

Ways and Problems of Financing Public Education Institutions

Farhod Karimov

Head of Financial Analysis and Planning Department Ministry of Public Education

Abstract: One of the main socio-economic issues of the states is the problem of financing education. In almost all countries, education is considered a state-funded service. However, many developing countries face a number of challenges in funding education. These problems are, firstly, the lack of sufficient financial resources for education, and secondly, the lack of competencies to effectively use available resources.

Keywords: government funds, resources, higher education, UNESCO, OECD countries

Introduction

Education funding is the financial resources needed for an education service. The state (budget) funding of education ensured that education was free. Free education is related to people's right to education, which is enshrined in international and national law. However, in many countries, basic education is not only a right but also a duty and obligation. However, this has not always been the case.

In the mid-nineteenth century, most of today's industrialized countries began to view primary education as free and an individual right as a result of the policy of expanding primary education with public funding and government intervention. It was also associated with ideologies such as the emergence of notions of the social state or the protection of the rights and interests of the working class. Because the idea of universal and free education was based on the principle of social equality.

This initial period data shows that although government funding for education kengaytirishga funding comes from a variety of sources, the primary source is from taxes. The second half of the twentieth century began the decline of education as a global phenomenon. The concepts of "human capital" and "human development" began to be regarded as a major

investment in the future benefit of the investment made to each student, and it was argued that education is the foundation of economic development. The available data show that by the year 1990, government spending on education as a percentage of national income (NDA) in many developing countries has approached the average indicator observed in developed countries. In the twentieth century, this global decline in education led to a historical decline in educational inequality around the world: in 1960-2010, the inequality of education in all age groups and in all regions of the world decreased every year. According to the latest estimates of educational inequality in age groups, further decline in school inequality is expected in developing countries.

Along with this optimism, many studies have shown that education funding in many developing countries is declining both in terms of resource scarcity and due to errors and omissions in funding methods and techniques (corruption, ignorance, looting, misuse)..

The lack of financial resources allocated to education is measured by many problems. These include lack of schools and other facilities, insufficient classrooms, insufficient teachers, low salaries and unqualified teachers, lack of management and supervision, poor quality textbooks and other teaching materials, insufficient attention to educational standards and quality assurance. Any result of these insufficient resources can serve as a barrier to any child seeking primary education.

Main part

To date, the largest contribution to the financing of education comes from domestic funding. Internal financing, depending on the country, they can be from public (the most common) or private sources. When a country is poor, it is likely that it will not have enough domestic resources to ensure access to quality

education for all. External funding helps to fill the gap in education funding in a number of countries, but the EFA Global Monitoring Report (2013/14) notes that in recent years, external assistance to education has either stopped or decreased. This shows that external donors have not fulfilled their commitments made at the World Education Forum in 2000. UNESCO estimates the annual deficit in education funding at \$ 26 billion. According to the Donor Tracker, in 2018, foreign aid for education amounted to 14.061 billion rubles. Which made up the best indicator with the US dollar. But this is negligible compared to the 4.7 trillion US dollars allocated for education in 2018 worldwide. Therefore, although external resources are of paramount importance, the main source of education remains internal resources, that is, budgetary funds and their effective use. Another important aspect is that in 2018, \$ 4.7 trillion was allocated worldwide for education. 3 trillion dollars. Ni (65% of the total funds), while high-income countries accounted for \$ 22 billion. Low-income countries account for US \$ (0.5% of the total funds). Although the number of students in both state groups is approximately the same.

The lack of financial resources is considered as one of the main reasons that led to a decrease in the number of preschool children over the past 3-5 years. It is generally believed that countries should allocate 20% of their budget to education. Worldwide (including rich countries), only 15% of public spending in 2011

was directed to education, and even more - to higher education. According to the EFA Global Monitoring Report (2013/14), 25 countries allocated less than 3% of their GDP to education, rather than the recommended 6% of their GDP.

According to the UNESCO Global Education Monitoring Report for 2020, the mobilization of domestic resources to achieve Goal 4 within the framework of the Sustainable Development Goals (SDGs) Education Action Framework 2030 is recognized as a top priority. It sets two criteria for public spending on education: at least 4% of GDP and at least 15% of total public spending. Both are not mandatory, but failure to comply with both indicates that education is not a priority in this state. According to the data for 2014-2018, out of 141 countries studied, 47, or a third, did not meet any of the criteria. Of the top 10 countries in terms of GDP, 4 are the countries of Northern Europe, 3 are the countries of Latin America and the Caribbean, 2 are the countries of sub-Saharan Africa and 1 is the states of Oceania. The top 10 countries in terms of public spending are low-and middle-income countries: Sierra Leone accounts for the largest share (32.5%), followed by Ethiopia, Costa Rica, Eswatini, Guatemala, Uzbekistan, Honduras, Bhutan, Burkina Faso and Tunisia. In the member States of the Organization for Economic Cooperation and Development (OECD), spending on education in relation to GDP averaged 5.3. (Table 1.)

Table 1. OECD countries' expenditure on education in 2015 as a share of GDP (%)

OECD Countries	Primary, Secondary And Tertiary Special	Higher Education	Primary To Higher Education
Australia	4,0	1,6	5,6
Belgium	4,3	1,4	5,9
Canada	3,6	2,5	6,0
Chile	3,6	2,5	6,1
Czech	2,8	1,4	4,4
Estonia	3,2	1,6	4,9
Finland	3,9	1,8	5,8
France	3,8	1,4	5,3
Germany	3,1	1,2	4,4
Hungary	2,6	1,2	4,1
Ireland	4,4	1,3	5,6

Israel	4,4	1,6	6,5
Italy	3,0	0,9	3,9
Japan	2,9	1,5	5,0
South Korea	3,7	2,3	6,7
Luxembourg	3,3	0,4	3,7
Mexico	3,9	1,3	5,4
Holland	3,8	1,7	5,5
New Zealand	5,0	1,9	6,9
Norway	4,6	1,6	6,5
Poland	3,4	1,3	4,8
Portugal	4,5	1,3	5,9
Slovakia	2,7	1,0	3,8
Slovenia	3,7	1,2	4,9
Spain	3,1	1,2	4,3
Sweden	3,7	1,7	5,4
Switzerland	3,5	1,2	4,9
Turkey	3,0	1,4	4,4
United States	4,5	1,8	6,3
United Kingdom	3,6	2,8	6,4
Average on OECD	3,7	1,5	5,3

It is gratifying that Uzbekistan's inclusion in the top 10 in terms of public funding for education shows the high level of attention paid to education. For example, Russia, Kazakhstan, Azerbaijan, Armenia, Georgia, etc., which are close to us, were not included in the 2018 data on both GDP and expenditure criteria (see Figure 1).

Figure 1. 43 countries do not meet two different types of education funding indicators



We can see that the costs for education in Uzbekistan are growing year after year. In particular, according to the Ministry of Finance, in 2021, the funds allocated from the budget to the pre-school, general secondary and higher and secondary special education spheres totaled 34 140,2 billion sums (3 billion US dollars). This was an average of 13 142,9 times more than in 2016 year (2,5 mlrd). The funds allocated for secondary education increased by 3 times (23 802,3 billion) compared to 2016 (8 002,8 billion). In general, for the 2021 year of education, the total cost is about 3 percent of the GDP, when it reaches 5 billion dollars. Here are only budgetary allocations, and private costs are not taken into account. Taking them into account, we can see that the costs for education are significantly improved in Uzbekistan. This shows that UNESCO has achieved the fulfillment of the above 2 criteria and has also reached an average of 5,3 percent in the OECD countries. However, on the other hand, the presence of Uzbekistan among low-income countries indicates that the overall economic situation is not good. For example, Turkey in 2019 allocated 259 billion TL for education (this is about 45 billion dollars). 74 percent of the allocated funds are allocated from the budget. Of course, the population of Turkey (83 million) is 2.5 times more than the population of Uzbekistan, but the figures show that the cost of education is 15 times more than the cost of Uzbekistan. Also, Turkey is spending around 2000 dollars in Uzbekistan at a time when it is costing around 430 dollars per student per year. If we look at the army Qozog'iston without going far, then in 2019 year it cost 2,33 trillion tenge (according to the course at that time 6 billion dollars) from the budget. However, the population of Kazakhstan is 15 million from the population of Uzbekistan. Ga less, respectively pupils also less. The share of education in Turkey compared to yaim was 6 per cent in 2019 and 3.62 per cent in Uzbekistan this year. With this, Kazakhstan has not been able to fulfill the requirements of UNESCO 5-6 percent for years. At the same time, the fact that the funds allocated by Uzbekistan for education are more than one time higher than that of Uzbekistan indicates that Uzbekistan is in a deplorable state. Even in this case, the question of how effectively our state uses its

resources, which is difficult for education, is an important issue for each of Uzbekistan.

The problem of lack of financial resources the resource problem is further exacerbated by the high demand for sustainable economic growth, especially for fiscal policy, tax system and budgetary reforms in the middle and poor countries, including the availability of ways and means to ensure the allocation of resources to interested organizations.

While there is a resource problem for education in the middle and low income countries on the one hand, on the other hand, the problem of efficient use of available resources, spending of funds towards the intended goals has a negative impact on the functioning of the entire educational system. In this regard, the researcher Monica kirya examined the cases of corruption in public education, the harm that school principals cause to the educational process. Kirya noted that " education is a driving force for development, but corruption and lack of resources undermine this role."

As Monica Kirya wrote in her study, corruption - "that is, abuse of trust management for personal benefit" - leads to poor results of education for several reasons. The theft or misuse of school funds deprives schools of the necessary resources. Nepotism and favoritism can lead to the recruitment of low-skilled teachers, and corruption in purchases can lead to the acquisition of poor-quality school textbooks and other equipment. When families are forced to pay pora or fraudulent "payments" for educational services that are supposed to be free of charge, it causes the poor students' situation to be in poor condition (inability to pay, feeling humiliated) and it limits their equal opportunities to receive education. Therefore, the fight against corruption is very important to achieve BRM-4.

Results

Monica Kirya believes that the way to save limited educational resources can be achieved by preventing theft, looting, loss and inefficient use in the system. Although many know this, but do not know the ways to get rid of it. Therefore, the researcher kirya states that as a solution to this, it is necessary to first identify

the risks that lead to corruption in education. According to him, when the world experience was studied, the following corruption cases were observed in education:

Table 2. Appearance of corruption cases in the field of public education

- 1 - For school enrollment papers, illegal fees will apply, despite the fact that they are free.
- 2 - School seats are given to the participant who participated in the auction at the highest price.
- 3 - Children of certain communities are privileged to access, while others have additional fees.
- 4 - Good grades and examination results are obtained by giving the teachers and Administration Managers a pore. Prices are often known in advance, and candidates are expected to pay for it.
- 5 - The results of the exam are issued only after payment is made.
- 6 - The school cancels the results of the exam by accepting or re-accepting students with false names, which can be completed without fail.
- 7 - There is a theft of funds intended for educational materials, school buildings, etc.
- 8 - Through the bribe of the producers of poor-quality educational materials, the author's rights of teachers and others are acquired.
- 9 - Schools or political-related companies monopolize the provision of food and uniforms, resulting in low quality and high cost.
- 10 - Teachers who receive monthly from the state side will offer private instruction to the students at extra-curricular times. This can reduce the motivation of teachers in simple lessons and back up the compulsory subjects for their personal training, which will harm students who do not pay or can not pay.
- 11 - School property is used for private commercial purposes (in the personal interests of the director and his associates).
- 12 - Students and teachers are forced to carry out unpaid labour.
- 13 - The attitude of kinship, favoritism, giving money or lust in the recruitment or position of teachers is influenced.
- 14 - Exam questions are sold in advance.
- 15 - The results of the exam are changed to reflect higher scores, or the examiners give an arbitrary assessment to Pora evazi.
- 16 - The exam includes another to the money evazi.
- 17 - Salaries are taken for "specter teachers" - employees who for various reasons did not work (or never worked), including those who died. This in practice affects the student-teacher ratio and does not allow unemployed teachers to be placed in vacant positions.
- 18 - Teachers often engage in private business during their training hours and turn to spend time in the name of classes. Absenteeism is a form of "peaceful corruption" that can have a serious impact on educational outcomes and the ratio of students-teachers in practice.
- 19 - For various activities, money is collected from readers and teachers.
- 20 - Licenses and permits for training are obtained on false grounds (money and familiar).
- 21 - To obtain good funds, the number of pupils (including the number of pupils in need) is increased.
- 22 - The auditors will be given the Pora for not disclosing the objective use of the funds.
- 23 - Funds allocated by the government or attracted by local non-governmental organizations (NGOs) and parent organizations will be stolen or used inefficiently.
- 24 - Politicians allocate funds to certain schools for their support, especially during the

election period.

- 25 - School management and activities are influenced by informal arrangements based on political interest.

Conclusion

About 25 cases of corruption (actually more than that), which we have considered above, have been reported to have a negative impact on the educational process and, in addition to lowering the quality of Education, have been causing looting of scarce resources that have been found to be difficult for education. This is causing serious damage to society through the creation of poor quality or unskilled young people and personnel (useless human capital), while damaging the economy of the state. These problems are observed mainly in the tin States, in low-income and slow-developing countries, which is an impetus to the development of these countries and further increase in poverty.

References

1. Marjori banks Kevin, Education and Equality: a review. Oxford Review of Education, Vol. 17, No. 2, 1991.
2. Allen Danielle, Education and Equality: The Tanner Lectures on Human Values, Stanford University, 2014.
3. PsacharopoulosGeorge, Estimating Shadow Rates of Return to Investment in Education. The Journal of Human Resources, Winter, 1970, Vol. 5, No. 1 (Winter, 1970), pp. 34-50.
4. Claudia Goldin, Human Capital. (edit.) Claude Diebolt and Michael, Handbook of Cliometrics, Haupt, Springer-Verlag, 2014, pp 1-27.
5. CuaresmaJ.C., Samir K.C., Petra Sauer, Age-Specific Education Inequality, Education Mobility and Income Growth, p. 8-12 // http://www.ecineq.org/ecineq_bari13/FILESxBari13/CR2/p100.pdf
6. EFA Global Monitoring Report (2013/14), 'Teaching and Learning: Achieving quality for all'. UNESCO, Paris,2014.
7. Global Education Monitoring Report-2018, 'Migration, displacement and education: Building Bridges, Not Walls'. UNESCO, Paris, 2018, p. 235.
8. EFA Global Monitoring Report (2013/14), ўша манба.
9. Global Education Monitoring Report-2020, 'Inclusion and education: All Means All'. UNESCO, Paris, 2020, p. 340.
10. OECD (Organization of Economic Co-operation and Development), Education at a Glance 2015. Paris, 2015.
11. Aryn A.A., Issakhova P.B., Education Financing in the Republic of Kazakhstan: Problems of Ensuring Efficiency and Effectiveness. European Research Studies Journal, Volume XXI, Issue 2, 2018, p. 83-94.
12. Monica Kirya, Education sectorcorruption: How to assesst and ways to address it. CMI, U4 Issue 2019:5, p. 1.
13. Monica Kirya, 2019, ўша манба.
14. Monica Kirya, 2019, ўша манба, 6-7 бетлар.