

Ways of Support to Financial Stability of Higher Education in Uzbekistan

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Annotation

This article analyzes the legislative framework and the ongoing reforms in the education system of Uzbekistan, in particular the system of higher education, the payment and contractual funds of students and their use, financing of higher education institutions as well as scientific conclusions and recommendations on improving the sustainability of the country.

Key words

Education, higher education, financing, budgeting, extra-budgetary funds, payment-contract, wages, innovative services, financing higher education.

Among the reforms currently underway in our country, there is a need to highlight the reforms in education. Part 4 of the Decree of the President of the Republic of Uzbekistan dated February 7, 2017 "On the Strategy for the Further Development of the Republic of

Uzbekistan", DP-4947, sets out the priority areas for the development of the social sphere, which is dedicated to the development of education and science. In order to ensure the implementation of this Decree, educational institutions were provided with some privileges, special programs, normative documents on their development were adopted, salaries of teachers and trainers of educational institutions were significantly increased. The main purpose of these events is to provide all the branches and industries of our country with modern knowledge, knowledge of foreign languages, the broadest use of information technologies and highly skilled professionals.

It is no secret that investment in the education system is one of the most effective investment, but the most effective use of every single investment is one of the key issues today is given the limited financial resources. In this regard, it is desirable to improve the measures

taken to effectively organize the education system, in particular, the funding of the higher education system. According to UNICEF, the coverage of primary education in the country is 97 percent, and in higher education this figure is 15 percent. This means every two people out of thousand are students. [1] For the further development of the economy this indicator is much lower. Because higher education is 3% of the employed population, 2% of the industrialized countries, and their share in the innovative economy is 60%, and in the intellectual economy this figure should be about 80%. [2]

In this regard, the Decree of the President of the Republic of Uzbekistan dated February 7, 2017 N UP-4947 defines the following tasks:

- Continuing the policy of continuous training, furthering the quality of educational services, training highly qualified personnel in line with the needs of the labor market;

- Improve the quality and effectiveness of higher education institutions, gradually increase admission

quotas for higher education institutions based on the introduction of international quality standards for teaching and learning;

- Promoting research and innovation activities, creating effective mechanisms for introducing scientific and innovative achievements, setting up specialized scientific and experimental laboratories, higher tech centers and techno-parks at higher educational institutions and research institutes, etc. [3]

Obtaining these duties is certainly a great deal of time and effort. In our country, higher education institutions are funded mainly from the budget and off-budget sources. The main source of extra-budgetary funds is contract-based funding for pupil and students.

Among the key documents regulating the financial activities of higher education institutions are the Cabinet of Ministers of the Republic of Uzbekistan No. 414, dated September 3, 1999, "On improving the order of financing of budget organizations", Decree of the President of the Republic of Uzbekistan dated August 17, 2001, 2012 № 344 "On order and



amount of paying scholarships to students of higher educational institutions", Ministry of Higher and Secondary Special Education of the Republic of Uzbekistan " On Approval of the Regulation on the Procedure for the Payment and Contract Form of Education and the Distribution of Funds from Institutions of Higher and Secondary Specialized, Professional Education, No. 508, October 18-2017 "On approving the norms of the ratio of the number of students attending the account of one teacher by blocks and forms of education in higher education institutions" the order of the Ministry of Finance of the Republic of Uzbekistan and the Ministry of Higher and Secondary Special Education of the Republic of Uzbekistan from August 20, 2010 "On the basis of budgetary funds, On Approval of the Regulation on the Procedure for Normative Planning and Financing of Expenditures of Institutions ".

We believe that nowadays it is the period of introduction of modern and innovative services in the system of education, in particular in the system of higher education, including in the system

of financing, in all spheres of economy and in the field of education.

We know that the highest income of higher education institutions is the amount of payments received from the contract, and the largest costs are covered by Group 1 expenditures, in particular the stipend of students and the salaries of teachers will be spent. Thus, the correct calculation and reasonable allocation of these costs is important to every higher education institution.

In our country, from 2018-2019, students are expected to pay the minimum wage in the contract. The higher education institutions are divided into 5 categories: 1st category - pedagogy, vocational education, mathematics, psychology, sociology, sport and the like, 2nd category - Oriental philology, journalism and information, arts and architecture, category 4 economics, ICT economics and management, healthcare and others, and the fifth to world politics, world economy and international economic relations, law and other areas. Accordingly, the size of the contract for the payment is 45 for the lowest wage (HEPS) of the 1st category,

46 times for Type 2, Level 3 of the Type 50, 55 for the 4th Type and 60 for the 5th category.

However, if many students (their parents) are criticized for increasing the contract amount, the fact that the amount of contract is insufficient to fund the education of the students is disturbing higher education institutions.

Currently, the Ministry of Higher and Secondary Special Education of the Republic of Uzbekistan approved the Decree of the Cabinet of Ministers of the Republic of Uzbekistan dated December 28, 2012 "On the payment and contractual form of training in higher and secondary vocational, according to the Regulation on the Procedure for the Distribution of Funds", the funds received from students' payment and contract payments will be spent on the following areas:

a) to pay scholarships to students (except for foreign students) studying under the contract excluding the production of higher education;

b) to pay for salaries of employees of higher education institutions and salaries of employees of higher education

institutions, as well as for uniform social payments;

c) the maintenance of buildings and structures in higher education establishments and payment of utility services;

d) replenishment of the information resource center of the higher educational institution (library), etc.

Also, temporarily vacant educational funds can be allocated on a competitive basis to the deposit accounts of higher educational institutions of the Republic of Uzbekistan with high financial steady and solvency. [4]

Let's briefly analyze the use of payment and contract funds for students of the 1st category (pedagogy, mathematics, psychology) for the 2018-2019 academic year. For the 2018-2019 academic year, the student paid over 8.7 million soums (over 10.6 million soums at the 4th category). If a student gets a good mark and gets a coefficient of 1.0, during the academic year a total of 8.1 million soums will be received, videlicet, approximately 93% of the contract will be received (76 %) as a scholarship. If the student receives



a grant of 0.75 coefficient, 70.1% (4% of the total number of HEIs) is close to 58% and 0.5% for the fellowship (46% in the 4th type HEIs) receive more grants.

If we analyze the above calculations, we can see that the sum of payment and contract payments to students is only for the scholarships and salaries of pedagogues and other institute employees (even those in the 1st and 2nd HEIs do not have enough funds). Other expenses of HEIs, including the maintenance of buildings, utility payments, provision of new literature with libraries, purchase of equipment and technologies, furniture and equipment, are one of the pressing issues facing the universities today. Also, according to the decision of the President of the Republic of Uzbekistan, salaries of senior staff and teaching staff of higher educational institutions are planned to increase by 25% from 1 July 2019. [5] This requires further improvement of the funding system of higher education institutions. One of the first events in this direction was the discussion of the draft normative legal acts of the Republic of Uzbekistan (www.regulation.gov.uz) on

13 March 2019 by the President of the Republic of Uzbekistan "2019/2020 academic year" on the parameters of the state order for admission to higher educational institutions. [6] This decision will contribute to the inclusion of differentiated payment and contract amounts in higher education institutions, the formation of an acceptance quota, and independence in the management of financial resources.

It is expedient to analyze the experience of developed countries in the direct funding of higher education institutions. A. Mingnat and J. Tans, who conducted their research in the field of education, found that the level of government financing of the education system depends on the level of development of the country. In their opinion, low-income countries are paying more attention to basic education, with middle-income countries paying more attention to funding secondary special education. Countries with high incomes are paying close attention to higher education. [7]

In the process of improving the system of higher education in the country and its financing, it is possible to conclude that the share of non-budgetary funds in financing higher education institutions should be increased. In order to improve the financial sustainability of higher education institutions, it is appropriate to put into practice the following suggestions:

- introduction of the credit system of higher education institutions;
- introduction of independent sums of higher education institutions in the amount of contract;
- taking into account the scientific potential of the university in determining the amount of contract;
- determining the salaries of teachers based on their performance, not their salaries;
- extensive involvement of foreign citizens in the educational process, for which information about the university and advertising of educational services in social networks widely used in foreign countries (Facebook, Twitter, LinkedIn VKontakte, Telegram, Instagram,

WhatsApp, etc.) in Uzbek, Russian and English languages;

Attracting sponsorships of well-off people who graduated high school, etc. We believe that the implementation of these proposals will contribute to the improvement of financial sustainability of higher education institutions

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[71](#)