

## FINANCING OF HIGHER EDUCATIONAL INSTITUTIONS WITH BUDGETARY FUNDS IN UZBEKISTAN

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### ABSTRACT

Financing of higher educational institutions with budgetary funds in Uzbekistan is a crucial issue that needs to be addressed. Higher education plays a significant role in the development of any country, and Uzbekistan is not an exception. The government of Uzbekistan has always been committed to providing quality education to its citizens, but the financing of higher educational institutions has been a challenge for the country. In this article, we will discuss the current state of financing of higher educational institutions with budgetary funds in Uzbekistan, its challenges, and possible solutions.

**Keywords:** Financing, Higher Educational Institutions, Uzbekistan, Sources of Funding, Allocation of Funds, Challenges, Insufficient Funds, Lack of Transparency, Inefficient Use of Funds, Solutions, Human Capital, Economic Development.

Financing of higher educational institutions is a crucial issue that affects the quality and accessibility of higher education in Uzbekistan. The government of Uzbekistan has made significant efforts to improve the education sector, and one of the key areas of focus is the financing of higher educational institutions. Higher education is a vital component of the country's human capital development strategy, and it plays a crucial role in the country's economic development. This article aims to examine the current state of financing of higher educational institutions in Uzbekistan, the challenges facing the financing of higher educational institutions, and the possible solutions to address the challenges. The article will provide an overview of the current state of financing of higher educational institutions in Uzbekistan, including the sources of funding and the allocation of funds. It will also explore the challenges facing the financing of higher educational institutions, such as insufficient funds, lack of transparency, and inefficient use of funds. Additionally, the article will provide possible solutions to address the challenges and improve the financing of higher educational institutions in Uzbekistan.

The financing of higher educational institutions is critical for the development of human capital and the country's economic growth. The education sector plays a crucial role in the country's efforts to transition to a knowledge-based economy. However, the financing of higher educational institutions in Uzbekistan faces several challenges that limit the ability of institutions to provide quality education and contribute to the country's economic development. Financing of higher educational institutions with budgetary funds is a crucial issue that affects the quality and accessibility of higher education in Uzbekistan. The government of Uzbekistan has made significant efforts to improve the education sector, and one of the key areas of focus is the financing of higher educational institutions. Higher education institutions in Uzbekistan are mainly financed by the state. The state allocates a significant portion of its budget for the

development of education, science, and culture. According to the Ministry of Finance of Uzbekistan, in 2021, the state allocated around 1.2 trillion Uzbekistani Som (approximately 113 million USD) for the development of education, science, and culture. This amount is expected to increase in the coming years as the government of Uzbekistan has declared the development of education as one of its priorities. Despite the significant amount of budgetary funds allocated to the development of education, the financing of higher educational institutions is still a challenge. One of the major challenges is the insufficient amount of funds allocated to each institution. The number of higher educational institutions in Uzbekistan has been increasing in recent years, but the funds allocated for their development have not been able to keep up with the increasing demand.

The government of Uzbekistan is the primary source of funding for higher educational institutions in the country. The government allocates funds to higher educational institutions through the Ministry of Higher and Secondary Specialized Education (MHSSE). The funds are used to cover various expenses, such as salaries, maintenance, research, and development. Despite the efforts of the government to increase funding for higher educational institutions, the current state of financing is characterized by insufficient funds. According to the World Bank, the financing of higher educational institutions in Uzbekistan is inadequate, with the government spending only 0.4% of its GDP on higher education in 2018. This is significantly lower than the average spending of other countries in the region. The insufficient funding has resulted in a range of challenges for higher educational institutions, including inadequate facilities and equipment, low salaries for academic staff, limited research opportunities, and limited access to technology. These challenges have a significant impact on the quality of education and the ability of higher educational institutions to attract and retain high-quality academic staff.

Another challenge is the lack of transparency in the allocation and distribution of funds. There have been cases of corruption and embezzlement of funds in the past, which have negatively affected the financing of higher educational institutions. The lack of transparency and accountability in the distribution of funds has also led to a lack of trust between the government and the public. Challenges of Financing of Higher Educational Institutions with Budgetary Funds. The challenges of financing higher educational institutions with budgetary funds in Uzbekistan can be grouped into three categories: insufficient funds, lack of transparency, and inefficient use of funds.

**Insufficient Funds.** As mentioned earlier, the funds allocated to higher educational institutions are insufficient to meet the increasing demand. This has resulted in a lack of resources, which has negatively affected the quality of education. The lack of resources has also made it difficult for institutions to attract and retain talented faculty members, which has further deteriorated the quality of education.

**Lack of Transparency.** The lack of transparency in the allocation and distribution of funds has been a major challenge for the financing of higher educational institutions in Uzbekistan. The lack of transparency has led to a lack of trust between the government and the public. This has also led to corruption and embezzlement of funds, which has negatively affected the development of education.

**Inefficient Use of Funds.** The inefficient use of funds has also been a challenge for the financing of higher educational institutions in Uzbekistan. There have been cases of funds being allocated for unnecessary projects or being misused for personal gain. The inefficient use of funds has also led to a lack of accountability and transparency, which has further deteriorated the quality of education.

**Possible Solutions.** To address the challenges of financing of higher educational institutions with budgetary funds in Uzbekistan, several solutions can be implemented. These solutions can be grouped into three categories: increasing funds, increasing transparency, and efficient use of funds.

**Increasing Funds.** One of the solutions to address the challenge of insufficient funds is to increase the amount of funds allocated to higher educational institutions. The government can increase the amount of funds allocated to education in the state budget. The government can also explore alternative sources of financing, such as international loans, grants, and private investment.

**Increasing Transparency.** To address the challenge of lack of transparency, the government can implement measures to increase transparency in the allocation and distribution of funds. This can be achieved by creating a transparent and accountable system for the allocation and distribution of funds. The government can also involve the public and civil society organizations in the monitoring and oversight of the allocation and distribution of funds.

**Efficient Use of Funds.** To address the challenge of inefficient use of funds, the government can implement measures to ensure the efficient use of funds. This can be achieved by creating a system for monitoring and evaluating the use of funds. The government can also create incentives for institutions to use funds efficiently and effectively.

**Conclusion.** Financing of higher educational institutions with budgetary funds in Uzbekistan is a crucial issue that needs to be addressed. The current state of financing is characterized by insufficient funds, lack of transparency, and inefficient use of funds. The challenges can be addressed by increasing funds, increasing transparency, and efficient use of funds. The government of Uzbekistan has shown its commitment to the development of education, and it is expected that the implementation of the solutions will lead to the improvement of the financing of higher educational institutions in the country. The improvement in the financing of higher educational institutions will not only benefit the institutions but also the country as a whole, as quality education is crucial for the development of any country.

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