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DIGITAL UNIVERSITY AS A SUBJECT OF ECONOMIC ACTIVITY

Modern universities are undergoing a profound transformation, evolving from traditional educational institutions into multifunctional economic entities. This shift is largely driven by the rapid advancement of digital technologies, which not only reshape the way we learn and conduct research but also establish new rules for the educational services market.

The modern market of educational services is characterized by a specific type of competition, which can be defined as deterministic quasi-competition. This combines market and regulatory mechanisms aimed at improving the efficiency of educational institutions while maintaining control by government agencies. In this context, quasi-competition means that universities formally compete with each other, but their key resources – funding and regulatory restrictions – are set by the state. This creates an environment where real competition is limited, with market mechanisms partially regulated or altered by government policy.

An analysis of the economic activity of higher education institutions during the transition from a planned to a liberal market management model reveals significant transformations. This shift, marked by the introduction of free market competition under specific historical conditions, has profoundly impacted the functioning of universities [1; 2]. Simultaneously, the growing role of knowledge and information in the modern economy, alongside societal modernization, presents additional challenges for educational institutions, complicating their operations and necessitating constant adaptation to evolving conditions.

Flexible transformation processes are hindered by incomplete adaptation of higher education management systems to market conditions, while regulators and founders continue to set new, high-level tasks. Thus, management tools and methods of economic activity began evolving in the late twentieth century, when institutions faced full responsibility for the consequences of strategic decisions and the need to rapidly respond to constant external changes, triggered by the dismantling of centralized planning and associated financing and management procedures [3, p. 64]. The radical nature of the process and the high speed of these changes led to a fundamental transformation of the economic and managerial contexts.

Driven by these factors, higher education institutions have modernized their management systems, key processes, services, and products, enabling them to function in an environment of intensified competition with greater autonomy, including the independence to shape their portfolio of fields and educational programs.

The specificity of the current stage of competition in the field of higher education is marked by high resource intensity, where maintaining competitiveness requires continuous investment in positioning, infrastructure, and human resources, which have an unguaranteed and delayed effect [4, p. 109]. Universities face increasing obligations and must allocate significant resources, accepting the risks and losses to economic sustainability. The need to attract new sources of investment and positioning leads to participation in government competitions and programs. In their pursuit of success, higher education institutions assume obligations at the limit of their capabilities with the possibility of their non-fulfilment. If they fail to meet these targets, allocated funds may be reclaimed, jeopardizing the institution's economic sustainability.

Another risk factor for the economic model is that while that the transformation of higher education institutions within the framework of digitalization is an urgent task, it is often implemented without sufficient attention to economic considerations. The lack of a clear and sustainable economic model to support the proposed changes can result in unpredictable consequences for higher education institutions. It is essential to recognize that one-size-fits-all approach may not be effective in the context of a diverse education market.

There is often a misconception that the concepts of competitiveness and economic sustainability are inextricably linked. As the researcher S. Yahodzinsky notes: "The effectiveness of financial and economic activities of universities, and their financial sustainability should be considered as an objective condition for ensuring their competitiveness" [5, p. 30]. However, the reverse is not necessarily true: a university that excels in terms of competitiveness through state programs may still weaken its economic sustainability. A key challenge is developing a mechanism for combining the tasks of forming an economically sustainable model of university activity with the goals of increasing competitiveness, in particular, the outstripping growth of unified indicators. This concerns issues related to achieving synergies and harmonizing the activities of management and core processes with subsystems aimed at ensuring the growth of economic potential and sustainability, while also meeting competitiveness targets.

To summarize, the digital transformation of higher education institutions in a market economy is inevitable, yet it presents significant challenges to their economic sustainability. Integrating digital technologies requires universities to develop new economic models that can ensure efficient use of resources and adaptability to a changing environment. At the same time, it is crucial to balance the increasing demands for competitiveness with the need to maintain long-term financial stability.

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