment of international educational relations. In particular, studies focus on the adaptation of the national educational system to European standards, the role of international co-operation in enhancing the quality of education, and the formation of competitive human capital (Hryniuk, Zaitseva, 2022; Radyshevskaya, 2019; Chaika-Petehyrych, 2014).

A separate group of studies is devoted to the economic aspects of the internationalisation of higher education, including the development of the global market for educational services, the impact of international mobility on national economies, and the role of universities as economic actors (Meshko, Prysvitla, 2015; Chabala, 2015). The works under consideration emphasise that international co-operation in higher education is an important factor in economic development. However, they simultaneously generate risks of financial dependence and intensified competition among universities.

Concurrently, concerns pertaining to the repercussions of geopolitical factors, armed conflicts, and economic instability on international economic co-operation in higher education, in addition to the establishment of a sustainable model for integrating national educational systems into the global context, remain inadequately investigated.

Despite the existence of a considerable body of scholarly work devoted to the internationalisation of higher education and international co-operation, further comprehensive research is required on the economic nature of these processes, their risks and limitations, as well as the specific features of their functioning under conditions of martial law.

## 1.2. Methodological Features of the Research

The study employs a combination of general scientific and specialised methods to ensure a comprehensive analysis of international economic co-operation in the field of higher education as a complex, multi-level phenomenon functioning at the intersection of economic, legal, institutional, and social processes. The methodological framework of the research is constructed with due regard to the interdisciplinary nature of the subject matter, which allows for the integration of approaches from economic theory, international relations, and administrative legal regulation.

Firstly, a systemic approach is applied, which facilitates consideration of international economic co-operation in higher education as a holistic system of interrelated elements, including educational actors, financial flows, regulatory frameworks, institutional mechanisms, and forms of international interaction. The systemic approach facilitates the identification of internal interconnections between various forms of co-operation and the determination of their place within the global market structure for educational services.

Secondly, the methods of analysis and synthesis are employed to identify the main forms, mechanisms, and instruments of international co-operation in higher education. This includes academic mobility, international educational programmes, transnational

education, and the activities of international branch campuses. The aim is to generalise their economic content and functional purpose. The utilisation of these methodologies enables the transition from the examination of individual elements to the establishment of a comprehensive understanding of the system of international educational interaction.

Thirdly, the methods of induction and deduction are applied. Drawing on an analysis of particular expressions of the internationalisation of higher education – including participation in international programmes, the attraction of foreign students, and the development of joint research projects – general conclusions are drawn regarding the patterns of development of international economic co-operation in this field. Concurrently, the general theoretical provisions of the knowledge economy and globalisation are utilised to derive specific conclusions concerning the functioning of the national higher education system under conditions of international competition.

Fourthly, the formal legal method is employed for the analysis of legal and regulatory acts governing higher education and international co-operation. This includes the legislation of Ukraine, international agreements, and regulatory documents of the European Union. The application of this method facilitates the determination of the legal status of the subjects of international co-operation, the definition of the scope of their competencies, and the identification of the specific features of the legal regulation of international educational activities.

Fifthly, a comparative method is applied to juxtapose national and international approaches to the organisation of higher education, the internationalisation of educational processes, and the formation of international educational relations. This method facilitates the identification of both common and distinctive features in the functioning of educational systems, as well as the assessment of the degree of Ukraine's integration into the European and global educational space.

Moreover, the study employs an economic and analytical approach, which facilitates the evaluation of international economic co-operation in higher education from the perspective of financial flows, the development of the market for educational services, the attraction of investments, and the enhancement of the competitiveness of universities. The utilisation of this approach engenders the capacity to conceptualise higher education not solely as a social sphere, but also as a pivotal sector of the international economy, operating in accordance with the tenets of the market and global competition.

The amalgamation of these methodologies guarantees an exhaustive investigation of international economic collaboration in higher education, encompassing the identification of its economic nature, predominant

forms and mechanisms of implementation, as well as the assessment of risks and limitations impeding the advancement of the national higher education system in the context of globalisation and contemporary geopolitical challenges.

## **2. Theoretical Foundations of International Economic Co-Operation in the Field of Higher Education**

### **2.1. Essence and Economic Nature of International Economic Co-Operation in Higher Education**

Contemporary processes of globalisation and the development of the knowledge economy have resulted in the transformation of higher education from a predominantly domestic social sphere into an important object of international economic co-operation. This transformation can be attributed to the increasing involvement of higher education institutions in the international exchange of knowledge, educational services, technologies, investments, research resources and human capital. Consequently, the notion of international co-operation in higher education should be comprehended not solely as a humanitarian or cultural phenomenon, but also as a substantial catalyst for economic development, enhancement of competitiveness, and integration into the global market for knowledge.

In the context of the implementation of the Association Agreement with the European Union, which defines a strategic course towards the modernisation of the higher education system, its approximation to the European Higher Education Area, and the alignment of national approaches to the organisation of educational processes with European standards and values, this issue has acquired particular importance for Ukraine (Law of Ukraine on Ratification of the Association Agreement, 2014; Association Agreement between Ukraine and the European Union, 2014).

In conditions of martial law, international co-operation in higher education takes on an additional dimension, which is linked to ensuring the resilience of the national education system, maintaining training quality, attracting international projects and funding, and increasing students' and academic staff's access to international academic and labour markets (Hryniuk, Zaitseva, 2022). In this context, international economic co-operation serves as a mechanism for both modernisation and recovery, facilitating infrastructure development, the implementation of advanced technologies, and strengthening positions within the international educational and scientific community.

From a theoretical perspective, international economic co-operation in higher education can

be understood as a system of institutionalised interactions between states, universities, international organisations and other stakeholders, with the aim of jointly producing, exchanging, financing and utilising educational, scientific, technological and human resources. Within this framework, higher education emerges as both a public good and a distinct segment of international economic activity, characterised by the circulation of investments, innovations, and intellectual capital.

Such co-operation has an economic nature, which is manifested through the formation of financial flows, the development of the market for educational services, the attraction of investments, and the enhancement of the competitiveness of universities and national economies. Consequently, international co-operation in higher education can be seen as an integral part of the global knowledge economy, combining elements of market interaction, institutional regulation and strategic development.

### **2.2. Theoretical Approaches to International Economic Co-Operation in Higher Education**

In academic discourse, international co-operation can be interpreted using various theoretical approaches, such as political realism, functionalism, constructivism and economic theory. Each of these approaches provides specific analytical tools with which to understand the nature and mechanisms of international interaction.

Within the framework of political realism, international co-operation is viewed as a means of achieving national interests, ensuring security and maintaining the balance of power. Arnold Wolfers emphasised that co-operation between states is not an end in itself, but rather a means of strengthening their strategic position within the international system (Wolfers, 1962). In the context of higher education, this approach allows for the interpretation of international educational co-operation as a state policy element aimed at developing human capital, enhancing international reputation and expanding geopolitical influence.

The functional approach explains international co-operation as a response to practical needs that cannot be effectively addressed within the boundaries of a single state. From this perspective, priority is given to pragmatic interaction mechanisms based on expertise, coordination and knowledge exchange. This approach is particularly relevant to higher education, where educational and research activities inherently require international co-operation in areas such as the standardisation of educational programmes, the mutual recognition of qualifications, academic mobility and joint research initiatives (Chan, 2024).

The constructivist approach focuses on the role of norms, values and identities in shaping international co-operation. In this context, both European integration and Europeanisation play a significant role in Ukraine, influencing its external relations and the internal transformation of its higher education system. European integration involves strengthening ties with the European Union, while Europeanisation involves adapting national systems to European standards and institutional models (Kupchak, 2019; Radyshevska, 2019).

At the same time, the economic approach is of decisive methodological significance as it enables international co-operation to be analysed in terms of economic benefit, market access, investment interaction, technological exchange and the efficient use of resources. Within this framework, co-operation between states is based on finding mutual advantages, and the main instruments used are trade, financial integration, investment flows and joint projects.

In this regard, the theory of comparative advantage developed by David Ricardo provides a significant explanatory basis for understanding the economic benefits of international interaction. Although originally formulated in the context of international trade, this theory can be extended to the sphere of higher education, where states and institutions specialise in the provision of educational services, research activities, and innovation development according to their competitive strengths.

Consequently, international economic co-operation in higher education should be conceptualised as a complex multidimensional phenomenon combining political, economic, institutional, and socio-cultural components. However, in the contemporary context, the economic dimension assumes primacy, as higher education increasingly functions as a strategic resource for economic growth, innovation development and global competitiveness.

### **3. Forms of International Economic Co-Operation in the Field of Higher Education**

International economic co-operation in the field of higher education is not realised in an abstract dimension; rather, it is realised through specific organisational, academic, institutional, and financial forms of interaction between states, higher education institutions, international organisations, research centres, employers, and other actors of the educational space. It is precisely through these forms of co-operation that the exchange of knowledge takes place, along with the movement of human capital, the joint production of educational and scientific outputs, the development of infrastructure, the attraction of investment, and the formation of long-term network connections. It is therefore imperative to comprehend the forms

of international economic co-operation in higher education as the external manifestation of the content of international educational interaction. This interaction produces a simultaneous educational, institutional and economic effect (Obolenska, Tsyrukun, 2016; Chaika-Petehyrych, 2014).

In academic literature, it is rightly emphasised that the most well-known form of internationalisation in higher education is international student mobility, i.e., studying abroad. V. P. Andrushchenko, V. V. Molodychenko and A. A. Sbruieva, among other scholars, consider this to be the most visible manifestation of national education systems being open to the global educational space (Andrushchenko, Molodychenko, 2010; Sbruieva, 2001). Its significance lies in both the acquisition of new knowledge and competencies by students and the creation of financial flows associated with tuition fees, accommodation, academic services, the use of university infrastructure and subsequent integration into the international labour market. Therefore, academic mobility should be considered not only as an educational tool, but also as a fundamental form of international economic co-operation in higher education.

The second important form is the mobility of academic and teaching staff, researchers, doctoral candidates and postgraduate students. Unlike student mobility, this form is directly related to not only the educational process, but also research activities, knowledge production, the academic reputation of universities and the transfer of scientific approaches. Studies by Andrushchenko and Molodychenko, as well as broader research on the internationalisation of higher education, emphasise that staff mobility contributes to strengthening inter-university ties, forming joint research schools, exchanging teaching methodologies, improving educational programmes and enhancing the institutional capacity of higher education institutions (Andrushchenko, Molodychenko, 2010). From an economic perspective, this form of co-operation ensures access to grants, international funding and research infrastructure, thereby enhancing the competitiveness of universities in the global educational environment.

Joint educational programmes occupy a special place among the forms of international economic co-operation in higher education and should currently be regarded as one of the highest levels of integration between universities. Academic research rightly emphasises that co-operation in developing and implementing joint educational programmes indicates deep trust, normative compatibility and strategic alignment between partners (Obolenska, Tsyrukun, 2016). Such programmes involve joint curriculum development, learning outcome coordination, assessment procedure harmonisation, credit recognition and institutional responsibility sharing

for student training. They are economically significant because they enable the joint use of intellectual, human, financial and material resources, and create a more attractive educational product that can compete in the international education market.

Within joint educational programmes, it is important to distinguish between dual degree programmes and joint degree programmes. In dual degree programmes, students study at two or more universities located in different countries, receiving a separate diploma from each institution upon completion. By contrast, joint degree programmes result in a single diploma that reflects the shared academic responsibility of multiple institutions. These forms of co-operation require the highest level of organisational, financial and regulatory coordination between partners, and therefore represent not merely academic collaboration, but also a complex institutional and economic mechanism of international co-operation (Obolenska, Tsyrukun, 2016). In the current context, they are particularly important for Ukraine as they enable national educational programmes to be integrated into the European Higher Education Area while preserving the institutional autonomy of Ukrainian universities.

Another significant form of international co-operation is the formation of university consortia. This model involves two or more higher education institutions joining forces to achieve shared goals by pooling resources, coordinating research, exchanging educational opportunities, implementing joint programmes, participating in grant competitions and forming long-term alliances (Obolenska, Tsyrukun, 2016). From an economic perspective, consortia are a mechanism for optimising resources, reducing costs, expanding functional capacities and enhancing institutional resilience. This is particularly important in the context of martial law and post-war recovery, where consolidating efforts enables the preservation of educational quality and the compensation of losses in infrastructure, human resources and financial capacity.

Another important form is partnership teaching, which has taken on new importance due to the development of digital technologies. This includes joint courses, lectures, virtual classes, video conferences, guest lectures and the collaborative delivery of specific educational components or entire modules. It enables foreign lecturers to be involved without the significant costs associated with physical mobility, expands universities' academic offerings, improves the quality of education and integrates Ukrainian students into the international intellectual environment. From an economic standpoint, partnership teaching increases the value of educational services while keeping organisational costs relatively low, which makes it particularly relevant for universities seeking

to strengthen the international dimension of their programmes despite limited resources (Chaika-Petehyrych, 2014).

Academic staff exchange occupies a distinct place among forms of international co-operation. Although it is traditionally perceived as a standard academic activity, its significance extends far beyond short-term mobility. Visiting professors contribute to renewing educational content, developing teaching methodologies, expanding joint research, initiating new educational projects and strengthening institutional ties between departments, faculties and universities. In this sense, academic exchange facilitates the transfer of knowledge, academic practices and quality management models. This enhances institutional capacity to generate competitive educational outputs, producing long-term economic effects.

A separate group of forms encompasses joint research activities and co-financed scientific and educational initiatives. These include joint research projects, international conferences, seminars, publications, short-term research visits, thematic schools, laboratory co-operation and other initiatives financed by two or more partners (Chan, 2024). These forms most clearly demonstrate the economic nature of international co-operation in higher education, combining intellectual exchange with the movement of financial, material and organisational resources. Furthermore, long-term institutionalisation of joint research has the greatest impact. This is because it contributes to the formation of stable scientific networks, increases access to international funding and enhances the global presence of universities.

International internships, training programmes, socially oriented educational initiatives and study opportunities at partner institutions are also important forms of co-operation. Although they are sometimes perceived as supplementary, they play a significant role in integrating education with professional, civic and intercultural development. From an economic perspective, they contribute to the development of a highly skilled workforce that is well-adapted to the global labour market, while also strengthening the links between universities, employers, international companies and civil society institutions.

Both short-term and long-term student exchange programmes also play a crucial role. They should not be reduced to mere student mobility; rather, they encompass education, laboratory work, language learning, participation in scientific and social projects, internships, and immersion in a different academic environment (Andrushchenko, Molodychenko, 2010). In the current climate, student exchange is one of the most effective ways of forming transnational human capital, and it also serves as an economic instrument for redistributing educational resources, increasing demand

for educational services, and strengthening universities' international reputations.

Another important form is resource-sharing arrangements, which include access to laboratories, libraries, electronic databases, curricula, research infrastructure and digital platforms. Although they may seem auxiliary, these arrangements are one of the most efficient models of international economic co-operation, as they enable significant outcomes without the need for substantial capital investment. For Ukrainian higher education institutions, this model is particularly valuable during the recovery period, as it provides access to resources that may be temporarily unavailable, damaged or in need of modernisation.

Transnational forms of education, including educational franchising, twinning programmes, sandwich programmes and other coordinated models of study between home and partner institutions, reflect a shift away from traditional internationalisation based on student mobility towards the expansion of educational services into new markets. These models can therefore be considered one of the most explicit forms of exporting educational services. They enable universities to expand their academic presence internationally, diversify their revenue streams, strengthen their brand and access new segments of the global higher education market.

International accreditation of educational programmes is a distinct form of co-operation that has regulatory, reputational and economic significance. It aims to demonstrate the employability of graduates, involves multiple stakeholders including employers and students, and has a significant impact on the reputation of universities. In the current climate, it serves as both a quality assurance mechanism and an entry point into the global arena of trust, where recognition of educational quality becomes a valuable asset in the competition for students, funding, partners, and investments.

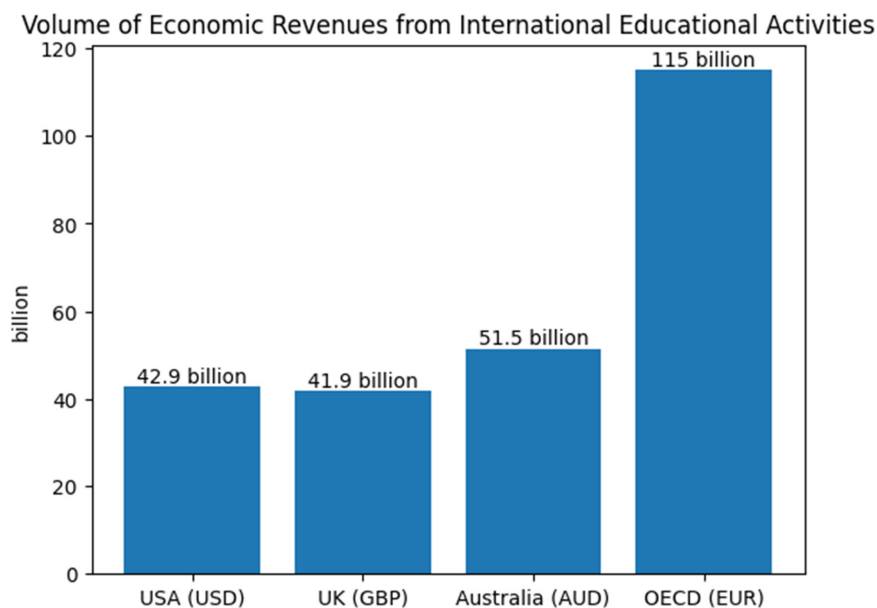
At the institutional level, these forms are implemented through bilateral agreements, multilateral networks and global, national and institutional programmes. This necessitates distinguishing at least three levels: global, national and institutional. At a global level, international organisations such as the Organisation for Economic Co-operation and Development (OECD), the United Nations Educational, Scientific and Cultural Organisation (UNESCO), the Organisation for Security and Co-operation in Europe (OSCE) and the World Bank play a crucial role in establishing standards and evaluation criteria for academic integrity, as well as providing direction for policy modernisation. At the national level, international co-operation is reflected in state policies that aim to integrate the country into the European Higher Education Area.

At the institutional level, it is realised through individual universities' strategies, partnerships and projects.

Research on the internationalisation of higher education and Organisation for Economic Co-operation and Development documents also identify the broader strategic models within which these forms of co-operation are implemented. These include mutual understanding, profit generation and capacity building strategies (Obolenska, Tsyrukun, 2016). Although these strategies are not formalised, they provide a framework for understanding the logic of international economic co-operation. The strategy of mutual understanding emphasises academic exchanges and partnerships, while the strategy of profit generation focuses on fee-based education, the export of educational services and the attraction of international students. The strategy of capacity building aims to develop human capital through education, training and professional development. Consequently, the forms of co-operation take on different meanings depending on the strategic motivations that dominate at state and university level.

The economic significance of international co-operation in the field of higher education is confirmed by statistical data (see Figure 1). It is evident that international students and the associated educational services contribute significantly to national economies. For instance, in the United States of America, the estimated contribution is 42.9 billion USD. Similarly, in the United Kingdom, the economic impact is estimated at 41.9 billion GBP. In Australia, international education generated 51.5 billion AUD, while in the countries of the Organisation for Economic Co-operation and Development, direct export revenues from international students exceeded 115 billion EUR. This demonstrates that higher education functions not only as a social institution but also as a significant segment of international trade in services.

It is imperative to acknowledge that the efficacy of international economic co-operation in higher education is contingent not solely on the existence of formal agreements, but also on the quality of partnership relations between institutions. In this context, particular importance is attributed to trust, compatibility of goals, similarity of value orientations, personal professional contacts, and the administrative capacity of universities to maintain such co-operation (Obolenska, Tsyrukun, 2016). This provides a foundation for the assertion that forms of co-operation are not autonomous instruments; rather, their efficacy is contingent upon the presence of a well-developed organisational architecture, adequate digital support, internal coherence of institutional priorities, and the capacity of higher education institutions to act strategically rather than episodically.



**Figure 1. Economic contribution of international higher education in leading countries and in the Organisation for Economic Co-operation and Development countries overall**

*Source: compiled by the author based on data from NAFSA, UK House of Commons Library, Australian Government Department of Education, and OECD*

#### **4. Economic Benefits and Risks of International Co-Operation in the Field of Higher Education**

##### **4.1. Economic Benefits of International Co-operation in Higher Education**

International co-operation in the field of higher education is of significance not only in terms of its academic and socio-cultural aspects, but also in relation to its economic dimension. This is evidenced by the movement of financial resources, human capital, innovations, research outputs, management models and educational services. In contemporary contexts, the internationalisation of higher education is increasingly associated with market processes. Consequently, the global market for educational services is gradually transforming into an independent sector of the economy. In this new environment, universities are no longer merely educational institutions, but also active participants in global competition. In this sense, the economic benefits of international co-operation encompass both direct financial inflows and long-term effects related to the development of human capital, innovation capacity, and international competitiveness of both the state and higher education institutions.

The most evident economic benefit of international co-operation is attracting financial resources to the higher education system. This includes revenues generated from international students, as well as grant, donor, project-based and investment funding obtained through universities' participation in international

programmes, consortia, research initiatives and partnership agreements.

Integration into the European educational space and the participation of higher education institutions in international projects creates additional opportunities for the financial support of educational reforms, infrastructure development and the modernisation of educational processes. Such co-operation mechanisms contribute to renewing the material and technical bases, implementing digital platforms, developing laboratories and research environments, and improving the efficiency of educational management systems.

In the context of martial law and Ukraine's future recovery, these processes become particularly important when internal resources are limited and the need for the rapid modernisation of the higher education system is increasing. In this context, international economic co-operation serves as both a source of additional funding and an essential instrument for ensuring the resilience and adaptability of the educational system in the face of contemporary challenges.

The second significant benefit is enhanced competitiveness in the provision of educational services. Internationalisation encourages universities to update their programmes, pursue international accreditation, improve their quality assurance systems, introduce joint degrees and promote their educational products internationally. International accreditation and integration into global trust networks can provide universities with additional reputational advantages that, in an increasingly competitive educational

market, can be converted into an economic resource. Recognition at an international level makes educational programmes more attractive to students, employers and partners, thereby increasing demand and strengthening the position of higher education institutions in the global market for educational services.

The third benefit lies in the formation and accumulation of human capital. The academic mobility of students, doctoral candidates, academic staff and researchers is one of the key forms of internationalisation. It has a direct economic effect as it ensures the acquisition of new knowledge, professional skills, language competencies, intercultural experience and access to modern scientific methods.

In the long term, this will contribute to training more competitive specialists for the national economy, expanding opportunities for innovation and increasing the adaptability of the labour market. Consequently, a new level of human capital emerges that can function in a globalised economic environment and integrate into international professional and scientific networks.

For this reason, academic mobility should be regarded not only as an educational advantage, but also as a strategic investment in the development of a nation's human capital. This ensures long-term economic outcomes and enhances a nation's overall competitiveness.

The fourth benefit is evident in technological and institutional modernisation. From an economic perspective, international co-operation is driven by the exchange of resources, technologies and management models. In the context of higher education, this means that international partnerships can provide access to advanced teaching technologies, digital platforms, laboratory equipment, governance practices, quality assurance mechanisms and academic management models. Through joint research, partnership teaching, shared resources and international projects, higher education institutions can utilise existing developments and accelerate their own institutional modernisation. In this sense, international co-operation acts as a catalyst for transforming the university environment.

The fifth important benefit is reducing costs and strengthening financial sustainability through co-operation. In the current climate of declining revenues, rising costs and increasing competition for a limited number of students, modern higher education is under pressure. In such circumstances, collaboration between universities is not just a means of achieving prestige, but also a way of ensuring economic survival and adaptation. Joint programmes, resource sharing, conferences, consortia and collaborative research enable institutions to enhance the value of their educational offerings and/or reduce costs. Thus, international co-operation can play a key role in mitigating the impact of crises, particularly for universities whose financial

models depend heavily on tuition fees or unreliable sources of income.

The sixth benefit is expanded access to international labour markets and innovation networks. International educational programmes, research projects and integration into the European Higher Education Area provide students with greater opportunities to access international labour markets on equal terms and participate in global professional and scientific communities.

This demonstrates that international economic co-operation in higher education has systemic significance for the national economy, extending beyond the interests of individual institutions. It enables trained specialists to integrate into broader professional and research environments, ensures access to innovative practices and technologies, and introduces new forms of work organisation.

This effect is particularly important for countries focused on economic modernisation. Integration into international chains of knowledge, innovation and professional mobility accelerates structural transformation and increases productivity. This contributes to the development of competitive human capital in a global context.

#### **4.2. Risks and Limitations of International Co-operation in the Field of Higher Education**

At the same time, international economic co-operation in higher education gives rise to risks that cannot be ignored in scholarly analysis. While internationalisation creates opportunities for modernisation, access to resources and integration into global academic and professional environments, it also creates structural vulnerabilities that can have a negative impact on individual higher education institutions and national education systems. Therefore, a balanced assessment of international co-operation must consider not only its advantages, but also the risks and limitations that accompany its implementation.

The first risk lies in the excessive commercialisation of higher education. If internationalisation is viewed exclusively through the lens of profitability, universities will gradually move away from their public and social missions, focusing instead on the most financially attractive segments of the education market. In this context, the profit-generation strategy becomes particularly apparent, whereby states and universities primarily offer educational services on a fee-paying basis. While such a strategy is not unlawful in itself, its dominance could shift the emphasis away from ensuring quality, accessibility and the public purpose of education towards purely commercial criteria. For public higher education systems, this creates a potential threat because, instead of acting as centres of knowledge production, human development and

social responsibility, universities may gradually transform into providers of market services mainly oriented towards revenue maximisation.

The second risk is financial dependence on external sources, such as student numbers, grant funding and partnerships. Even a relatively small decrease in student numbers can have a significant impact on the financial stability of a higher education institution. Therefore, a model based on a constant inflow of international students or uninterrupted receipt of external financial resources is highly vulnerable to geopolitical, demographic, security-related and macroeconomic changes. This reliance can become particularly problematic when a university lacks diversified income streams and is reliant on external funding to maintain its viability. In such circumstances, any fluctuations in international mobility, changes in donor priorities, or deterioration in the global economic environment may have serious negative consequences for the institution. Consequently, the outward financial success of internationalisation may mask a structurally unstable model of institutional development.

The third risk pertains to the exacerbation of inequality between universities and between nations. The global market for educational services is characterised by a high degree of competitiveness. The most significant advantages within this market are held by those higher education institutions that already possess a strong brand, international accreditation, developed infrastructure, stable funding, and access to global partnerships. In such circumstances, academic institutions in states experiencing war, structural transformation, or resource limitations face considerable challenges. This creates an asymmetry of opportunities, whereby stronger actors consolidate and expand their positions while weaker ones are forced to adapt to rules that they have had little or no input in formulating. For Ukraine, this risk is particularly significant, as internationalisation should not come at the expense of institutional autonomy, but rather be achieved through strengthening the national education system. Otherwise, international co-operation may not lead to equal integration, but rather to the reproduction of peripheral dependence within the global educational order.

The fourth risk is associated with the fragmentation of the national academic landscape and the loss of intellectual talent. While academic mobility undoubtedly creates new opportunities for professional and personal development, in the absence of appropriate state and institutional policies, it can become a mechanism for consolidating personnel losses rather than a means of development. If mobility predominantly involves an outward flow of people without their knowledge, experience, scientific contacts and professional potential being returned to the national system, there is a risk of weakening the

state's internal scientific and educational capacity. For a country requiring substantial intellectual resources for reconstruction and modernisation, such a risk takes on strategic significance. For this reason, international co-operation should combine with mechanisms for the circulation of knowledge, rather than the one-sided relocation of highly qualified personnel beyond national borders. Without these mechanisms, internationalisation could contribute to the erosion of the human capital on which national recovery depends.

The fifth risk is the complexity involved in managing international partnerships. International co-operation is a multidimensional process requiring clear goal-setting, effective planning, proper legal formalisation, adequate resource support, continuous monitoring and systematic evaluation of results. Trust between partners, compatibility of institutional goals, cultural understanding, ethical consistency and consideration of possible changes in funding, staffing and visa regimes are equally important. Concluding an agreement does not guarantee the success of co-operation. Without adequate institutional capacity, professional international management and a developed digital infrastructure, a partnership may be merely formal and ineffective, or even a drain on resources. Therefore, the success of international co-operation depends not only on external contacts, but also on the organisational maturity of the university itself.

The sixth risk is instability caused by short-term economic decisions disguised as internationalisation. Some revenue growth models prove unstable when based exclusively on an uninterrupted inflow of students or short-term cost reductions. It is of fundamental importance to exercise caution here, because international co-operation in higher education must be based on a long-term development strategy rather than situational financial calculation. Otherwise, a university risks prioritising the quantitative expansion of external partnerships over the substantive enhancement of educational quality, research capacity and internal institutional resilience. In such cases, internationalisation may become an indicator of external activity that does not create sustainable foundations for long-term academic and economic development.

The identified risks should be illustrated not only doctrinally, but also through specific quantitative indicators that demonstrate the financial and institutional vulnerability of the higher education system in the context of international competition and dependence on external educational flows. These indicators facilitate a transition from general theoretical conclusions to a more substantiated assessment of the higher education system's resilience, as well as identifying the areas requiring enhancement. In this sense, the analysis of risks in the field of international economic co-operation should not be confined to abstract warning

statements; rather, it should serve as a basis for the development of institutional mechanisms capable of reconciling openness to the global educational space with the preservation of national academic capacity, financial stability, and strategic autonomy.

Thus, international economic co-operation in higher education should be regarded as a dual-natured phenomenon. On the one hand, it creates opportunities for economic development, modernisation, innovation and integration into global professional and scientific networks. However, it also creates systemic risks that could undermine the stability of universities and the long-term effectiveness of national educational policy. For this reason, a sustainable model of internationalisation must be based on the principles of balance, institutional resilience, funding source diversification, and the preservation of national intellectual potential.

The identified risks should be illustrated not only in terms of doctrine, but also through specific quantitative indicators that demonstrate the level of financial and institutional vulnerability of the higher education system in the context of international competition and dependence on external educational flows.

#### 4.3. Ukraine in the System of International Economic Co-operation in the Field of Higher Education

In the contemporary world, higher education increasingly functions as part of the global knowledge economy, rather than as a purely socio-cultural institution. Therefore, Ukraine's participation in international economic co-operation in higher education should not be considered a peripheral

aspect of educational policy, but rather an integral part of a broader strategy encompassing economic integration, intellectual security, and the development of competitive human capital. This approach aligns with the views of Philip G. Altbach and Jane Knight, who argue that the internationalisation of higher education is influenced by academic and cultural factors, as well as the pursuit of economic benefits, the growth of educational service markets, and the enhancement of universities' international competitiveness (Altbach, Knight, *The Internationalization of Higher Education*, 2007).

The assumption underpinning this study is that Ukraine is engaged in international economic co-operation in the field of higher education across multiple interconnected domains. The initial dimension is of an academic nature and encompasses the mobility of students and academic staff, participation in joint educational programmes, research networks, and international university alliances. The second dimension is institutional and economic. It is associated with attracting grant resources and international funding, developing shared infrastructure, digitalising the educational process and modernising the material and technical base. The third dimension is strategic, relating to the positioning of Ukrainian universities within the global educational landscape and their capacity to compete for talent, scientific resources, partnerships and intellectual property.

At the same time, Ukraine's participation in international initiatives in this field remains structurally asymmetric. In many cases, Ukrainian higher education institutions are integrated into existing international frameworks as implementers or recipients. However, the

Table 1

#### Indicators of the risks of international economic co-operation in the field of higher education

Risk	Indicator	Value	Conclusion
Financial dependence on international students	Economic contribution of international students in the USA, 2024–2025	42.9 billion USD and 355,736 jobs	A decline in international mobility immediately has macroeconomic and institutional consequences.
Vulnerability of the sector to a decline in external demand	Decrease in international enrolment in England, recorded by the regulator in 2023–2024; the aggregated sector surplus decreased	the sector surplus decreased by 37%	A reduction in international enrolment directly affects the financial sustainability of universities.
Dependence on international educational flows at the state level	Economic impact of international students in the United Kingdom for the 2021/22 cohort	41.9 billion GBP gross effect, 37.4 billion GBP net effect	Educational export generates significant revenues but also increases dependence on the external student market.
Risk of global fluctuations in the field of educational export	Direct export revenues from international students in the countries of the Organisation for Economic Co-operation and Development	from over 50 billion EUR in 2010 to over 110 billion EUR in 2019	The scale of the market is growing, and along with it the sensitivity of universities to external shocks is increasing.
Instability of a model based on continuous growth of international enrolment	Assessment of the Office for Students regarding enrolment forecasts in 2024	significantly lower enrolment than previous forecasts; more providers with deficits	Reliance on continuous growth in international enrolment is financially risky.

development of strategic co-operation, the establishment of priorities and the allocation of resources take place outside the national system. As Stephen Wilkins and Jeroen Huisman have demonstrated, the transnational presence of universities, particularly in the form of international branch campuses, is the result of deliberate strategies aimed at entering new markets, diversifying financial flows and strengthening institutional influence (Wilkins, Huisman, *The International Branch Campus as Transnational Strategy*, 2012). This suggests that, in addition to being an academic sphere, contemporary higher education also functions as a competitive economic environment.

Research by María Escrivá-Beltrán, Javier Muñoz-de-Prat and Cristina Villó shows that transnational higher education and international branch campuses have become a permanent feature of the global education system (Escrivá-Beltrán, Muñoz-de-Prat, Villó, *Insights into International Branch Campuses*, 2019). Jordi Paniagua and co-authors, meanwhile, substantiate that the development of cross-border higher education is determined by a complex set of economic, institutional and cultural factors, with economic factors playing a particularly significant role (Paniagua, Villó, Escrivá-Beltrán, *Cross-Border Higher Education*, 2022). This means that the success of international economic co-operation in higher education should be assessed not only by the number of formal agreements or mobility

programmes, but also by a national system's ability to utilise these processes for its own development.

At the same time, this integration comes with a number of significant risks that, under current conditions, have systemic implications. Firstly, higher education institutions are becoming increasingly dependent on external student numbers, grant funding and partnerships. A model based on a constant inflow of international students or continuous international funding is vulnerable to changes in geopolitical situations, migration policies, economic conditions and security environments. Without diversification of funding sources, even minor fluctuations could result in substantial losses.

Secondly, the issue of asymmetry and inequality between universities and countries is becoming more pronounced. The global education market is based on competition, which gives institutions with developed infrastructure, strong reputations and access to international resources an advantage. Universities in countries affected by war or economic instability are forced to adapt to these conditions despite having no influence over them, which increases the risk of them becoming marginalised within the global educational system.

Thirdly, there is a risk of an outflow of intellectual potential and the fragmentation of academic spaces. In the absence of effective mechanisms for the

Table 2

**Risks of international economic co-operation in the field of higher education and selected indicators of their manifestation**

Risk	Indicator	Value	Analytical conclusion
Infrastructure vulnerability	Share of damaged or destroyed higher education institutions in Ukraine	27% of higher education institutions	Physical destruction of infrastructure directly limits the capacity of universities for international mobility, hosting partners, developing joint programmes, and participating in cross-border projects.
Territorial instability	Number of temporarily relocated higher education institutions	19 higher education institutions	Relocation of universities indicates institutional instability and increases the costs of maintaining international co-operation.
Dependence on external educational flows	Number of international students in Ukraine as of 2024	33,328 persons	Any deterioration in the security situation or international image of the country may directly reduce this contingent and the corresponding revenues.
Human resource pressure	Number of academic and teaching staff in the higher education system of Ukraine	115,857 persons	Preservation of this human resource potential is critical for international projects; its erosion increases the risk of losing the capacity to participate in global networks.
Demographic and mobilisation pressure	Total number of students in higher education institutions of Ukraine as of 2024	1.149 million persons	A reduction of this base or deterioration in access to education will directly affect the long-term competitiveness of the system.
Risk of forced external educational migration	Number of Ukrainian refugees remaining displaced in Europe	over 6.3 million persons	Prolonged displacement of the population increases the risk of entrenchment of educational and scientific migration outside Ukraine.
Vulnerability of the research system	Recorded deterioration of conditions for conducting scientific and experimental work in Ukraine	confirmed by UNESCO in 2024	Deterioration of research conditions reduces the ability of universities to act as equal partners in international economic co-operation.

return of knowledge and experience to the national system, academic mobility, which should essentially contribute to development, may become a mechanism of personnel loss. For Ukraine, which is in the process of recovery, preserving human capital is a critically important task.

Fourthly, managing international partnerships becomes significantly more complex. It requires a high level of institutional capacity, professional management, legal support and digital infrastructure. Without these elements, international co-operation may remain merely formal or be ineffective.

Fifthly, there is a risk of prioritising short-term economic benefits over sustainable development. Models that are based solely on increasing student numbers or rapidly attracting financial resources are unstable and may lead to strategic imbalances in university development.

In times of war, these risks are exacerbated by additional factors, such as the destruction of educational infrastructure, the forced relocation of higher education institutions, reduced student numbers, and restrictions on academic mobility. These factors create a new reality for the functioning of the higher education system, in which international economic co-

operation is both a necessity and a source of increased vulnerability.

In this regard, the identified risks should be analysed not only at a conceptual level, but also using specific quantitative indicators to assess the system's actual condition and degree of sensitivity to external influences. These indicators facilitate the transition from general theoretical conclusions to a substantiated evaluation of the institutional resilience of the higher education system, enabling the identification of areas for improvement.

Consequently, Ukraine is at a distinctive stage of development in which international economic co-operation in the field of higher education simultaneously constitutes a necessity, an opportunity, and a challenge. It can thus be posited that international co-operation in the domain of higher education is an economically contingent, strategically organised, and competitively structured process. Therefore, it is imperative that Ukraine's participation in this initiative is predicated not on situational adaptation, but rather on a long-term strategy of institutional strengthening, the protection of its own scientific potential, and the assumption of an active role in the global knowledge economy.

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