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# UKRAINE – EU. MODERN TECHNOLOGY, BUSINESS AND LAW

APRIL 3–8, 2017 SLOVAKIA-AUSTRIA-HUNGARY

## COLLECTION OF INTERNATIONAL SCIENTIFIC PAPERS

# PART 1 MODERN PRIORITIES OF ECONOMICS SOCIETAL CHALLENGES

UDK 330(477)+330:061.1€C(08) U31

Published by Academic Council Decision of Chernihiv National University of Technology (Protocol № 3, February 27, 2017). The Collection has been included into the international scientometric database eLIBRARY.RU.

Ukraine – EU. Modern Technology, Business and Law: collection of international sci-U31 entific papers: in 2 parts. Part 1. Modern Priorities of Economics. Societal Challenges. – Chernihiv: CNUT, 2017. – 190 p.

ISBN 978-966-2188-73-8

The collection includes abstracts of the Third international scientific and practice conference «Ukraine – EU. Modern Technology, Business and Law». (Part 1. Modern Priorities of Economics. Societal Challenges).

The actual issues and aspects of collaboration between Ukraine and European Union in economic and social spheres are highlighted. The priority directions, innovative approaches and modern views on the prospects of the development of economics, social work, philosophy, psychology and sociology are considered.

The publication is oriented on scientists, academicians, postgraduates, students and people who are interested in the prospective collaboration between Ukraine and European Union.

Збірник містить тези доповідей Третьої міжнародної науко-практичної конференції «Ukraine – EU. Modern Technology, Business and Law» (Частина перша. Сучасні пріоритети економіки. Соціальні виклики).

Висвітлено актуальні питання та аспекти співпраці між Україною та Європейським Союзом у економічній та соціальній сферах. Розглянуто пріоритетні напрями, інноваційні підходи та сучасні погляди щодо перспектив розвитку економіки, соціальної роботи, філософії, психології та соціології.

Видання орієнтоване на науковців, освітян, аспірантів, студентів та людей зацікавлених перспективами співпраці між Україною та Європейським Союзом.

UDK 330(477)+330:061.1€C(08)

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### INNOVATION IN EDUCATION – DYNAMIC INNOVATIVE LEARNING METHODS AS APPROACH TO INDEPENDENT SCIENCE

Liberal learning is under attack all over the world today [6]. It is not only the modern technology, like the social media and free online courses that represents the treat [2], but also moreover, the attitude that education is the key to a future job. In Europe, as in the USA, however, that is not the case, a master's degree, or even a double master's degree cannot guarantee a success on the job market for the prospective applicant. Higher education is looked upon as a bridge to a successful job position and a well to do society. However, lecturing and examination based on the traditional methods and curricula can only produce more of the same output from the university system. This fact is the core problem with higher education, not only today, but also in a historic perspective. Striving to find solutions for the European markets, 48 member countries and the European Commission have not only collaborated between public authorities, universities, colleges, teachers and students but also with stakeholders associations and employers, quality assurance agencies, international organizations and institutions for two decades in a program called the Bologna Process, or the Bologna Decree. The focus has been the unification of the three-cycle system, bachelor, master and doctorate. The aim is to support the modernizations and training systems, to meet the changing needs at the labor market as the proportion of high skill jobs grows, and where innovation and entrepreneurship are believed to be the key to the future. Anyway, the university is much more, and should be understood as something else and much more than a vocational school. The flights from the liberal arts and innovative, dynamic learning methods are leaving society without any power to transform to the constantly changing environments. Repetition and multitude of the old mindsets can only contribute to increase what we already have, and that kind of approach to reality cannot contribute to its own change or transformation from within the system. Therefore, we cannot expect any endogenous shift, be it learning methods or curricula. Uniformity, common cores and equality, both among individuals and between states as well, destroys independent thinking and action. Independent thinking and action are what takes to implement innovations, successful entrepreneurship and independent science. Independent thinking and judgmental decision making are the core value in both innovation and independent science. However, independent thinking, which is stimulated through both liberal learning and dynamic, innovative learning methods, represents a treat to the traditional society. To quote what H. L. Mencken once wrote [1]: "The most dangerous man to any government is the man who is able to think things out for himself, without regard to the prevailing superstitions and taboos. Almost inevitably he comes to the conclusion that the government he lives under is dishonest, insane, and intolerable". Let us give one example, the Kingdom of Norway, a socialist state that politically is predominantly based on Marxist ideology. After introducing the Bologna Decree in full scale in 2003. Norway now offers more than 900 master degree programs, including 35 only in Business Administration. Taken into account that the population of Norway is approximately 5,252 million, the number of master programs seems rather high. At the same time, the official unemployment rate is 2,8 percent only, but that statistic does not include 88000 individuals on welfare and health related job training programs run by the government. If we include this group of job seekers, the unemployment rate rises substantially. Finally, if everyone in the Norwegian population, who actually is looking for a job, full time, or part time, should be included in the unemployment statistics, the percentage would probably go as high as 20 percent. The governmental training programs and the Bologna Decree system in the Kingdom of Norway do obviously not represent a bridge for the individual into the job market; they are more like the end station.

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We have been told that the modern educational system manifested in the Bologna Decree will take care of, and largely solve both the university transformation and labor market dilemma in Europe (and elsewhere). However, the truth is that no governmental programs can ever introduce, or pave the way for any successful innovation or independent science. Individuals carry out innovations, as independent science, and governments cannot do that. The process of innovation as well as the process of independent science are based on judgmental decisions. Only individuals can make decisions, while corporate bodies and governmental agencies arrive at decisions by aggregating votes.

According to Joseph A. Schumpeter [5], innovation is a new combination of the first and second input factors in the production function (Land and Labor), and the novel way of producing alters the way things previously have been done, or at least brings about a higher physical product. This breakout process from the static way of producing represents the dynamic change, or the dynamic economy. Innovation is a spontaneous change based on individual judgmental decision making by the sole entrepreneur who is not partaking in the production function himself in the role as entrepreneur. The exogenous intervention in the way of producing requires the independent and free position of the individual entrepreneur as well as the ability of creativeness. The only remuneration of the entrepreneur is the entrepreneurial profit. Any salary, wages, or economic benefits are out of the picture. Innovations, according to Schumpeter, is carried out on the supply side of the market rather than on the demand side. Innovation can never be a response to the demand and supply in the market, or based on commands from any other individual, governmental instructions, or political programs. Innovation causes a shift in the technological, economic and political situation and is defined as development. Development is understood as the transformation from one static society to a new static society on a higher level.

In independent science, as well, the scientist follows the same logic and prerequisites as the independent Schumpeterian entrepreneur. Independent science means to create new knowledge – the scientific truth, to give something that previously did not exist in our knowledge base. Independent science does not build on already known facts, like the research process. Research means development by small steps and indicates a static formula. The independent scientist does not take orders, remunerations or directions from any superior master.

The easiest way of understanding the university is to look at it as a meeting place between the student and the professor. In this meeting, information goes both ways, to and from the student and the professor. The traditional purpose of the university through hundreds of years is to transfer information and attitudes from the professor, the representative of the government, to the student. This learning and educational process is characterized as static [3]. Both the students and the professors, though, can take the position as remunerated wage earners or the more sophisticated position as profit provider. As wage earners their attitude, mentality and references are limited to the static, non-innovative position. They both lean on known facts, and knowledge and the learning process is characterized by transmitting and repeating information in a static environment. The prevailing superstitions and taboos are dominating in the meeting between the student and the professor, which makes both parties satisfied. Tradition provides a secure and predictable learning method with no mix of interests or alternative approaches, only a high degree of match and satisfaction between learner and educator. No innovation or independent science will ever take place in this static, non-innovative learning method. Most of what is going on at universities throughout the world today, and as well as through history, is characterized as static, non-innovative learning. Two factors catch our interest in connection with the static, non-innovative learning process. First, every society depends on higher education based on static learning methods to prevail and maintain the society. Even though the world is changing rapidly in our time, the lag in all social sectors are significantly. Tradition and

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predictability are of great importance to protect the production function and the core existence of any society. Second, on the other hand, the static, non-innovative learning method can only produce more of the same, and the markets are not willing to buy the quantity of commodities or services that the static methods provides; the enormous unemployment in the western world today is a proof of that. The production function needs to change to something different, in other words, the working hands must occupy themselves with production of something else than previously if they want to go back to work, and that change will not be a result of the static, non-innovative learning methods. When the students and the professors are engaged in the learning and teaching process based on profit as an independent remuneration, both parties will approach science in an open minded and friendly atmosphere where mutual understanding characterizes the educational situation. This dynamic, innovative learning method has the possibility to strengthening the process of both innovation and independent science. Profit is the symbol and fact that no master is in charge of the student or the professor, they both enter the educational situation independently of any dictate, direction, superstition, taboo or constraint of tradition; there will be no such thing as try again, or re-search.

The static, non-innovative learning process is bureaucratically. When it fails, which it often tends to do, the only solution for the owner of the university system (which usually is the government), is to invest more money, more resources and more effort in the system, like hiring more staff, both academically and non-academically, increase the number of programs, building new venues, extend university networks, both nationally and internationally etc. These activities will only contribute to disseminate the problems and represents an unscrupulous vast of money and recourses. The dynamic, innovative learning process is constantly under pressure to survive, not due to traditional competition, because no such competition exist under the innovation driven development, but rather due to the fact that failure stimulates less spending and increased quality in the service vision management process.

Liberal learning means freeing; to be free [4]. No one can do that for another person, but educational systems have better or weaker approaches to the freedom of being the one that the individual talent and individual potential can justify. Dynamic, innovative learning methods are exactly what is needed to bridge a larger population into a meaningful existence.

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