

**ANTI-CRISIS MANAGEMENT OF UNIVERSITIES IN THE CONTEXT OF
REGIONAL POLARIZATION**

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Abstract: This study analyzes the crisis of modern higher education through the lens of "regional polarization" and proposes crisis management strategies for universities. In recent years, many countries have seen phenomena that exacerbate territorial inequality: declining school-age populations, financial asymmetries, resource concentration in metropolitan areas, and a digital divide. These factors lead to a deepening imbalance between the center and the regions, triggering a vicious cycle of problems for regional universities: declining demand, deteriorating financial situation, declining quality of education, and regional stagnation. The study also identifies four structural factors of the university crisis: demographic, financial, digital, and political-institutional imbalances. Based on these factors, it proposes systemic measures aimed at ensuring regional balance and sustainable university development.

Keywords: regional polarization, university crisis management, student population decline, digital transformation, international student influx, financial sustainability.

The modern higher education system worldwide is facing unprecedented volatility driven by factors such as demographic transformation, digital transformation, increased global competition, and labor market restructuring. The COVID-19 pandemic has vividly exposed the structural vulnerability of universities, significantly impacting their key functions – ensuring the continuity of the educational process, financial stability, and maintaining educational quality. As a result, the international academic community has heightened its focus on the need to build organizational resilience within universities, ensuring their ability to adapt to unpredictable conditions, quickly recover from crises, and focus on long-term sustainable development.

Changes in demographic structure and population concentration in large cities are having serious consequences for the higher education system. A decline in the school-age population is being observed in many countries, but it is most noticeably affecting colleges and small regional universities.

According to KEDI (2025), enrollment in South Korea has declined sharply since 2016, particularly in vocational and regional universities. Compared to 2016, enrollment in vocational colleges has decreased by 23.7%, and the number of potential applicants is projected to fall to less than 2 million by 2030 due to low birth rates. [1]

In contrast, in Uzbekistan, as of the 2024/25 academic year, the number of higher education institutions and the number of enrolled students increased 2.2-fold, reaching 222 universities, of which 98 (44%) are located in Tashkent. This spatial concentration creates significant inequalities in access to education and limits regional development opportunities. [2]

Thus, **regional imbalances** represent not only a demographic but also a socioeconomic problem, deepening the concentration of education, employment, and life opportunities in metropolitan

areas and weakening the long-term potential of regional development.

Some of the important structural factors behind university crises are **financial polarization and structural imbalances**. According to the PwC report (2024) on the financial sustainability of UK higher education, more than 40% of universities operate with budget deficits due to tuition fee freezes and inflation, which reduces the real value of revenue. [3] Similar trends are also observed in South Korea, Japan, and Canada.

Major research universities in metropolitan regions are compensating for financial losses through international students and industrial partnerships, while smaller and regional universities are being excluded from state support programs built on the principles of "large-scale criteria."

At the Forum on Small Universities Development Policy (2024), the Korean Council of University Education noted that small universities are systematically excluded from government financial support. Current evaluation criteria and institutional accreditation systems are unfavorable for small universities, increasing pressure for their restructuring. As an alternative, they propose introducing a funding model based on the university's contribution to regional development, which would strengthen the autonomy and financial sustainability of local universities. [4]

It's also important to note the dual nature of **digital transformation** in education. The COVID-19 pandemic has accelerated digital transformation across all spheres of society. The expansion of online learning and the use of multimedia resources have increased accessibility to education and created opportunities for participation in learning processes regardless of region, age, or occupation. [5]

However, differences in the level of digital infrastructure and digital competencies of faculty have widened the qualitative gap between universities. This, in turn, threatens to entrench structural educational polarization between metropolitan and regional universities.

The World Bank report (2024) notes that "the digital divide is creating a new form of educational injustice" and emphasizes the need to develop "Digital Publicness" as a basis for equitable and inclusive education. [6]

International mobility and political imbalances also have a significant impact. According to the Migration Policy Institute (2025), the influx of international students plays a key role in maintaining the financial stability of universities in many countries. However, their concentration in universities in large cities limits the ability of regional universities to independently internationalize. [7]

Furthermore, changes in immigration policy (for example, student visa restrictions in Canada or new rules for family members of international students in the UK) have a direct impact on university financial planning.

Universities' high dependence on international revenue makes the system vulnerable: any fluctuations in immigration policy immediately translate into a financial crisis. This structure contributes to the concentration of talent and resources in certain cities and exacerbates the complex crisis of financial and regional instability.

Consequently, the university crisis in the context of regional polarization represents not only an educational issue but also a key agenda for national regional development and social inclusion.

Based on the conducted analysis, the following directions for anti-crisis management are proposed.

1. Redistribution of demographic and spatial resources

With the declining number of applicants, universities need to reduce their reliance on school-age demographics and expand the range of target groups. A promising approach is attracting adult learners, working professionals, and international students, as well as developing modular short-term programs and refresher courses.

At the same time, a decentralization policy is needed: to reduce congestion at metropolitan universities, regional campuses and training centers adapted to the structure of the local economy and labor market needs should be developed. Strengthening ties between universities and regional businesses will enhance practice-oriented training and employment programs, creating conditions for graduates to remain in the region and ensuring a steady flow of potential students. Such interaction not only prevents human capital drain but also promotes the development of sustainable local educational ecosystems.

2. Formation of financial stability portfolio (financial resilience)

To ensure financial stability, universities need to transition from a revenue structure based primarily on tuition fees and government subsidies to a portfolio model that incorporates various funding sources.

This approach involves developing revenue from industrial partnerships, continuing education programs, philanthropic contributions, and joint projects with local governments.

Furthermore, as noted at the Forum on Small Universities Development Policy (the Korean Council of University Education, 2024), it is necessary to implement a differentiated funding system that takes into account the size of the university and its contribution to regional development. [4] This will reduce the concentration of financial resources in metropolitan universities and strengthen the independence of small universities.

Another important tool is the introduction of a financial early warning system (FEWS), which allows for the timely detection of declining revenue or increasing debt burdens. The development of such a system enables prompt response, thereby enhancing the university's financial stability and ability to effectively manage crises.

3. Digital inclusion and assurance of education quality

The dual nature of digital transformation is that it simultaneously creates new opportunities and poses significant risks. Therefore, public policy must be aimed at ensuring that all universities have a minimum digital learning environment and sustainable online learning systems.

Faculty digital pedagogical competencies must be consistently enhanced to help close the gap in educational quality. Education quality assessment should be based not on the formal availability of equipment or infrastructure, but on learning outcomes, actual student performance, and student satisfaction.

At the same time, risks associated with platform dependence, personal data protection, and the ethical use of artificial intelligence remain. This calls for the implementation of open technology standards, a clear definition of digital and data ethics, and the development of a robust cybersecurity and digital governance system.

4. Overcoming the challenges of international mobility and political imbalances

An effective solution to the problems of international mobility and political imbalance is internationalization based on the principles of regional alignment. To reduce the concentration of international students in capital cities, it is necessary to develop international educational programs, English-language tracks, and joint and dual degree programs at regional universities.

Furthermore, to increase resilience to changes in migration policy, it is necessary to create diversified channels for attracting international students, including online learning, dual degree programs, and short-term courses.

A key element of the strategy is the development of regional adaptation packages that combine employment, housing, and social support, allowing international students to establish themselves in the region after completing their studies.

However, excessive reliance on quantitative competition to attract students can lead to a decline in the quality of education and a deterioration in the attitudes of the local community. Therefore, academic achievement, employment, and the level of integration of graduates should be

priorities for internationalization, and university work should be accompanied by programs for social integration and cooperation with the local community.

Thus, it can be concluded that regional polarization represents a global challenge threatening the sustainability of higher education. This is not the consequence of a single factor, but the result of a complex systemic failure in which demographic, financial, spatial, digital, and political imbalances interact.

When the concentration of resources in large cities combines with stagnation in peripheral territories, universities find themselves in a triple crisis: financial, personnel, and quality.

The key to overcoming this challenge lies in:

- diversification of financial resources;
- digital inclusion;
- redistribution of spatial and budgetary resources;
- regionally oriented internationalization;
- consistent and coordinated governance.

Therefore, the goal of anti-crisis management of universities should be not only to ensure their survival, but also to restore the public mission of higher education through the formation of a sustainable regional balance and strengthening educational equality.

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