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Principal Contact

Academic Journal Online

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THE PRACTICE OF FINANCING THE EDUCATION SYSTEM IN THE REPUBLIC OF UZBEKISTAN

Sharapova M.A. - PhD, Acting Associate Professor of the Department of
Finance-Credit, Tashkent Financial Institute
sharapovamash@mail.ru

Abstract. This article discusses the practice of financing the education system, in particular the system of general education in the Republic of Uzbekistan. The sources and methods of financing education, as well as the costs of state general education institutions and the material and technical conditions of general education schools are analyzed.

Keywords: education, education financing, funding sources, state budget expenditures, education expenditures, comprehensive schools, capital expenditures, wages expenditures, school capacity.

INTRODUCTION

The amount of funds allocated for education in the countries of the world to varying degrees determines the level of development and social orientation of the economies of these countries.

In the studies carried out in the direction of financing the system of continuous education in the world, scientific research is carried out in the field of classification of sources of financing of the education system in order to achieve the training of qualified personnel, improve the material and technical support of general education schools, mobilize funds from the private sector and public utilities along with the state budget, achieving the effectiveness of funds spent on the system of public education, financing of public education institutions, as well as determining the budget of the budgetary system.

In Uzbekistan, one of the priority areas for the development of the social sphere was defined as «continuing the course of further improving the system of continuous education, increasing the availability of quality educational services, ... implementing targeted measures to strengthen the material and technical base of educational institutions by carrying out work on their construction, reconstruction and overhaul, equipping with modern educational and laboratory equipment, computers, teaching aids, ... a radical improvement in the quality of general secondary education»[1].

One of the important issues necessary for a positive solution of these problems is to achieve transparency and targeting of funds allocated to finance the public education system, as well as ensuring that the number of students and school capacity match. [14]

THEORETICAL APPROCHES

The issues of financing the education system were reflected in the scientific works of foreign scientists-economists such as V.Chekha, I.Fedorova, B.Batova, L.Aslanova, M.Alikaeva, S.Belyakov, S.Vishnyakova [2-6].

S. Belyakov believes that «Funding education is a relationship associated with the payment of educational services, and this service is provided to the recipient of education not by himself or his family, but by the state, which does not use this service» [5].

According to S. Vishnyakova, «Funding education consists in providing educational institutions with state, municipal or other budgetary funds, which will serve as the basis of state guarantees for the education of citizens within the framework of state standards» [6].

In the scientific works of local economists such as D. Nabiev, H. Dustmuhammad, D. Rakhmonov, D. Mirkhodzha, direct and indirect studies of the practice of financing the public education system were carried out [7-10].

D. Rakhmonov's research was focused on the development of higher education institutions based on the practice of public-private partnership and improvement of the wage system [9].

D. Mirkhodzha in her study focused on the issues of attracting extra-budgetary funds to school education, put forward a mechanism for determining an additional allowance for teachers' salaries and introducing voucher financing in school education [10].

There are a number of controversial aspects regarding the main source of funding for the public education system, and various research approaches in this area have been considered based on table 1.

Table 1

Sources of funding for the education system

S.A. Belyakov[5]	B.Nurmukhamedova, Z.Srojiddinova, B.Sugirbaev[11]	Author's approach
<ul style="list-style-type: none"> ➤ state budget; ➤ Income from paid educational services; ➤ commercial implementation of scientific and technical activities of educational institutions and their results; 	<ul style="list-style-type: none"> ➤ <i>State sources of funding:</i> <ul style="list-style-type: none"> – State (republican and local) budget. – State target funds. ➤ <i>Non-state funding sources:</i> <ul style="list-style-type: none"> – Funds received from training on a paid-contract basis. – Income from entrepreneurial 	<ul style="list-style-type: none"> ➤ <i>State funds:</i> <ul style="list-style-type: none"> – State budget, trust funds, investments, financial assistance, IFI loans. ➤ <i>Funds of the employer (enterprises and organizations):</i>

<p>➤ Entrepreneurial activities of educational institutions not related to educational and scientific and technical activities;</p> <p>➤ Entrepreneurial activities of educational institutions not related to educational and scientific and technical activities.</p>	<p>activities of educational institutions.</p> <ul style="list-style-type: none"> – Foreign loans and grants. – Parent fees. – Help from the community. – Other private sources (sponsorships from entrepreneurs, charities and stakeholders). 	<ul style="list-style-type: none"> – from entrepreneurial activities, sponsorship and charitable foundations. <p>➤ <i>Population resources:</i></p> <ul style="list-style-type: none"> – Income derived from wages, entrepreneurial activities, social transfers.
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ANALYTICAL PART

The effective organization of the education system plays an important role in the development of the economy. In most countries, primary and secondary education is supported by the state [12].

Get an education on the constitutional right of a citizen. In particular, Article 41 of the Constitution of the Republic of Uzbekistan states that «Everyone has the right to education. The state guarantees free general education. School work is under the supervision of the state» [13].

Institutions in the public education system of the Republic are financed from the state budget. This situation is analyzed based on the following data in Table 2.

Table 2

GDP and changes in the volume of state budget expenditures on education [14]

Indicators	Years					
	2015	2016	2017	2018	2019	2020
GDP, billion soums	210183	242496	302537	407510	511838	580203
State budget expenditures, billion soums	36257	40911	49344	78978	117789	143921
Spending on education, billion soums	12766	13832	15980	19568	28707	29960
Share of expenditures on education in state budget expenditures, in percent	35.2	33.8	32.4	24.8	24.4	20.6
Spending on general	6981	7609	8887	12553	19432	21860

education, billion soums						
Share of expenditures on general education in budget expenditures, in percent	19.2	18.6	18.0	15.9	16.5	15.2
Share of spending on general education in total spending on education, in percent	54.7	55.0	55.6	64.1	67.7	72.9

The reason for the reduction in the share of expenditures on education in the overall structure of budget expenditures is that the financing of the education system is also financed from extrabudgetary sources. The increase in the share of expenditures on general education in total education expenditures is explained by the low level of attraction of extrabudgetary funds to the sphere and the gradual increase in wages in the sphere.

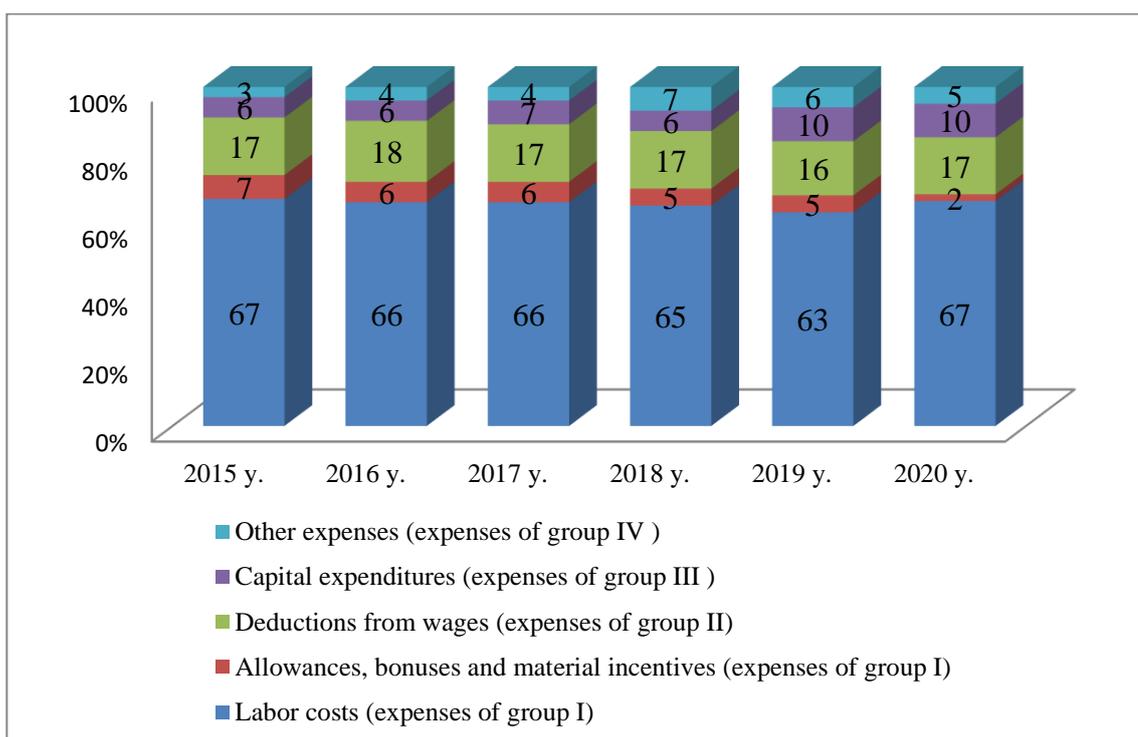


Figure 1. Structure of expenses of general education schools [14], in percent

In the structure of expenditures of state general educational institutions financed from the state budget, the main place is occupied by labor costs (Picture 1).

According to Figure 1, wages and expenses equated to it in the analyzed years amounted to almost $\frac{3}{4}$ of the total amount of expenses. Although the share of capital expenditures and other costs has relatively increased by 2020, labor costs remain unchanged due to the reduction in the cost of allowances, bonuses and financial

incentives. The fact that capital expenditures account for 6-10 percent of total expenditures indicates that the material and technical base of educational institutions is in a deplorable state.

At the same time, the strict definition of financial resources in the implementation of expenditures by groups limits of financial independence and leads to a decrease in the quality of education.

General education schools are an important link in the education system and form the basis for obtaining basic knowledge. In this regard, special attention should be paid to the quality of general education. The analysis shows that in the 2015-2016 academic year, the ratio of the number of students to school capacity was above 1 percent in 4 regions, while in the 2016-2017 academic year it was above 3 percent, in the 2017-2018 academic year it increased by another 4, covering all regions in the 2018-2019 academic year, averaging 1.19 in the republic and 1.22 in the 2019-20 academic year (Table 3).

Table 3**The ratio of students to school capacity [14]**

n/n	Regions	Academic years				
		2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
1	Republic of Karakalpakstan	0.9	0.93	1.01	1.1	1.12
2	Andijan region	1.04	1.1	1.21	1.31	1.34
3	Bukhara region	0.86	0.88	0.96	1.05	1.07
4	Jizzakh region	0.97	0.99	1.06	1.16	1.19
5	Kashkadarya region	1.01	1.03	1.13	1.23	1.26
6	Navoi region	0.92	0.94	1.03	1.11	1.11
7	Namangan region	0.98	1.01	1.08	1.2	1.26
8	Samarkand region	1.08	1.1	1.16	1.24	1.28
9	Syrdarya region	0.88	0.91	0.97	1.07	1.12
10	Surkhandarya region	1.0	1.02	1.11	1.22	1.21
11	Tashkent region	0.84	0.87	0.94	1.05	1.12
12	Fergana region	0.95	0.97	1.06	1.17	1.23
13	Khorezm region	0.98	1.01	1.1	1.19	1.17
14	City of Tashkent	1.09	1.14	1.23	1.36	1.41
	Total for the Ministry of Public Education	0.97	1.0	1.09	1.19	1.22

These indicators indicate that, despite the increase in the number of schools and their capacity, the level of enrollment remains low, and shows that the learning process in general education schools is organized in 2 shifts, and in Tashkent even in 3 shifts.

One of the main human rights in Uzbekistan is education. The implementation of these important tasks' entails reforming the educational process in schools, including strengthening the material and technical base of educational institutions, computerization of education, and the introduction of advanced pedagogical technologies into the educational process. This, in turn, makes it necessary to attract private investment in this area (Table 4).

Table 4

The state of financing of non-state general educational institutions planned to be created on the basis of public-private partnership in 2019-2020[14]

Place of creation of a non-state educational institution based on PPP	Participation of the state in the contract	Amount allocated from the state budget, in million soums	Expenses incurred by the investor, in million soums			Coverage of students number		one-time monthly payment, in million soums
			General expenses	of them:		Total	including on a preferential basis	
				Capital investments and other expenses	Operating costs			
Altyaryk district	vacant building and land	0	2400	2110	290	200	40	1.62
Altyaryk district	vacant land plot of 1450 sq.m.	0	4256	3713	543	315	63	0.871
Fergana district	vacant building and structure, land	26.5	1028	989	39	192	38	0.871
Fergana district	5 900 sq.m. land plot	0	9368	8354	1014	390	78	1.25
Denau district	empty building and 10 484 sq.m. land plot	0	2966	2923	43	320	64	1.0
Chust district	land in 5 200 sq.m.	0	4630	4231	399	200	40	0.871
Ishtikhansky	vacant	0	2355	1891	464	120	24	1.5

district	building and land 14 949 sq.m.							
Total	vacant building and structure, land plot	26,5	27003	24211	2792	1737	347	1.95

The development of public-private partnership will lead to the solution of a number of problems in the public education system: the funds allocated from the budget for financing secondary schools are relatively low, the throughput of secondary schools is low, students' study in schools in 2 shifts, incomplete use of buildings and land plots. Also, the creation of non-state general education schools on the basis of public-private partnership provides relief to parents in paying for education, that is, part of the costs is covered by the state.

CONCLUSION

According to the conclusions obtained as a result of scientific research, it is necessary to group the sources of financing of the education system as «public funds», «funds of the employer (enterprises and organizations) » and «funds of the population» and interpret in this context.

The activity of the public education system is to strengthen the legal framework to improve the quality and financing of this system, the main purpose of the adoption of these regulations is to educate young professionals in the country who are able to meet the requirements of the time, compete in the international labor market, use equipment and technologies, and be fluent in foreign languages, to have independent thinking.

The costs of the public education system are financed from the state budget and occupy a significant share. The fact is that the construction, reconstruction, equipping of schools does not give sufficient results only if the work is financed at the expense of the state budget itself.

In order to improve the quality of education, it is advisable to bear the costs associated with the construction and equipping of secondary education institutions by local self-government bodies, ensuring their continued cooperation with educational institutions. Particular attention should be paid to the issues of financing and efficient use of financial resources in general education schools, strengthening the material and technical base of these institutions.

To eliminate the problems associated with a gradual increase in wages and allowances in the system of public education, it is advisable to create departments for planning and financing wages in general education institutions. In order to increase the

responsibility and accountability of the competent ministries and departments in the use of financial resources in the public education system, it is advisable to establish the use of centralized budgetary funds allocated from the republican budget through the Ministry of Public Education.

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