СУТНІСТЬ ВИЩОЇ ОСВІТИ ЯК СУСПІЛЬНОГО БЛАГА В КОНТЕКСТІ СТАНОВЛЕННЯ ЕКОНОМІКИ ЗНАНЬ

Актуальність. Актуальність досліджуваної теми базується на виявленні та аналізі сучасних трансформаційних тенденцій, що відбувають об’єктивний процес переходу від традиційних ринкових відносин, які передбачають панування капіталу, представленого у вигляді засобів виробництва, до таких, що виокремлюють науку, інтелектуальні здібності людини в якості визначальних факторів виробництва. Поступовий процес формування відносин економіки знань вимагає переосмислення ролі науки та освіти оскільки результати наукової діяльності, які у індустріальному суспільстві були відокремлені від працівників, сьогодні пов’язуються з людиною, фахівцем, який здатний продукувати нові знання, реалізувати інноваційні проекти, таким чином змінюючи зміст виробничих відносин. Відповідно до означених процесів відбувається розвиток концепції суспільних благ як з точки зору трансформації їх характеристик, так і з критерію збільшення їх категорії. В сучасному світі у економічно розвинутих країнах вища освіта трактується як суспільне благо, що пояснює підвищення наукового інтересу до цього явища та актуальність дослідження цієї проблематики. Для України науковий розгляд цих питань набуває особливої актуальності оскільки наша країна прагне бути залученою до європейської спільноти у якості рівного партнера, що вимагає урахування та імплементації основних принципів розвитку ЄС у нашій країні.

Мета та завдання. Метою дослідження є теоретичний аналіз сутності вищої освіти як суспільного блага в якості одного з елементів прояву процесу становлення економіки знань.

Матеріали та методи. В процесі дослідження використовувались такі наукові методи як: метод сходження від абстрактного до конкретного, наукової гіпотези, аналізу та синтезу.

Результати. В результаті дослідження було проведено аналіз трансформації концепції суспільних благ у відповідності до еволюційного розвитку економічних відносин на основі чого було розкрито теоретичний зміст вищої освіти в якості суспільного блага в контексті становлення економіки знань.

Висновки. Нові орієнтири щодо напрямів у суспільному розвитку, пов’язані зі зростанням ролі освіти та наукових знань як основних сучасних рухомих сил. Сфера освіти та науки сьогодені відтакає не лише як найважливіший фактор економічного розвитку, а й як основний фактор, що забезпечує прогрес суспільства в цілому. Відповідно до викладеної позиції, науку і освіту необхідно розглядати як суспільні блага. Крім того, вища освіта як пріоритетна сфера розвитку у системі державних цілей, на сучасному етапі формування економіки знань також повинна розглядатися в якості суспільного блага і бути підзвітною суспільству.

Ключові слова: наука, освіта, вища освіта, суспільні блага, невиключність доступу до блага, неконкурентність доступу до блага, неконкурентність при споживанні, економіка знань, меритократія.
THE ESSENCE OF HIGHER EDUCATION AS A PUBLIC GOOD IN THE CONTEXT OF THE KNOWLEDGE ECONOMY FORMATION

**Topicality.** The relevance of the topic under study is based on the identification and analysis of modern transformational trends reflecting the objective transition process from traditional market relations, which involve the dominance of the capital presented in the form of means of production, to those that distinguish science and human intellectual abilities as production determining factors. The gradual process of the knowledge economy relations formation requires reconsideration of the role of science and education as the results of scientific activities that were separated from employees in an industrial society are now associated with a person, an expert who is able to produce new knowledge and implement innovative projects thus changing the content of production relations. In accordance with these processes, the concept of public goods is being developed both from the point of view of transforming their characteristics and in terms of the criterion of increasing their categories. In the modern world, in economically developed countries, higher education is interpreted as a public good, which explains the increase of scientific interest in this phenomenon and the relevance of research on this range of problems. The scientific consideration of these issues becomes particularly relevant for Ukraine as this country seeks to be involved in the European community as an equal partner, which requires taking into account and implementing the basic principles of EU development in this country.

**Aim and tasks.** The aim of this research is to theoretically analyse the essence of higher education as a public good, which is one of the elements manifestation of the knowledge economy coming into being process.

**Materials and Methods.** In the course of this research, the following scientific methods were used: the methods of moving from the abstract to the concrete, scientific hypothesis, analysis and synthesis.

**Research results.** As a result of this study, the public goods concept transformation was analysed in accordance with the evolutionary development of economic relations, based on which the theoretical content of higher education as a public good in the context of the knowledge economy formation was revealed.

**Conclusion.** New guidelines for directions in social development related to the growing role of education and scientific knowledge as the main modern driving forces. The sphere of education and science today stands out not only as the most important factor of economic development, but also as the main factor that ensures the progress of society as a whole. According to this position, science and education should be considered as public goods. In addition, higher education as a priority area of development in the system of state goals, should also be considered as a public good and be accountable to society at the present stage of the of the knowledge economy formation.

**Keywords:** science, education, higher education, public goods, non-excludability of access to the good, non-rivalry in consumption, knowledge economy, meritocracy

**Problem Statement and its Connection with Important Scientific and Practical Tasks.** The results of the analysis of the modern economic relations essence indicate that at the global level, there are transformation processes and gradual transition to a new quality of relations, in which
their indirect, oblique nature is levelled and new development reference points are formed. Thereafter new reference points are identified regarding the social development directions, which are associated with the growing role of education and scientific knowledge as the main modern driving forces.

Mass production of new knowledge and scientific developments, as well as their practical conversion in innovations that are the basis of the modern society fix the process of the knowledge economy when the science acquires the nature of the production key factor whose usage ensures the sustained social development. Today, according to a famous American philosopher, sociologist and one of the authors of the scientific concept of post-industrial society Elvin Toffler, «...both power and wealth have become strikingly dependent on knowledge» (Toffler, 1991). The outstanding domestic economist V. M. Gheyets believes that the knowledge economy «is the economy, in which the main factor are processes of the knowledge accumulation and application; the specialised (scientific) knowledge, as well as everyday knowledge, becomes an important resource, which alongside with labour, capital and natural resources ensure the growth and competitiveness of the economic system» (Gheyets, 2004).

The field of knowledge and science stands out today as both the most important factor of economic development and the principal factor ensuring the progress of society as a whole. Accordingly, science and education should be considered as public good. Being based on the statement expressed by the International Science Council (ISC) «...this concept has serious consequences in the context of methods of implementing scientific research, its application and the role they play in the society» (Boulton, 2021). The growth of importance, functions and scale of public goods occur as a result of the society evolutionary development implementation and its transition from one stage of development to another: from agrarian to industrial, and then to post-industrial. «Knowledge is one of the most significant public goods» (Boulton, 2021).

Analysis of Recent Publications of the Problem. The concept of public goods was first presented in the scientific works of humanistic scientists, such as T. Hobbes, J. Locke, J. Boden in the 16th – 18th centuries, and others. In the future, in the 19th century, these problems were studied by J. B. Say, K. Vixel and others. In the modern world, this concept has become even more relevant and turned to be the subject of scientific research by such outstanding scientists as P. Samuelson, A. Marshall, J.E. Stiglitz, M. Blaug, K. R. McConnell, and S. L. Brew et al.

Consideration of the essence and nature of the educational sphere as a public good including the level of higher education, the role of education in ensuring the sustainable development of society, the problem of developing digitalization of education and science as public goods is the subject of fundamental and applied research by such domestic and foreign scientists as A. Antokhov, V. Buyashenko, J. Williams, V. Gornik, S. Marginson, I. Nenno, V. Palekhova, K. Hufner and others.

Allocation of Previously Unsolved Parts of the General Problem. In the context of the society movement at the global level towards achieving the goal of sustainable development, and increasing the social and innovative potential of the world community, the functions of higher education as a public good are being transformed. But until now, there is a discussion in scientific circles about the educational sphere belonging to market relations, which, in our opinion, determines the need for additional scientific analysis of the public goods nature and the allocation of higher education in this quality. At the same time, there is a trend, according to which, in addition to providing the economy with highly professional specialists for technological and innovative development, the participation in the development of democracy and social justice becomes a priority for higher education. These trends have not yet fully received an exhaustive scientific analysis.

Formulation of Research Objectives (Problem Statement). This research aims to analyse the evolution of the concept of public goods and theoretically substantiate the essence of higher education as a public good as a special field whose development contributes to the implementation of the shift of the economic paradigm from the traditional economy to the knowledge economy.

Materials and Methods. Scientific achievements of western and domestic scientists on this issue were used as a theoretical basis for the conducted research. Materials of the International Covenant on Economic, Social and Cultural Rights, as well as those of UNDP – Sustainable Development Goals were also reviewed. The following scientific methods, such as the method of ascent from the abstract to the concrete, scientific hypothesis, and analysis and synthesis were used in the course of the research.

An Outline of the Main Results and their Justification. The process of formation of the knowledge economy at the world level is now
recognised by many researchers. The development of social relations towards the transition from commodity relations to those that do not involve indirect ties is formed on a new material basis and radically changes the essence of the production process. «The knowledge economy is characterised by the acceleration of scientific and technological progress, innovative development, an increase in the share of high-tech industries, an increasingly complete penetration of intellectual technologies into all fields of human life, which, in the end, ensure economic growth» (Kuznetsova & Karachentseva, 2022).

At the present stage of the society development, a significant change in the functions and role of the labour force in the production process is taking place. Labour as a purpose-oriented function of any production process gradually loses its economic content, which implies its duality. That is, with the strengthening of the scientific component in the process of creating new goods, the abstract characteristic of labour disappears while maintaining its specific feature. «The modern change in the nature of work leads to an increase in the role of creative intellectual component of this process and to the corresponding elimination of the executive-and-reproductive, routine nature of work» (Kuznetsova, 2021). It is increasingly important that employees have a high degree of professionalism and qualification, whose usage possibilities are realized in the course of creating and increasing the competitive advantage of the company. The actual competencies of the labour force are inseparable from the employee himself and are the result of improving his intellectual and educational level.

To achieve the goal of this research, in our opinion, it is advisable to provide a brief analysis of the special features that characterise public goods from the point of view of scientists developing various scientific directions and concepts.

According to the most generalised characteristics of public goods, they include such goods and services that have national significance, are characterised by the need for collective consumption on a national scale, but their provision for consumption cannot be carried out using market mechanisms, which is explained by market failures.

Jean-Baptiste Say, the famous French economist, already in the 19th century, in his work «A Treatise on Political Economy» pointed out the presence of special goods and services, the demand for which cannot be met personally for each individual with the help of market forces. He determined that in society, regardless of the needs of individuals, common needs are formed, which are implemented in favour of public welfare. «In addition to the needs of individuals and their families whose satisfaction forms private consumption, there are also special needs that are felt by the union of private persons, the so-called society, and whose satisfaction is public consumption. Society buys and consumes the services of an administration that protects its interests, troops that protect the country from external attack, civil and criminal court that protects every individual from the encroachment of others» (Say Jean-Baptiste).

A Swedish economist Knut Wicksell in his work «Research on the Theory of Finance» establishes the existence of special public goods and demand for them; the consumption of such goods and, accordingly, the receipt of benefits, do not depend on whether the individual paid for this good or not. At the same time, an individual, in his opinion, is unable to influence the aggregate supply of public goods in any way, despite the presence of public interests and certain funds from citizens who pay taxes. In this regard, K. Wicksell pointed out the special role of the state not only as a market entity having income and expenses, but also as an initiator of the public goods provision. (Blaug, 2005).

One of the founders of the of marginal utility theory, Professor Friedrich von Wieser of the University of Vienna, in «The Theory of Social Economy», continues to explore the issues of public goods and the possibility of ensuring equal access to their consumption for all individuals as opposed to the consumption of goods and services that are produced in the private sector and directed to consumption only through market mechanisms. Von Wieser pointed out that it is precisely the movement of public goods mediation by the state that ensures the possibility of equal access to them for all members of society (von Wieser Friedrich).

A well-known Swedish economist Erik Lindahl made a significant contribution to the development of the concept of public goods and the problem of forming and distributing the costs of their creation. According to the position presented by E. Lindahl in the work «Fair Taxation – a Positive Theory» (Lindahl Erik). The problem of allocating the public goods creating costs among members of society is based on the peculiarities of such goods consumption, which are associated with the unlimited consumption of them and the inability to exclude access to these goods for consumers. Based on these features, some consumers will seek to avoid their own participation in the costs of
creating public goods, while access to them and their use will not be restricted. The solution of this contradiction is seen by E. Lindahl in the need for state intervention in the process of redistributing expenditures by using the mechanism for appropriate taxes introduction. In addition, E. Lindahl developed a microeconomic model, according to which market participants should voluntarily participate in expenditures, which ensure the possibility of obtaining public goods based on the marginal utility of such goods. Thus, it is proposed to use a market mechanism for the distribution of expenditures on public goods.

The greatest contribution to the development of the public goods concept was made by Professor of the Massachusetts Institute of Technology, Nobel Prize winner Paul E. Samuelson. The most important step in the study of the said public goods concept was the theoretical definition of the essence of public consumption and goods presented by P. Samuelson. In his works, the scientist equated collective goods with public ones interpreting them as such, the costs of which are paid by the state ensuring their production and distribution. Collective goods are consumed by «us (society representatives, citizens) collectively with the help of the state» (Samuelson & Nordhaus, 2009).

Studying the indicators of the public goods category, E. Samuelson shows that their most important distinguishing features are non-rivalry and non-excludability in consumption. That is the public good is available for consumption to any individual. «The public goods are those whose benefits are distributed throughout the society regardless of whether or not its individual representatives want to buy this good... The consumption of such a good by each individual does not lessen its consumption by any other individual» (Samuelson, 1993). In addition, regardless of how much of such good was consumed earlier, restrictions on access to the consumption of a public good by other individuals are excluded. According to E. Samuelson, collective consumer goods are those, «which are used by everyone together in the sense that the consumption of such a good by each individual does not lead to a decrease in the volume of consumption of this good by some other individual...» (Samuelson, 1954).

The concept of public goods presented by P. Samuelson has found a wide response and its development in the works of many economists. Scientists studying this problem have come to a general conclusion regarding the description of the defining characteristics of public goods. For example, the American scientist Anthony Downs considers the public good as «such a good that provides for indivisible benefits, that is, its very existence allows each person to use it regardless of how many other people benefit from it» (Downs, 1957). Professor Tyler Cowan also shares this position arguing that public goods are characterised by such features as non-excludability and non-rivalry (Cowen T.). From the point of view of W. Nicholson, «a good is public, if it is produced, no one can be forbidden access to it. Public goods are usually also uncompetitive in consumption, but not necessarily» (Nicholson, & Snyder, 2008). The famous historian of economic thought Mark Blaug revealing the nature of public goods argued «...that their consumption can be exclusively common and the same: if more falls to one household, then more, and not less, goes to any other» (Blaug, 2001). Scientists Richard Musgrave and Peggy Musgrave believe that in order to determine the peculiarities of public goods as a separate category, it is enough to have only one characteristic, namely non-rivalry in consumption. They argue that «the public goods are such goods whose benefits are available to everyone without competition, since the participation of A in consumption does not limit B in any way» (Musgrave & Musgrave, 1989).

A new approach to the study of the public goods concept is presented in the work of Alfred Marshall «Principles of Economic Science». The author analyses this phenomenon from the point of view of its duality. A. Marshall points out that public goods perform the function of satisfying both social needs and individual ones, which is explained by the social nature of the individual himself, as well as by the need to determine the share of public goods consumed by an individual. «We still have to take into account those material goods that are common for neighbours and which would not need to be mentioned when comparing the wealth of a person with the wealth of his neighbours; however, it may be appropriate to take them into account only for certain purposes, especially when comparing the economic conditions of remote areas or epochs. These benefits cover the benefits that an individual obtains from living in a certain place and at a certain time, and from belonging to a certain state or community» (Marshall, 2013).

The authors of the well-known textbook «Economics», professors C. R. McConnell and S. L. Brew identify the concepts of the «public good» and «public commodity» describing it as «a product or service, to which the principle of exclusion cannot be applied and the production of
which is ensured by the state provided that they bring significant benefits to society» (McConnell et al., 2009). At the same time, they support the position of the scientists who study the concept of public goods concerning the definition of their essential features. Thus, K. R. McConnell and S. L. Brew point out such a feature as the impossibility of reducing their volume after consumption, that is, the inexhaustible nature of public goods and also their special nature of utility, which, according to the professors, is limited only to the satisfaction of public needs. This position does not coincide with A. Marshall’s position who pointed out that the consumption of public goods meets not only public needs, but also individual ones.

An important step in the development of the public goods concept is the public goods analysis from the point of view of distinguishing their different types presented by an economist Joseph Y. Stiglitz, Professor at the Columbia University and Nobel Prize Laureate. The scientist pointed out the non-identity of public goods in terms of their defining characteristics. He distinguished public goods into «pure» and «unclean» depending on which of the characteristics – non-excludability or non-rivalry – prevailed, and argued that «public goods should have both of these characteristics, but to this or that extent, which determines the division of these goods into «pure» and «unclean» (Stiglits J.). This position is supported by Professor Patrick McNutt pointing out that the pure public good must have the property of non-rivalry in consumption, in contrast to private goods that enter consumption through market mediation. «Public goods offer a contrast to private goods. Pure public goods have unique characteristics of non-excludability and lack of competition in consumption, while private goods are sold to those who can afford to pay the market price» (McNutt, 1999).

Summing up the above, we can present a generalised definition of public goods. These include products or services that meet the following requirements:

Firstly, the non-excludability of access to the good – all members of the society have equal opportunities to use this good. Even if they don't necessarily generate demand for it. Under no circumstances can the consumption of the public good be restricted to the individual.

Secondly, non-rivalry in the consumption of the public good. Due to the fact that the marginal cost of meeting the need for consumption of a public good for an additional consumer is zero, the possibility of its consumption does not change with the growth of consumption of this good. An increase in the volume of consumption of the public good by one individual implies that for other individuals this volume has also increased.

Third, the state plays a decisive role in the processes of providing, distributing and consuming public goods since these goods meet both public and individual needs. States represented by national governments not only coordinate efforts to provide public goods, but also, through the use of effective national institutions, mobilise the necessary resources to create them.

The analysis of current trends in the global development indicates the strengthening of interethnic ties in all areas of activity. The processes of globalisation and corresponding development of supranational government bodies have now become determining factors in the formation of relations between individual states. Modern globalisation processes have determined adequate changes in theoretical concepts. In particular, a concept of global public goods has emerged, in the quality of which scientists define goods, «benefits (costs) of the creation and existence of which extend beyond state, public and generational boundaries. At a minimum, the said benefits (costs) should extend to more than one group of countries and should not have a discriminatory effect on any population groups» (Kaul et al., 2003). The authors of the collective work «Global Public Goods: International Cooperation in the Twenty-First Century» (Kaul et al., 2003) analyse the possibilities of implementing the concept of public goods in such areas of international relations as environmental protection, health protection, public safety, and trade protection. They share the position of scientists regarding the main features of public goods, which are the impossibility of their exclusion from the use of goods and non-rivalry in consumption, but point out an essential characteristic of public goods, which is related to the fact that they should be universal for all countries.

Today, the concept of public goods has been actively developed and applied within the framework of the implementation of the concept of the «welfare state», according to which the state should contribute to ensuring equal social protection of citizens minimizing the actions of the market negative externalities. Being one of the key paradigms that determine the lines of modern economic policy at the state level, the concept of public goods expands its sphere of influence defining an increasing number of goods and services as public goods. Thus, in highly developed countries, such goods and services as healthcare, housing, and higher education have...
received the status of public goods.

Goods and services related to public goods are classified according to certain criteria. Let us consider the classification most commonly used in modern economics.

1. If the marginal costs of providing a public good to an additional individual are equal to zero, and there is also non-rivalry in the consumption of this good, then such public good is characterized as pure.

2. Unclean public goods include those, access to consumption of which is not expressly restricted for individuals, but not all people can use this public good. On the other hand, as the number of individuals consuming this good increases, the social effect of this decreases. If public goods of this type satisfy one and the same need, then they can enter into partial competition with each other.

3. One of the types of unclean public goods is mixed goods or quasi-social goods. These include such public goods that are a consequence of the consumption of private market goods generating positive external effects characterized as public goods. A distinctive feature of quasi-social goods is that their consumption meets both individual needs and partially social ones.

4. Club goods can be classified as unclean public goods. Club goods are characterized by non-rivalry in consumption, but the effect of the second feature – non-excludability – can be limited by introducing agreements of this good separation.

The list of types of public goods under consideration is not final. It is revised and supplemented as the concept of public goods develops and is implemented.

The most important criterion for classifying public goods is the territorial differentiation of their consumption boundaries. According to this criterion, local, nationwide, international and global public goods are distinguished.

Having analyzed the evolution of the concept of public goods, we can conclude that higher education as a priority area of development in the system of state goals, at the present stage of the knowledge economy formation should be considered as a public good and be accountable to society. This position has been given a global definition and was fixed in the Prague Declaration in May 2001, as Klaus Hufner (Hüfner, 2003). At the same time, as early as in 1966, the International Covenant on Economic, Social and Cultural Rights, in Article 13, which deals with the right of everyone to education, stipulates that «higher education must be made equally accessible to all based on everyone's abilities by taking all necessary measures and, in particular, gradual introduction of free education» (International Covenant on Economic, Social and Cultural Rights). Thus, the recognition of higher education as a human right, the use of which does not provide for any restrictions other than possession of necessary abilities by a citizen, that is, such a good, the consumption of which is characterized by non-rivalry and non-excludability, makes higher education a public good. In 2015, the United Nations defined and adopted the Sustainable Development Goals, which are planned to be achieved by 2030. One of these Global Goals is to ensure equal access for all people to «low-cost and high-quality technical, professional and higher education including the university one» (UNDP in Ukraine).

To ensure the implementation of the said tasks, domestic scientists propose, first of all, to change the attitude to the higher education system in Ukraine concerning awareness of its essence and functions, and consider it «...as a resource and investment sphere and a public good, where ...social and innovative potential and readiness for change should be stimulated» (Buyashenko, 2017). Such position is supported by many domestic scientists. For example, I. M. Nenno believes that «...science and education as public goods have certain features in their consumption. This is due to the role of science in human society» (Nenno, 2021). V. G. Gornyk, focusing on the inability on the part of the market system to ensure social equality in society, points out that higher education as a social public good «...belongs to the non-market sphere of regulation» (Gornyk, 2017).

The characteristic of the higher education system as a public good is based on the study of its functions. In accordance with the concept outlined by Klaus Hufner (Hüfner, 2003).

Firstly, it provides individuals with the necessary amount of knowledge and qualification level for the possibility of more profitable implementation of their labour force. From this point of view, the higher education can be interpreted as a private benefit. But the presence of highly qualified specialists on the labour market and their further functioning in the actual sector of economy provides an opportunity for innovative development, which has a positive impact on the economy growth ensuring the well-being of the population and achieving the country's sustainable development goals. Thus, external positive effects are realised for the entire society as a whole, which characterizes higher education as a public good.

Secondly, the higher education performs the function of the new knowledge production. As a rule, the results of research activities presented in
new developments, theories, and basic research become the property of the whole society, which indicates unlimited and non-rivalrous access to a public good.

Thirdly, as the experience of a number of countries shows, an increase in the number of people with higher education leads to an increase in the number of citizens in society who demonstrate a more active and conscious civic position, contribute to the development of democracy and public justice. Such a positive result relates to the entire society and is non-rivalrous and non-excludable.

As an alternative point of view regarding the problem under study, we can cite the example of A. A. Antokhov’s position who claims that educational activities have a market character that produces a special commodity – educational services. «The market of educational services is … a field of market relations that arise between subjects of educational activity in relation to purchase and sale of a specific product – educational services. Educational services ... are a commodity having value and use value» (Antokhov, 2009). We strongly disagree with this interpretation of the essence of education in general and higher education in particular. As you know, any good acquires value and is characterised as a commodity, only in the course of its purchase and sale. It is in the market and only there revealed is the value of goods, which is formed by abstract labour. From the point of view of the market analysis, educational activity cannot be reduced to the level of abstract work since it has a high level of creative scientific component, which excludes the possibility of its comparison and measurement. Thus, if there is no abstract labour, then we cannot talk about the value that turns the result of labour into a commodity. As for the use value of the so-called commodity – educational service, its definition is laboured by the general social nature of the result of educational activities and the function of education as the basis for social development.

The point of view, according to which it is inappropriate to refer higher education to the market system, is shared by V. A. Palekhova. She points out: «Commercialisation of higher education, its inclusion in the orbit of the main market laws is not legitimate without a clear understanding of the specificity of this area. By definition, education is not a market sector. Even in conditions of complete decentralization of management, education performs purely state functions. It is very useful to learn, even put forward as a national idea: it is the total human capital – everything that we know and can do as Ukrainians – determines the well-being level of our society» (Palekhova, 2010).

We fully share this position insisting that the development of higher education, the widest possible involvement of compatriots in this area, and an increase in their educational and qualification level can be considered as one of the factors ensuring the future sovereignty and independence of Ukraine, which will contribute to a more successful recovery of the country's economy in the post-war period.

In our opinion, in the current conditions of the knowledge economy formation process at the global level and the development of global public goods, studying the urgent issue of the meritocracy principles development acquires the greatest relevance. The concept of meritocracy was first presented by the sociologist M. Young and later investigated by the American scientist D. Bell who pointed out that it was the development of human capital, the increase in the number of highly qualified specialists and their enhanced participation in the management of all spheres of life that can «…change the social structure provided that initial educational opportunities are equal for all» (Bell, 1972).

Such western scientists as Simon Marginson, Joanna Williams and others point out that in the 21st century there is a trend of increasing the importance of the third function of higher education as a public good. Thus, according to Simon Marginson, the essence of the higher education is mainly determined by the possibility of access to the consumption of this good for all members of society, the benefits and resources that they receive. «The public good in this form includes more informed citizens who strive for the improvement of democracy and a more inclusive society, as well as for knowledge that is seen as an end in itself» (Marginson, 2011). Joanna Williams, in her work «A Critical Analysis of Changing Definitions of the Public Good in Relation to Higher Education», also points to the identification of the above-mentioned trend, namely: «In the twentieth century, economists argued that education as a public good could contribute to the national technological progress or, due to the development of human capital, increase individual employment opportunities. Now, the public good of the higher education is associated with the promotion of social justice by increasing social mobility» (Williams, 2016).

In our opinion, under the modern conditions of the formation of a new type of social ties, which gradually eliminates their indirect nature by
promoting education and science as the most effective production resource, the concept of
eritocracy has received an impetus for further
development since the awareness of higher
education as a public good creates prerequisites for
fixing the primacy of intellectual, professional and
creative abilities of individuals as opposed to
material wealth.

Conclusions and Perspectives of Further
Research. Based on the conducted research, we
came to the following conclusions:

1. Modern trends in the development of social
relations towards the transition from trade relations
to those that do not provide for indirect ties and
radically change the essence of the production
process. It is increasingly important that employees
have a high degree of professionalism and
qualification, which are inseparable from
manufacturers and are the result of improving their
intellectual and educational level.

2. Thus, new guidelines concerning the lines in
the social development are associated with the
-growing role of education and scientific knowledge
as the main modern driving forces. The area of
education and science today stands out not only as
the most important factor of economic
development, but also as the main factor that
ensures the progress of the society as a whole.
According to the stated position, science and
education should be considered as public goods. In
addition, higher education as a priority area of
development in the system of state goals at the
present stage of the knowledge economy formation
should also be considered as a public good and be
accountable to society.

3. As a result of the analysis of the public goods
concept evolution it is determined that public
goods must have a sign of collective consumption
on a national scale, but their provision for
consumption cannot be carried out using market
mechanisms, which is explained by market
failures.

4. In current conditions, the state plays a
decisive part in the processes of providing,
distributing and consuming public goods since
these goods meet both public and individual needs.
States represented by national governments not
only coordinate efforts aimed at provision of
public goods, but also mobilise the necessary
resources to create them through the use of
effective national institutions.

5. The formation of a new type of social ties,
which gradually eliminate their indirect nature by
promoting education and science as the most
effective production resource, the concept of
meritocracy has received an impetus for further
development since the awareness of higher
education as a public good creates prerequisites for
fixing the primacy of intellectual, professional and
creative abilities of individuals as opposed to
material wealth.

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