



ENSURING THE FINANCIAL SUSTAINABILITY OF PRIVATE AND PUBLIC HIGHER EDUCATIONAL INSTITUTIONS

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Abstract

This article analyzes the financial sustainability of private and public higher education institutions. In addition, this article provides a broad analysis of normative legal acts adopted in the higher education system from a legal point of view. In addition, extensive foreign experience of improving the system and quality of education has been studied. As a result of the analysis, proposals and recommendations were developed to improve the education system of the Republic of Uzbekistan.

Keywords: education, public education, higher education, graduated, reforms, financial independence, quality of education.

Introduction

In recent years, our country has been consistently implementing reforms aimed at radical changes in all sectors of the economy. In particular, measures to further reform and further develop the higher education sector are among them. As a result of the implementation of changes aimed at providing financial and academic independence in the radical reform of the education system in our country, the category of brand capital is gaining importance in the education system. To date, a number of scientific studies aimed at developing the system of higher education have been studied by Uzbek scientists, and these scientific works cover various aspects of the issue.

Dots. A. Sherov provides information on the state funding of the education system and the role and place of the state budget in it. Based on this research, proposals and recommendations have been developed to increase the efficiency of the use of budget funds¹. Many aspects of the financing of the higher education system have been studied in these studies, but its specificity in the creation of the brand issue in the higher education system has not been studied as a separate object of study. This means that the formation of brand capital in the higher education system is becoming increasingly important today. The Decree of the President of the Republic of Uzbekistan dated October 8, 2019 "On approval of the Concept of development of the





higher education system of the Republic of Uzbekistan until 2030" identified priorities for the development of the higher education system. This document is significant in that it sets the most important strategic goals for higher education. As a result, conditions have been created for the emergence of brand capital in the higher education system. The resolution also put on the agenda such issues as the inclusion of several higher education institutions in the country in the first thousand in the ranking of internationally recognized organizations (Quacquarelli Symonds World University Rankings, Times Higher Education or Academic Ranking of World Universities). With the adoption of this decision, the beginning of the work on entering the international ranking will ensure the formation of brand capital not only at the national, but also at the international level. The amount of contracts in financially independent universities will not increase sharply. Self-financing does not mean that higher education institutions will be completely transferred to the private sector. They are given the freedom to use available resources to develop independently and improve the quality of education.

The transition to a new system should not lead to a sharp increase in tuition fees, excessive admission, contrary to the existing opportunities for additional funding, and, most importantly, to prevent corruption in the financially independent universities. The persecution process will be closely monitored by the ministry in cooperation with relevant organizations. If we look at the experience of developed countries, we can see that reforms in order to achieve development began, first of all, in the field of education. Because any country that prioritizes the education of the younger generation, will undoubtedly achieve a solid foundation for the future. In our country, special attention has been paid to the radical reform of the education system since the early years of independence. Great work is being done to reveal their talents and intellectual potential, to raise the feelings of devotion and devotion to the Motherland in the hearts of the younger generation.

Analysis of the Relevant Literature

Prof. In his article, D. Rakhmonov highlights some aspects of the international brand through the issue of international ratings 2. In particular, in the October 28, 2021 issue of the People's Speech on this issue will express the following views. "In our opinion, until recent years, Uzbek universities were not interested in participating in international rankings. World experience also confirms this. For example, higher education institutions in developed countries aim to attract students from different parts of the world to their universities or institutes by entering international rankings. This paves the way for the formation of independent motivations of higher education





institutions. In Uzbekistan, we believe that the existence of a quota system, the accuracy of the market of our higher education institutions and the 11-fold increase in the number of applicants (given the coverage of higher education by 9%) were the main factors of inaction. We believe that the development of this trend will create opportunities for competition among applicants and create sufficient conditions for the training of competitive personnel. In the process of globalization, brand capital management is becoming more important for higher education institutions in creating their own brand and gaining material benefits from it. This highlights the need to maintain competitiveness and seek competitive advantage not only in the national labor market but also in the international labor market. In this context, it is important that universities form a team of students (including foreign), faculty (including foreign) and highly competent management and support staff. In our opinion, the brand capital of universities is more clearly embodied in many respects by the ranking position published by international rating agencies.

The importance of the method of determining the reputation of higher education institutions in the XXI century on the basis of international rankings is noteworthy. As mentioned above, it is advisable to study the methods of rating agencies such as Quacquarelli Symonds World University Rankings, Times Higher Education or Academic Ranking of World Universities and to form immunity against them in higher education institutions. This will serve to increase and further strengthen the brand capital of the higher education institution. In our opinion, according to the Quacquarelli Symonds World University Rankings method, 6 indicators serve to form an international brand of universities. They can be seen as: academic reputation (40 percent), reputation among employers (10 percent), teacher-student ratio (20 percent), references to each teacher (20 percent), foreign share of teachers (5 percent) and the share of foreign students (5 percent) can be cited. Theory of the New Industrial Society by D.J. Gilbricht was once considered a key factor in the production of trained and educated personnel in an industrial system, and it was considered dependent on a highly developed education system.

S. Fisher defines the concept of human capital as "the ability that can bring income to a person is human capital. Human capital is classified as innate ability, talent, as well as learned (acquired)". This definition can now be considered as a narrow definition of the concept of human capital. According to the definition of human capital by B.M. Genkin and B.G. Yudin: human capital is a component of human abilities (physical potential, creative skills, knowledge and skills, skills, mobility), forms the source of income of the enterprise and the country. E. Denison, an American economist, studied the American economy. According to Denison, the cost factor of human capital is not





a primary factor, but their resulting quality indicators are one of the key factors of economic growth. Denison analyzes the U.S. economy from 1929-1982 and prioritizes the quality of the workforce in the economy.

According to Denison's research, the main factor influencing the quality of the workforce is the education system, i.e. the education system is the main factor influencing the formation of human capital. M.K. Meldakhanova defines human capital as a human resource accumulated through knowledge, skills and abilities that ensure the stability, competitiveness and innovative development of the country's economy. K.S. Mukhtorova and E.S. Detskovkaya's research highlights the importance of public policy focusing on human capital in the country's economy. It is believed that the quality and standard of living of the country's population will improve through policies aimed at developing human capital.

Analysis and Results

It is known that mutual competition has always led to an increase in quality indicators. The tasks set in the Concept of Higher Education Development until 2030 are also aimed at improving the quality and ranking of higher education institutions and increasing their international prestige through mutual competition. It envisages the development of public-private partnerships through the opening of state and non-state universities and the creation of healthy competition and increase the level of admission of more than 50% of graduates to higher education. It is planned to make the National University of Uzbekistan and Samarkand State University, two of the largest universities in Uzbekistan, among the most prestigious universities in the world and to include them in the list of 500 best universities in the world. At the same time, it is planned to include at least 10 local universities in the ranking of the best 1000 international higher education institutions.

The transition to the University 3.0 system, which is now an economic source of income in universities around the world, is also focused on the concept and includes extensive research in universities, technology parks, laboratories, incubators and even museums. The process of brand development and management is characterized by the introduction of various forms and systems. At the same time, a well-defined and managed strategy of a university brand creates its brand capital. The brand capital of an HEI is the value of the future net present cash flows generated by HEI brands, a specific benefit from the value that unbranded products have for consumers. Brand capital stems from consumers' confidence in the value of a brand. Based on this trust, a relationship is formed between the brand and the consumer, which encourages brand loyalty and the university's readiness to consider new products and services





offered under the same brand in the future. The consumer of the university is the students. The concept of higher education in the Republic of Uzbekistan for 2030 provides for the gradual transition of universities to a system of self-financing. The importance of the brand for the university and its contribution to business success is usually reflected in the monetary value of the brand. Based on the above, about half of the capitalized value of the university falls on the process of brand development and management, and the brand and its value in the university is the most important asset of the organization. Franchising is an agreement that gives the right to own a trademark name, product or service in other areas. In this case, the buyer of the trademark is called the franchisor, the seller is called the franchisor. The payment made by the franchisee to the franchisor is called a franchise. The franchise fee is paid by mutual agreement for a specified period of time. Franchising also serves as an intangible asset of the company as purchased income. The term "franchising" (fr. Franchise - "privilege, right to participate") gives the right to use the technology and the name of a well-known brand. Through such an organized form, it is possible to acquire the experience, knowledge, technological secrets (know-how) of brands with an image. The adoption of a new version of the Law of the Republic of Uzbekistan "On Education" was planned. The number of educational institutions in our country is growing every year, as can be seen in Table 1.

Table 1 Number of general education institutions (beginning of the school year, units)

Regions	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Republic of Uzbekistan	9720	9719	9718	9774	10090	10181
Republic of Karakalpakstan	698	705	707	708	729	733
Andijan	743	742	743	746	777	779
Bukhara	537	537	536	539	548	551
Jizzakh	541	543	544	544	555	558
Kashkadarya	1124	1125	1123	1122	1141	1155
Navoi	355	354	356	358	367	368
Namangan	686	687	687	695	718	726
Samarkand	1224	1221	1220	1225	1260	1271
Surkhandarya	861	860	855	869	920	934
Syrdarya	299	299	298	300	312	316
Tashkent	877	871	870	872	892	894
Fergana	921	918	920	926	960	974
Khorezm	530	530	525	526	556	561
Tashkent city	324	327	334	344	355	361



On this basis, the Law of the Republic of Uzbekistan "On Education" was developed and adopted by the Legislative Chamber on May 19, 2020, and adopted by the Legislative Chamber on May 19, 2020. According to this law, education is assessed as a systematic process aimed at providing students with in-depth theoretical knowledge, skills and practical abilities, as well as the formation of their general education and professional knowledge, skills and abilities. Higher educational organizations including branches of foreign higher education increased from 7 in 2015 to 2021, which can be seen in Table 2. In addition, according to the legislation of the Republic of Uzbekistan on education, foreign citizens have the right to study in the Republic of Uzbekistan in accordance with international treaties and legislation of the Republic of Uzbekistan. At the same time, stateless persons permanently residing in the Republic of Uzbekistan have the same rights to education as citizens of the Republic of Uzbekistan. Reforming the education system in the Republic of Uzbekistan, especially the higher education system, and improving their legal framework is also one of the important areas of today's policy. As a basis for this opinion, we can say that the Decree of the President of the Republic of Uzbekistan dated December 15, 2021 No. 61 "On measures to provide financial independence to public higher education institutions" was adopted. It is no exaggeration to say that it has led to significant changes.

Table 2 Higher educational organizations (at the beginning of the school year)

Indicators	2012 / 2013	2013 / 2014	2014 / 2015	2015 / 2016	2016 / 2017	2017 / 2018	2018 / 2019	2019 / 2020	2020 / 2021
Number of higher educational organizations, unit	64	66	68	69	70	72	98	119	127
including branches of foreign higher educational institutions	6	6	7	7	7	7	10	18	20
in them students, thousand people	258,3	259,3	261,3	264,3	268,3	297,7	360,2	441,0	571,5
daytime	258,0	258,9	261,0	263,9	267,9	287,5	313,0	360,1	441,9
evening study	-	-	-	-	-	-	1,2	7,3	11,5
extramural	0,3	0,4	0,3	0,4	0,4	10,2	46,0	73,6	118,1
For 10 000 population there are students of higher educational institutions	86	85	84	84	84	93	110	130	165
Admitted students to higher educational institutions, thousand people	63,1	62,3	64,1	63,0	61,2	63,0	114,5	138,1	174,9
The specialists were issued by higher educational institutions, thousand people	60,9	63,1	67,6	66,3	64,1	67,4	70,3	70,8	83,9



Article 4 of this law sets out the basic principles in the field of education, which include:

- Tan Recognition of the priority of education;
- Erkin freedom to choose the form of education;
- Masligi No discrimination in education;
- Teng Equal access to education;
- Integration of national and universal values into education and upbringing;
- Humane, democratic nature of education and upbringing;
- Continuity and consistency of education;
- Ligi Compulsory eleven years of education and one year of general secondary education for children between the ages of six and seven;
- Ochiq Open access to education for all within the framework of state educational standards and state educational requirements;
- Unity and differentiation of curriculum selection approach;
- Lifelong learning;
- Langan Guaranteed social protection of teachers in society;
- Secular nature of the education system;
- Encouragement of knowledge, ability and talent;
- Un Harmony of state and public administration in the education system;
- Openness and transparency in education.

This decision is aimed at increasing the effectiveness of reforms in the higher education system, ensuring the financial sustainability of public higher education institutions, strengthening the material and technical base, expanding the opportunities for attracting funding for research and development. was adopted in order to develop a competitive environment among educational institutions, according to which 35 academic institutions were granted financial independence.

This financial independence has given these higher education institutions, along with academic and organizational-administrative independence, some of which can be cited as follows:

- Setting and extending the contract value, terms of payment;
- Involvement of local and foreign professors and specialists on a contract basis;
- Scholarships and grants for students at their own expense;
- Direct purchase of foreign educational and scientific literature, textbooks, manuals;
- Establishing the procedure for providing paid services in vacant buildings and structures;
- Setting annual traffic limits and maintenance requirements for vehicles.





Conclusions

Another important aspect of the decision is that it will allow online monitoring of public university expenditures for internal audit and financial control services. In foreign countries such as the United Kingdom, Canada, the United States, the United Kingdom, and Germany, there are higher education institutions that have moved to a similar self-financing system. Prior to the transition to this system, a thorough study of foreign experience and the transition to a system of financial independence were agreed with the Ministry of Higher and Secondary Special Education. First of all, based on the supply and demand in the education market for higher education institutions transferred to this system, and taking into account the scientific and pedagogical potential of the institution, its material and technical base, the opening of new areas of education, student tuition on the basis of admission parameters and the right to determine the cost of training on a fee-for-service basis. But that doesn't mean the institute is completely independent. Another advantage of financial independence is that we will be able to spend our future earnings on students from low-income families, provide them with financial support and incentives. If the higher education institution is financially independent, taking into account the demand in the market of educational services, independently determines the cost of tuition on a fee-for-service basis and the terms of payment of students' tuition fees, modern pedagogical technologies. can involve local and foreign professors and specialists in the educational process on a contractual basis. Based on the demand of internal resources, professors can develop norms for the inclusion of state units, and, most importantly, introduce scholarships and grants for students at their own expense.

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