

PRINCIPLES OF PUBLIC EDUCATION FUNDING IN OUR COUNTRY: SUCCESSES, CHALLENGES, AND RECOMMENDATIONS

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<https://doi.org/10.5281/zenodo.15385561>

Abstract. *This article examines the foundations of financing public education in our country, the achievements made in this area over the past period, and the existing problems that need to be addressed. First, the principles of legislation are explained, followed by an analysis of financing mechanisms. additionally, issues and shortcomings in financing, efforts to ensure financial efficiency, and problems that need to be resolved are discussed. The social significance of public education financing and its impact on the quality and outcomes of education are highlighted, with recommendations for improving work in this area.*

Keywords: *public education, financing, financial efficiency, social significance of financing*

Аннотация. *В данной статье рассматриваются основы финансирования народного образования в нашей стране, достижения, достигнутые в этой сфере за прошедший период, а также существующие проблемы, которые необходимо решить.*

Сначала раскрываются принципы законодательства, затем проводится анализ механизмов финансирования. Кроме того, рассматриваются проблемы и недостатки финансирования, усилия по обеспечению финансовой эффективности и вопросы, требующие решения. Подчеркивается социальная значимость финансирования народного образования и его влияние на качество и результаты обучения, а также даются рекомендации по улучшению работы в данной области.

Ключевые слова: *народное образование, финансирование, финансовая эффективность, социальная значимость финансирования.*

In the modern era, education plays a crucial role in socio-economic and technological development. The role of financial resources in the quality and outcomes of education is significant. However, rather than just the quantity of funds, their quality and efficiency are of greater importance. Priorities, sources, and participants in education financing play a key role.

Questions such as how general education schools are financed, how much funding is allocated for their operation, where the funds come from, and how they are spent are of great significance.

Reports from international organizations such as UNESCO, the World Bank, and the Organization for Economic Co-operation and Development (OECD) show that the demand for financial resources to eliminate illiteracy and organize education is increasing worldwide. This is particularly critical in the context of both resource shortages and global crises (financial crises, COVID-19 pandemic), which have exacerbated the problem. Therefore, it is essential to use existing resources efficiently, improve the mechanisms for financing social sectors, particularly public education, and emphasize principles of priority, transparency, equity, and accountability.

This requires scientific research and investigations. Studying successes and shortcomings based on both national and international experiences is necessary to address existing problems.

Legal Foundations and achievements in Education Financing

Over the past 30 years, significant achievements have been made in the country's education policy. Initially, the organization of education and the right to education were enshrined in the Constitution of the Republic of Uzbekistan. Over time, various laws, presidential decrees, and government resolutions have established the legal foundations for education financing. Key legislative changes in education financing include: 1. The 1997 Law "On Education" and the "National Program for Personnel Training" introduced initial financing mechanisms. 2. The 2020 Law "On Education" expanded funding provisions, including:

- The creation of education development funds,
- The establishment of public-private partnerships,
- The attraction of investments into the education sector.

additionally, presidential decrees and government resolutions have continuously refined financing mechanisms. Notably, the 2007 Presidential Decree No. PF-3857 introduced a system where schools' financial activities were managed jointly by regional finance authorities and individual school accountants. However, the 2017 Presidential Resolution No. PQ-3231 fundamentally changed the financing system by: Establishing centralized financial and accounting services within district and city public education departments, assigning these centralized services the responsibility for managing all financial and economic activities of general education schools.

Why Were These Changes Implemented?

These reforms aimed to eliminate financial mismanagement and reduce corruption in education financing. The previous system had issues such as:

- Lack of financial literacy among school directors and accountants, leading to legal violations.
- Unfair allocation of school funds, with some directors mismanaging budgets or favoring certain individuals with additional payments.

Under the new centralized accounting system:

Financial transparency is improved in salary payments and additional allowances for teachers.

Public accountability is enhanced, as all school budget expenditures are displayed on notice boards for teachers and staff to see.

Delays in salary payments and unauthorized deductions from teacher salaries are eliminated.

Despite these improvements, concerns remain that centralized financial management might complicate school operations, as school directors now need to coordinate budget-related decisions with district offices. One of the biggest achievements in education financing has been the introduction of a more equitable salary system for teachers. In Uzbekistan, approximately 70-80% of the education budget is allocated to teacher salaries, which is similar to the European Union, where 70% of education expenditures go toward teacher wages.

Problems and Shortcomings in Education Financing

Despite achievements in the legal and financial aspects of education, several problems remain:

1. Resource Shortages. One of the main issues in education financing is the lack of sufficient resources. Uzbekistan's GDP per capita and average household income remain below global standards, affecting the level of investment in education. according to a 2019 UNICEF report, Uzbekistan's poverty rate in 2016 was 12.3% (based on daily caloric intake below 2,100

kcal). In rural areas, poverty affected three-quarters of the population. The existing social protection system does not effectively prevent families with children from falling into poverty: 30% of children under 9 years old and 24% of children aged 5-14 live in the poorest quintiles. In 2017, approximately 33,000 children and 108,000 adolescents were not attending school, with 60% of them being girls and many having disabilities. although Uzbekistan spends around 20% of its annual government expenditures on education, similar to developed countries, the total government revenue remains low, leading to insufficient per capita education funding. This means that despite a high budget share for education, the absolute amount of money available for each student is still inadequate.

2. Inefficient Use of Budget Funds. Even with centralized financial management, inefficiencies and financial mismanagement still occur. a 2020 audit conducted by the accounts Chamber of Uzbekistan and the Ministry of Public Education found that: 192.2 billion UZS in financial errors and irregularities were detected in the public education system. 52.5 billion UZS allocated for staff salaries was either embezzled, overpaid, or misused. 56 billion UZS was spent on procurement contracts that violated state purchasing laws. 27.8 billion UZS in funds for school repairs and equipment was wasted or used inefficiently. 21 billion UZS from the Education Reform assistance Fund was misallocated. 34.9 billion UZS in additional financial errors were identified. These findings highlight ongoing issues with budget mismanagement, requiring stricter financial controls and greater transparency in education financing.

3. Salary System Issues. although teacher salaries have been systematized, many educators remain dissatisfied with their wages, feeling that their work is not adequately compensated. The current wage system is based on professional categories (qualification levels).

However, concerns exist regarding: Teachers with lower official qualifications who perform exceptionally well in classrooms but do not receive fair pay. The bureaucratic process of obtaining higher qualifications, which sometimes prioritizes paperwork over actual teaching effectiveness. The need to align salaries more closely with actual classroom performance and education outcomes. These issues indicate that the teacher compensation model should be revised to ensure fairer, performance-based pay.

Efforts to address Problems and Recommendations

The government is aware of the problems in education financing and has taken several measures to address them.

1. addressing Social Issues and Poverty. Since poverty reduction is crucial for improving education access, the government has implemented the following initiatives: In 2020, the Ministry of Economic Development and Poverty Reduction was established. The "Iron Notebook" program was launched to support 613,900 low-income families, helping 2.6 million people improve their living conditions. "Ishga Marhamat" monomer centers were created to train unemployed individuals in professional skills and entrepreneurship, increasing their income and reducing economic barriers to education.

2. Strengthening Financial Control and Transparency. To improve financial oversight and reduce corruption, the Ministry of Public Education and the accounts Chamber have implemented the following measures: Enhancing the "UzaSBO" financial software, introducing new automatic controls to prevent planning errors. Developing an integrated school management system (erp.maktab.uz) to collect and analyze school financial data. Identifying high-risk regions with a "red list" monitoring system to prevent illegal expenditures. Introducing electronic procurement monitoring, integrating it with relevant government databases.

Increasing legal accountability for financial misconduct in the education sector.

Additionally, the Ministry of Public Education, in cooperation with the Abdulla Avloni National Research Institute, has launched the "Onlinedu.uz" platform to provide continuous financial literacy training for school financial officers and accountants.

3. Improving Teacher Compensation and Support. To attract and retain qualified teachers, especially in remote areas: Presidential Resolution No. 646 (2021) introduced salary bonuses of 50% to 100% for teachers working in rural areas. One-time relocation reimbursements were introduced for teachers moving to remote schools. Annual school performance awards were established, rewarding schools with the best educational outcomes.

Recommendations for Further Improvements

1. Increase Teacher Salaries. Teacher salaries should be doubled to improve their social status and motivation. While this would increase state budget expenditures, it would also boost household incomes, positively impacting local economies. Funding for salary increases could come from tax reforms or reallocating non-essential budget expenditures.

2. Revise the Teacher Salary System. The current category-based salary system should be re-evaluated. A performance-based salary structure should be introduced, focusing on: National and international student assessment results. Independent classroom performance evaluations.

3. Optimize Education Financing Mechanisms. Regular audits should be conducted to detect budget mismanagement. Stronger accountability measures should be enforced for regional and district education offices. Additional oversight agencies (e.g., the Ministry of Finance and the Prosecutor's Office) should be involved in monitoring education finances.

4. Develop a Comprehensive Education Financing Strategy. A long-term strategy should be created to ensure sustainable education funding. It should include: Stable funding sources, both domestic and international (grants, investments). Detailed expenditure plans, prioritizing key educational needs. Enhanced transparency mechanisms to track fund allocations and usage.

5. Introduce Free School Meals Providing one free hot meal per day in schools would: Improve student health and cognitive development. Enhance academic performance and learning outcomes. Although budget constraints exist, this policy could be implemented gradually, prioritizing low-income and rural schools first.

Conclusion

Uzbekistan has made significant progress in education financing, particularly in legal frameworks, funding mechanisms, and financial transparency. However, challenges remain, including resource shortages, inefficient spending, and teacher salary concerns. To further improve education financing: Increased investment is needed to expand financial resources.

Financial management systems must be strengthened to prevent inefficiencies. Teacher compensation should be restructured to reward performance and ensure fairness. A comprehensive education financing strategy must be developed to secure sustainable and transparent funding. Ultimately, effective financial management is key to ensuring that education reforms lead to higher quality learning outcomes.

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