

PRINCIPLES AND ORGANIZATIONAL-ECONOMIC BASES OF FINANCING THE EDUCATIONAL SYSTEM

Dusanov Salim Mamarasulovich (PhD)
International Islamic Academy of Uzbekistan

Abstract: *In the article, financial relations in the education system, the basics of financing principles, problems and its importance are shown. The importance of financial resources in improving the quality of education in educational organizations and analytical approaches to its disposal were studied. The concept of theoretical approaches to specific aspects of the process was analyzed, and the existing scientific approaches and achievements were shown in detail. Based on this, a scientific conclusion and practical suggestions were made.*

Keywords: *Educational system, financing, financial resources, problems and forecasts, cost estimates, planning, targeting, distribution, utilization, innovative development in the educational system, digitization of educational activities, effective management of educational institutions.*

INTRODUCTION

Today, as in all fields, the globalization process and the rapid influx of information require the establishment of financial management in educational institutions on the basis of competence and the improvement of financial relations in it using modern management methods.

The issue of budgeting is of great importance in the effective organization of the activities of educational institutions, and the formation of a budgeting system based on specific results in financial relations is ultimately aimed at training personnel with qualifications and social skills that will enable social responsibility to ensure the well-being of society in many ways.

Currently, to develop the capacity of the education system

There is an evaluation of different approaches to improving public financing as the main source of resource provision. In particular, the first of them is to determine the minimum share of the amount of budgets allocated to education by the state; the second is the introduction of targeted taxes and compulsory payments; the third is to establish the minimum standards of state expenditures calculated on the amount of income per capita or on education in general as a share of GDP; the fourth is to expand the list of types of expenses included in the concept of "targeted subsidies".

It is known from the experience of the world community that the level of development of the education system in the country is directly related to the level of socio-economic development of the country. Expenditures on education have an indirect effect on the development of physical



Published under an exclusive license by open-access journals under
Volume: 4 Issue: 01 in January 2024
Copyright (c) 2024 Author (s). This is an open-access article distributed
under the terms of Creative Commons
Attribution License (CC BY). To view a copy of this license, visit
<https://creativecommons.org/licenses/by/4.0/>

capital, as well as on the country's own technological development and the possibility of rapid adoption of technologies developed by other countries. It can also be emphasized that all aspects of education, such as the type, quality, and effectiveness of education, affect economic growth. The volume of expenses directed to the educational stages not only directly affects the rate of economic growth, but also affects the formation of the educational potential necessary for development.

Analysis of literature on the topic. In our republic, few scientific works have been created, considering the issue of financing of educational organizations at different stages of education. However, the issues of financing in the forms of higher education and school education were considered separately. In particular, N.Jumaev, D.Rakhmonov paid attention to the financing of higher education from private sources and based on a survey conducted among students of higher education institutions, they formulated scientific conclusions that are the basis for the formation of contractual payment values for higher education [4]. J.Yoldoshev also gave his opinion on the financing of higher education. In particular, he gives his scientific proposals on the development of public-private partnership in the delivery of higher education services, the use of franchising [5]. In particular, European countries analyze trends in budget financing of higher education institutions and highlight suggestions and recommendations for implementation in Uzbekistan [6]. In his article, A. Sherov focuses on state financing of the education system. It mentions aspects of financing of the period from pre-school educational institutions to higher education and paid attention to in state programs [7].

As can be seen from the above, we can see that in the studies conducted on the financing of educational organizations, special attention is paid to the financing of the higher education part of education. As a study on the financing of public education, it is possible to cite the scientific research of H.Dostmuhammad as an example. In his research, N.Norqabilov noted that the educational system fulfills two important tasks: first, to perfect and improve the human personality, to develop it spiritually, ethically, and artistically, to help it become a spiritually mature, well-rounded person; secondly, to perform the economic task and reproduce the skilled workforce [9]. N. Fedina showed four indicators characterizing the evaluation of the effectiveness of the preschool education system [10]: provision of preschool education based on state guarantees, taking into account the population's demand for preschool education services; conditions for children's education and other expenses; personnel potential; budget financing and financial activities. Also, in the research carried out by A. Sidorova[11], he carried out research that provided for the development of indicators that determine the priority of the education system for the country's economy. Foreign scientists, such as Mingat and Tan, have scientific conclusions in this regard. In particular, they emphasize that the share of budget expenditures is inversely proportional to the next stages of education, that is, as high-income countries pay serious attention to attracting extra-budgetary funds to higher education [13]. In addition to significant budget expenditures in education, it is also important to develop indicators that determine their effectiveness. At the same time, in-depth research of the principles of "financing" and its organizational and economic foundations in the financing of the education system remains one of the urgent issues.

Research methodology. In the course of the research, proposals were made on the importance of financial independence of higher education institutions and ways to improve the efficiency of financial resources using monographic analysis and expert and systematic analysis methods.

Published under an exclusive license by open-access journals under

Volume: 4 Issue: 01 in January 2024

Copyright (c) 2024 Author (s). This is an open-access article distributed
under the terms of Creative Commons

Attribution License (CC BY). To view a copy of this license, visit

<https://creativecommons.org/licenses/by/4.0/>



Analysis and results:

The main direction of the state policy in the field of education in our country is the goal of raising education to the level of the most advanced foreign countries and training mature specialists based on the study of world experience. Decrees "On measures for the development of education and science in the period of new development of Uzbekistan", "On measures to radically reform and bring the youth policy to a new level in the Republic of Uzbekistan" and "New Uzbekistan - from the threshold of the school, "It starts with the education system" and defined the priorities for the systematic reform of general high school and extracurricular education.

Due to the reforms carried out in recent years, including favorable conditions created for the organization of educational processes and increasing the investment attractiveness of our country, the number of educational institutions is increasing as a result of the establishment of non-state higher education, private higher education and joint faculties and joint programs with foreign higher education institutions in our republic.

It was reported that one of the tasks of the 41st goal of the new strategy for the development of Uzbekistan in 2022-2026 is to increase the share of organizations providing non-governmental educational services to 8% in 2026, including by expanding the conditions and opportunities for them to 3% in 2022. The 49th goal of this strategy envisages increasing the number of non-governmental non-profit organizations of higher education to at least 50 by 2026.

It is known from the above that the principles and organizational and economic aspects of education financing are expanding. At all levels of education, private education, foreign education programs and joint programs are taking a special place. From this point of view, the issue of financing education is on the agenda today among the urgent issues.

The use of the term "financing" requires disclosure of its meaning. Theoretically, there are views that "financing" is the process of receiving funds from any sources. Most of the scientific research on the problems of financing education has the concept of financing. This interpretation seems to be an overly broad concept, which allows all results of economic activity to be classified as financing. It should be noted that in our opinion, the definition of financing has a slightly different, limited meaning. For the conditions of a planned economy like our republic, this concept is defined as "providing the necessary financial resources for the development of the national economy." We believe that it is correct to apply this definition directly to the financing of state educational institutions, because the expenses of all state educational organizations are provided with the necessary funds (budget funds) and the expenses formed on the basis of certain articles are regulated and financed on the basis of estimates.

Currently, educational institutions in our country are financed on the basis of the following principles:

- planning according to the cost estimate: the necessary funds are developed on the basis of a separate plan for each financial year. This, in turn, should be ensured at the stage of budget development;
- targeted orientation: it is allowed to spend the funds only on the objects and goals provided for in the plan;



Published under an exclusive license by open-access journals under
Volume: 4 Issue: 01 in January 2024
Copyright (c) 2024 Author (s). This is an open-access article distributed
under the terms of Creative Commons
Attribution License (CC BY). To view a copy of this license, visit
<https://creativecommons.org/licenses/by/4.0/>

- irrevocability: educational organizations receiving funds are not obliged to return them;
- allocation of funds according to their use;
- savings: correct and reasonable spending of funds.

The principles of financing in educational organizations reflect a general approach to the use of financial resources, that is, to the formation and spending of funds. In general, financing can be understood as providing an entity or a process with a certain amount of funds at a certain time and for certain purposes. Let's talk about these principles theoretically:

First, if the funds are allocated to the cost estimate ahead of time, it will remain idle for a period of time, which in turn means that the funds will sit idle, causing it to become less valuable due to inflation.

Secondly, if it is not allocated to the desired purposes, it is not spent, that is, it lies idle with the same consequences.

Third, if the amount of allocated funds is insufficient or excessive, the result will be the same as above. In this context, it is recommended to consider the last three principles of financing in more detail.

The absence (non-existence) of obligations to return funds from the recipient of funding in educational organizations does not mean the absence of other obligations towards the allocator of financial resources (loans or budget funds manager).

In today's current practice, educational organizations, that is, the recipient of funding, still have two types of obligations:

- spending the allocated funds on the goals set by the financing entity in full and within the predetermined time limits. In this case, the absence of repayment obligations is a result of the fact that in the context of a state-planned economy, financing is directed to state goals and does not lead to the removal of property from state ownership (other things being equal);
- to provide a financing entity with a specific result - a product whose production is financed, that is, a product that is paid "in parts" depending on its production, or to carry out a specific activity, for example, in the form of providing educational services. This includes monthly salaries, incentive funds, scholarships and other expenses.

In practice, the distribution of financial resources allocated to educational organizations based on the use of funds seems clear and understandable at first glance, but to a certain extent, it contradicts the general principle of minimizing the time of inactivity of funds. The term "as spent" can also be considered as a kind of reserve, the accumulation of funds in order to gradually spend them. It should be noted that, for example, in the context of credit relations, the reserve of certain amounts requires an appropriate payment to cover the losses of the credit organization due to the "freezing" of the movement of funds.

Economical and rational spending of funds is more like a demand for a declaration than a principle, because it shows a significant subjective component and the need to strengthen and improve this principle by creating appropriate mechanisms and a very strict regulatory framework.

Published under an exclusive license by open-access journals under

Volume: 4 Issue: 01 in January 2024

Copyright (c) 2024 Author (s). This is an open-access article distributed
under the terms of Creative Commons

Attribution License (CC BY). To view a copy of this license, visit

<https://creativecommons.org/licenses/by/4.0/>



Two aspects of the financing of educational organizations through the budgeted budget seem to be separate:

- **positive:** part of the funds allocated for the financial year will be returned to the financing entity at the end of the year and can be used for other purposes;
- **negative:** the planning of the annual cost estimate is carried out at the end of the first quarter, which means, firstly, the need to "freeze" funds for a certain period of time, and secondly, to change financial plans to use these funds - which, in turn, may cause additional transaction costs.

In addition, the above definition of financing, in our opinion, does not reflect the specific characteristics of the relationship regarding the provision of financial resources to the education sector, as well as the fundamentally important changes in the economy - the transition to market relations. What is unique about the financing of the education sector is that the main goal of education is not the result mentioned above, but is considered as a whole process.

Market relations imply the emergence of obligations associated with any movement of financial resources, if this is related to the change of their owner. In addition, the size of the obligations should correspond to the amount of the transferred amount. This is also a direction that requires more serious justification and special research, because there may be some exceptions to this rule, but since this is not the topic of the direction we want to cover, we will not dwell on it now.

Thus, the term "financing" is an economic process that suggests complex relationships related to the provision of financial resources for a particular activity and the obligations arising from these relationships. Therefore, for the purposes of this work, funding can be considered as providing the necessary financial resources for the costs of educational activities. As a special feature of education financing, it should be noted that it should be aimed not at the result, but at the provision of the process (in certain quantitative parameters). It is appropriate to interpret the financing as the implementation of the educational process, that is, the implementation of educational programs of certain educational stages, providing students and students with financial resources to provide them with the knowledge and necessary skills.

There are two most important principles of financing all stages of education, which are:

- purposeful and effective use of allocated funds - spending them on predetermined, planned goals and avoiding other expenses;
- non-return of allocated funds - funds given to educational institutions are not directly returned by them and are not returned to the owner of the funds either in the form of funds or in material (intangible) equivalent.

It should be emphasized that financing is a whole economic process, and it is not an expression of buying-selling relationship. In the financing of education, the state does not buy educational services, but provides the activity of its structural element, which produces these services for free for the consumption of a part of the population.

From the 2020-2021 academic year, variable curricula were introduced in 12 directions as a pilot, 4 completely new Presidential and 9 creativity schools were established for talented young people,

Published under an exclusive license by open-access journals under

Volume: 4 Issue: 01 in January 2024

Copyright (c) 2024 Author (s). This is an open-access article distributed
under the terms of Creative Commons

Attribution License (CC BY). To view a copy of this license, visit

<https://creativecommons.org/licenses/by/4.0/>



the development and implementation of a new national curriculum in 2021-2022, pre-school to increase education coverage to 82%, to build more than 7,000 new kindergartens, to cover 6-year-old children with the pre-school system by the end of 2024, and at the same time, to create more than 45,000 jobs for women and girls in the next five years, to increase the level of higher education coverage to 50 percent, construction of student dormitories with 100,000 beds, 10 presidential schools, 197 schools specializing in chemistry and biology, mathematics, and information technologies.

The expansion of the education system in our country and the increase in expenses spent on its development and support are limited not only to the training of competitive personnel for the market, but also to the training and improvement of labor resources, which are an important factor in ensuring the political-ideological, socio-economic, spiritual-educational and other needs of society and the state. makes going. But this event does not happen by itself. Especially in today's environment of intense competition in the market of educational services, there is a need to improve the principles of financing, so that public educational service providers can survive in the competition and social problems such as lack of personnel are not on the agenda. It requires a revision of the following specific financing principles and criteria.

- material and technical support and scientific criteria.
- dual education and its practical results have a functional character as a monitoring criterion.
- the form of differentiated education needs recognition.
- a digitization laboratory should exist in the educational environment and its full operation should be determined in practice.
- private schools, higher education and vocational colleges have the character of a qualitative criterion in the developed educational systems of the world. The reason is that the basis of private education is cognitive development.
- it is necessary to direct a lot of effort and funds to the goals of comprehensive development of the education system, training of qualified personnel, and this criterion has given its results in the experience of the countries of the developed world. In our country, within the framework of the state program "Youth - our future", the "Youth - our future" fund has been established under the Youth Union of Uzbekistan, and in order for young people to implement their business initiatives, start-ups, ideas and projects, preferential loans and leasing services in the amount of 7% are provided through commercial banks and allocated within the program made concessions such as providing guarantees not exceeding 50% of the amount of loans. For the 2020/21 academic year, 8,694 preferential grant quotas were allocated for admission to HEIs, preferential quotas were given to 7 different categories of applicants. Starting from this academic year, separate grant places in the amount of 4% have been allocated to girls who have a letter of recommendation issued by the Ministry of Neighborhood and Family Support in the form of full-time education.
- the issue of innovative management of the educational process. Experiences of the education system of developed countries put the following principles on the agenda: - improvement of educational standards and curricula based on advanced foreign experiences; - to bring the

Published under an exclusive license by open-access journals under

Volume: 4 Issue: 01 in January 2024

**Copyright (c) 2024 Author (s). This is an open-access article distributed
under the terms of Creative Commons**

Attribution License (CC BY). To view a copy of this license, visit

<https://creativecommons.org/licenses/by/4.0/>



educational system from the phenomenon of centralization to the phenomenon of having its own management board and creating the presence of each of its strategic goals; - increasing the scope of specialized educational institutions; - solving the problem of employment of labor resources requiring high qualification and special training in order to ensure the competitiveness of human resources in the capital market; - directing scientific researches to bring new content to production and social development.

Conclusions and suggestions:

The formation of financial resources and their use in the educational system is a whole system, a single process, regardless of which category (state, joint, private) it is, and represents the economic and social relations between the state, sponsors, customers, educational organizations and consumers of educational services. One of the less studied areas of education system financing is the effectiveness of financial resources in educational institutions. Efficiency is difficult to directly measure and evaluate. Because the issue of the efficiency of financial resources in educational organizations is a broad and abstract concept, and it is not possible to evaluate it in any form.

Globalization trends of the world economy require serious changes in the country's education system. Having set before itself the task of joining the global educational space, the educational system of our republic must meet the specific requirements of this market sector, and first of all, it is appropriate to pay special attention to the requirements for the quality of educational services.

Expanding the sources of funding for higher education institutions directly requires organizations and citizens to use and apply various state financial incentives and levers: including the introduction of budget subsidies, subsidies, grants, tax breaks, etc.

The concept of modernization of Uzbekistan's higher education system envisages increasing the expenditure of normative budget funds, taking into account the state standards and necessary conditions for the educational process; includes the development of differentiated standards of financing from the budget reflecting the nature of the implemented educational programs, the creation of a scientific concept, the adoption of scientifically based methodology of financing standards.

The existing system of higher education financing in the country, like education itself, needs a serious renewal. Today, the most extensive development of education is the formation of its resource base. It is necessary to make inevitable decisions on improving the financing system and revise the existing ones.

Literature

1. Convention on pravax child//Mejdunarodnye acty o pravax human/Sost. i input st.: V.A. Kartashkin, E.A. Lukasheva. M.: Infra-M, 1998. S. 306-324. 2. Karimov I.A. High spirituality is an inexhaustible power. - Tashkent. Spirituality, 2008. – B.38.
2. Doronova T. N. Doshkolnoe uchrejdenie i semya - edinoe prostanstvo razvitiya: methodicheskoe rukovodstvo dlya robotnikov doshkolnyx obrazovatelnyx uchrejdeniy / T. N. Doronova, E. V. Soloveva, A. E. Chichkina, S. I. Musienko. - M. : LINKA-PRESS, 2001. - S. 5.



3. Jumaev N.Kh., Rakhmanov D.A. Private higher education financing from sources: theory and practice//Economics and innovative technologies electronic journal. - T.: TDIU, 2018. - #5.
4. Yoldoshev J.T. Actual issues of financing of higher educational institutions//Economics and innovative technologies electronic magazine. - T.: TDIU, 2018. - #5.
5. Makhmudov A.A. Funding in higher education institutions International practice of system management//Economics and innovative technologies electronic magazine. - T.: TDIU, 2015. - #1.
6. Sherov A.B. Legal basis and objective necessity of state financing of the education system// "International finance and accounting" scientific electronic journal. - T.: TMI, 2017. - No. 3.
7. Dostmuhammad H.U. Effective financing of public education ways of organization: i.f.n. ... abstract: - Tashkent: BMA, 2012. - 22 p.
8. Norqabilov N.N. Education system out of the budget The role of marketing in financing and personnel training//Modern education journal. - T. 2017. - #8. - B. 36-40.
9. Fedina N.V. Organizational-pedagogical conditions for improvement effektivnosti municipal sistemy doshkolnogo obrazovaniya: abstract ... k.p.n. - Elets. ElGU im. I.A. Bunina, 2005. - p. 24.
10. Sidorova A.A. Strategy upravleniya sistemoi obrazovaniya kak element gosudarstvennoy politiki: abstract ... k.e.n. - Moscow. MGU im. Lomonosova, 2012. - p. 28.
11. Information of the State Statistics Committee of the Republic of Uzbekistan (<https://stat.uz/uploads/docs/tur-dar-17uz1.pdf>)
12. Mingat A., Tan J. The Full Social Returns to Education: Estimates Based on Countries' Economic Growth Performance//Human Capital Development Working Paper 73. World Bank, Washington, DC. 1996.
13. Ivanova L.P. Finansirovanie obrazovatelnoy sfery v usloviyax reformirovaniya budgetnoy sistemy: abstract ... k.e.n. - Nizhny Novgorod.: GOU VPO Volgo Vyatskoy AGS, 2007. - 25 p.
14. Ivanova L.P. Finansirovanie obrazovatelnoy sfery v usloviyax reformirovaniya budgetnoy sistemy: abstract ... k.e.n. - Nizhny Novgorod.: GOU VPO Volgo Vyatskoy AGS, 2007. - 25 p.
15. United Nations Educational, Scientific and Cultural organization(UNESCO) [Electronic resource]: UIS Statistics in Brief. Education (all levels) profile - France, Germany, Sweden,USA / United Nations Educational, Scientific and Cultural organization (UNESCO). UNESCO Institute for Statistics, 2011. - Access mode : <http://stats.uis.unesco.org>
16. Decision No. PQ-3698 of May 7, 2018 of the President of the Republic of Uzbekistan "On additional measures to improve mechanisms for introducing innovations into economic sectors and industries"//www.lex.uz
17. Belyakov S.A. System financing in Russia. - M.: MAKS Press, 2006.]



18. Agranovich M.L., Ozerova N.B., Belyakov S.A., Klyachko T.L. "System financing education. Analyz effektivnosti/Pod ed. S.A. Belyakova. MI: Techno Pechat, 2003.
19. I. Blank "Basic financial management" Infra-m:2011



Published under an exclusive license by open-access journals under
Volume: 4 Issue: 01 in January 2024
Copyright (c) 2024 Author (s). This is an open-access article distributed
under the terms of Creative Commons
Attribution License (CC BY). To view a copy of this license, visit
<https://creativecommons.org/licenses/by/4.0/>