



AREAS OF APPLICATION OF THE EXPERIENCE OF FINANCING INSTITUTIONS OF HIGHER EDUCATION OF EUROPEAN COUNTRIES IN THE PRACTICE OF UZBEKISTAN

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Abstract

Keywords: Bologna system, business process, private education sectors, credit-modular system, funds of a payment-contract, payment-contract accounting, public budget funds.

As a result of the granting of financial independence to state institutions of higher education in our country, it is necessary to expand the sources of financing and improve the system of their accounting in order to ensure their financial stability. In such conditions, the main emphasis arises on the formation of funds of the payment-contract form of higher educational institutions, the need to form and develop the procedure for carrying out the accounting of each type of income and expenses of non-budgetary income. The content of the state policy in the field of education in the Republic of Uzbekistan is to raise the level of educational development to the level of the most advanced foreign countries, based on the study of world experience. In this article, the Latvian experience of the European countries of the calculation of the fee-payment form of funds in higher education institutions is analyzed. Scientific proposals and practical recommendations on the implementation of foreign experiences in our country were given.

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Introduction

In our country, a number of works are being carried out to bring the educational system to the demand of World templates. Teaching of specialist personnel capable of meeting the requirements of the time, improving education and all its structural structures on the basis of state requirements is one of the pressing issues before us. The “Development strategy of New Uzbekistan for 2022-2026”[1], approved by a single Presidential Decree, reflected a number of tasks that should be carried out in the next 5 years to ensure open and high-quality education for young people, ensure the perfect education of young people at all



stages of education, create conditions for the development of inclusive education in the regions. In particular, bringing the level of coverage of school graduates with higher education to 50% in 2030, taking into account that the admission of students to higher educational institutions is a 2-fold increase in state grants; a gradual increase in the level of coverage of Higher Education, the formation of a healthy competitive environment in the system, the adoption of digital technologies.

In addition, the decision “On measures to give financial independence to State Higher Education Institutions”[2] was given a number of powers in order to increase the effectiveness of reforms carried out in the higher education system, ensure the financial stability of State Higher Education Institutions, independently solve issues of strengthening the material and technical base, expand the possibility of attracting funds to research activities,

And in ensuring financial stability, the study of the experience of foreign mature higher education institutions, the introduction of aspects corresponding to the higher education system of our state with analysis, is one of the pressing issues of higher education institutions, which are given financial independence.

Materials and methods

Effective financing of higher education institutions accounting of extra-budgetary funds including the organization of the account of funds of the form of payment-contract, as well as the expansion of the attraction of extra-budgetary funds and the issues of their effective use are the research carried out by foreign and local professional economists, scientific the works are reflected in the brochures.

In particular in S.U.Mehmonov’s scientific work on the topic “Improvement of the methodology of accounting and internal audit in the budget organizations”[3] and A.A.Ostonokulov’s scientific work on the topic “Improvement of methodology for accounting of extra-budgetary resources of public educational and medical institutions” the need and importance of forming non-budgetary funds in budgetary organizations, the theoretical foundations of accounting of non-budgetary funds of budgetary organizations were studied[4].

Foreign economist scientists from Russia N.Beglova, A.I.Zatova, O.A.Kolevatova, N.R.Economists such as Kelchevskaya, European Roger King, Simon Marginson, Rajani Naidoo, Rita Kasa, U.S.A Jenny Lee, and Jounstown European higher education system processes have been scientifically researched on their funding sources. Russian economist scientists N.Parasotskaya attached great importance to the coverage of financial issues of higher education institutions in her developments “The creation of an optimal system of internal control in higher education institutions is complete on the expenditure of funds in all areas of the institution's activities formed from data”[5]. European economist Simon Marginson has done scientific work aimed at improving the effectiveness of the European Higher Education System “Higher education is a dynamic part of the modernization process”[6]. Kazakh scientist Rita Kasa conducted scientific work on the processes of inclusive education, mainly the financial activities of the Latvian higher education ins “To



fund their higher education abroad, they draw on scholarships, family resources, loans, and personal earnings”[7]. The Lisbon scholars are A.Domingos, M.Sarmiento and M. in his scientific research, Duarte conducted research focused on the bollonia process of teaching “The implementation of the Bologna Process created a new environment that fostered the debate on teaching and learning as privileged individual learning and teamwork, based on creativity and autonomy, within a framework that aims to better prepare students for the labour market by contrary to the old approach to theoretical teaching”[8].

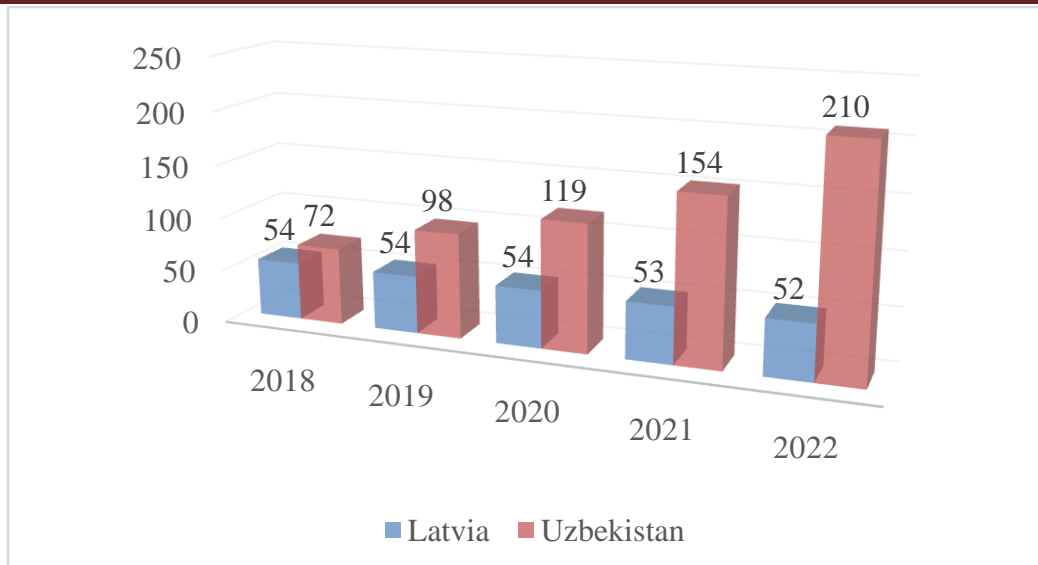
It is advisable to study the results of the research directions of the above foreign scientists, the specificity of the financial activities of higher educational institutions and the research carried out by studying the specific aspects of the financial activities of the higher education system of Uzbekistan, especially those of higher educational institutions for which financial independence has been granted.

In the process of conducting research, the accounting of funds of the payment-contract form of training in higher educational institutions, the financing system of higher educational institutions in the scientific research of foreign economists, the state of the account of funds of the non-budgetary form, including the payment-contract form, today, and foreign experiments were studied and analyzed in depth. In the process of preparing the article, abstract methods of logical thinking, induction, deduction, observation, analysis, grouping, comparison were widely used, and the development of proposals and recommendations is counted from current issues of today.

Results

The European higher education system is a comprehensive concept that is largely integrated by the Bologna Process. The Bologna Process addresses the problems arising from the EU-led activities of European students and graduates of national governments, beginning with the Sorbonne and the Bologna declaration. Many of Europe's higher education ministers have chosen the following process with the aim of bringing their systems closer to facilitate institutional change.

One of the European powers, Latvia was dominated by the liberal market in addition to the European direction in the fundamental philosophy of post-Independence higher education reforms. This allowed the emergence of one of the largest private higher education sectors in the region. It also provided public higher education institutions in Latvia with a much higher level of institutional autonomy compared to higher education institutions in other countries in Europe. As a result, as of 2021, Latvia has more than 50 state and non-state HEI's with more than 77,736 domestic and foreign students. While private colleges were newly established, most government colleges were established on the basis of existing vocational schools.



1-picture. Number of higher education institutions available in Latvia and Uzbekistan¹

As can be seen from the image above, in 2018 there were 72 higher education institutions operating in Uzbekistan during the same period when 54 higher education institutions operated in Latvia. By 2019 this figure had increased from 72 to 98 in Latvia, unchanged. Even in 2020, the number of higher education institutions in Latvia remains unchanged but has grown from 98 higher education institutions in Uzbekistan in 2019 to 119. As of 2021, higher education in Latvia has decreased by 1, while in Uzbekistan it has increased further to 154, and in 2022, the number of Higher Education Institutions in Latvia has decreased by another 1 to 52, while in Uzbekistan, the number of higher education institutions has reached 210 during this period. When comparing these indicators, it is advisable to focus on the geographical location, territory and population of the states.

1-table

The main indicators of differences between higher education institutions of Uzbekistan and Latvia².

No	State name	Area (kv. m)	Population (mln.)	Number of HEI	Percentage of HEI students per capita
1	Uzbekiston	448 978	36	210	1.6%
2	Latvia	64 589	1.9	52	4.1%

The table above shows that we can see that the geographical area of Uzbekistan is 7 times larger than the territory of Latvia, and the population of a state with a large territory in its own right is also correspondingly 19 times more. The number of higher education institutions in Uzbekistan is 3 times more than in Latvia, but applicants for higher education are 2.5 times less than in Latvia in terms of the total number of students. From this it can be

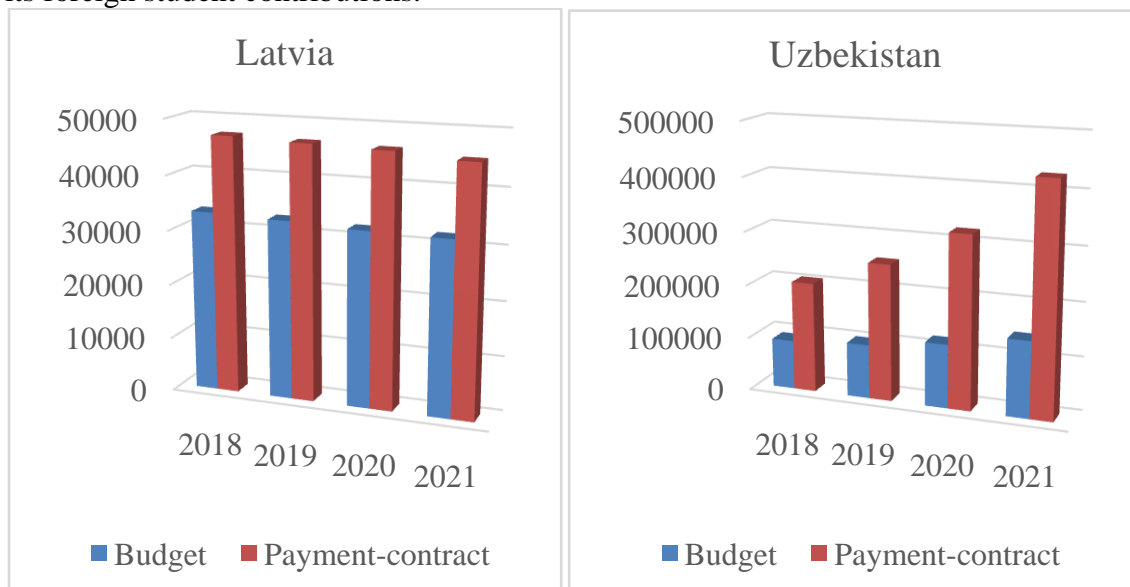
¹ Prepared by the researcher based on the data of the Ministry of Higher Education, Science and innovation of the Republic of Uzbekistan and official statistics portal of Latvia.

²Prepared by the researcher based on the data <https://stat.uz/> and <https://stat.gov.lv/>

concluded that following the example of the Latvian higher education system, the introduction of aspects that correspond to Uzbekistan will lead the population of Uzbekistan to raise the level of Higher Education. This is an important factor in increasing the income of higher education institutions in its own right.

The financial activity of Latvian higher education institutions is improving at the expense of students studying on a payment-contract basis. All students of private higher education institutions, with minor exceptions, are taught on a payment-contract basis. Latviada used a dual education method based on the idea of public procurement in higher education institutions. That is, according to the state request, a certain amount is received only from the state for the teaching of local students, as well as receipts from the form of a payment-contract. Admission to these state-funded areas of study only takes into account the grades of the applicant, students are selected.

In addition, several projects aimed at attracting foreign students are engaged in activities in Latvia. Foreign students are mainly trained at the expense of a fee-contract, which leads to an increase in the financial condition of the higher education institution. 25,000 students study at the University of Latvia alone, with more than 5,000 or 10 percent of its foreign student contributions.



2-picture. Sources of funding depending on the number of students³

From figure 2 above, assuming sources of financing in the student section, the total number of students in the state of Latvia in 2018 was 80,300, of which 33,200, or more than 41percent, were financed from the state budget, while about 59percent of students financed on payment-contract basis. In 2019, the total student population was 79,400 with a fixed contract ratio of 59percent to a budget of 41percent. In 2020, the total student body was 78,400, of which 32,200 were budgeted or 41percent and 45,200 students, or 59 percent, financeon a payment-contract basis. This figure is 77,200 students as of 2021, of which 32,000 students, or more than 41 percent, were funded from the state budget and 45,200 students, or more than 59 percent, financed on a pay-contract basis. From this it can be seen that in the last 4 years, funding from the state budget has been at 41 percent unchanged.

³ Prepared by the researcher based on the data <https://stat.uz/> and <https://stat.gov.lv/>



If we consider the sources of financing in the section of the number of students from Uzbekistan, in 2018, the total student population was 297,600, of which 92,256 or 31 percent of the elderly were funded from the state budget, while about 69percent of students financed on a payment-contract basis. In 2019, the total number of students reached 360,700, with the remaining 72percent of 28percent of budget funds being financed a payment-contract. In 2020, however, the total student population was 440,900, of whom 119,043 were budget or 29percent and 321,857 or 71 percent were payment-contract. This figure is 571,500 students as of 2021, of which 142,875 or more than 27percent of students were funded from the state budget and 457,200 or more than 73percent of students were payment-contracted. From this it can be seen that in the last 4 years, funding from the state budget has been reduced-we can say that financial independence is being given to higher education institutions in Uzbekistan as the main reason for this.

1-table

Requirements for admission to higher education institutions and minimum and average values of teaching⁴

Type of Education	Latvia			Uzbekistan		
	Duration (year)	Minimum value (per 1 semester)	Average value (per 1 semester)	Duration (year)	Minimum value (per 1 semester)	Average value (per 1 semester)
Preparatory course	1-2	1 932 USD	3 220 USD	1	530 USD	900 USD
Colledge	2-3	1 503 USD	2 146 USD	2	350 USD	400 USD
Bachelor	3-4	1 610 USD	3 220 USD	4	1 125 USD	1 430 USD
Postgraduate	1-2	2 146 USD	2 683 USD	2	1 245 USD	1 550 USD
<u>Doktoral degree</u>	3-4	2 254 USD	4 293 USD	3	0	0

The stages of payment-contract education in Latvia include the process from the preparatory course for admission to higher education institutions to the doktorantura stage. The duration of study in a single preparatory course lasts 1-2 years. The minimum cost of teaching starts from 1932 USD per year and the average value is 3220 USD. In Uzbekistan, the minimum amount of this indicator is 530 USD, which is 3.6 times less than the same indicator of Latvia. The main reason for this is the lack of development of preparatory courses in Higher Education Institutions of Uzbekistan. The amount of the remaining types of education is also much higher in Latvia than in Uzbekistan. This shows that no matter what types of education it is, getting an education in Uzbekistan is much cheaper than getting an education abroad.

⁴Prepared by the researcher based on the data <https://stat.uz/> and European Tertiary Education Register ETER №2/2019 y. from the analytical database.



Discussion

The educational process in Latvia in particular in European countries is drawn up for a business plan semester or an academic year. The accounting system is also formed for one academic year, semester even in some cases for one academic direction in one academic semester. In this case, the accounting of income and expenses on its own is also carried out within the corresponding periods. Financial results are adjusted accordingly after accounting and reporting work is taken into account for one academic year. Higher education students pay the payment-contract funds in advance based on the specified payment deadlines. These payment-contract amounts are recognized as recognized liabilities as well as deferred income during the teaching process. The costs are also adjusted accordingly and formed for the academic year. A convenient aspect of this is the accounting of financial results, which is also formed for the academic year. The positive or negative financial result calculated in this is considered relevant only for this academic year. This ensures that the accounting, reporting and information provided are properly maintained and reliable. Another most important aspect of accounting of higher education institutions in Latvia is the structure of the expenses of the business plan under construction mainly for the educational process one academic year of current expenses. All expenses mentioned in the business plan are recognized as expenses during one academic year. A business plan-is drawn up in one academic year, income - is recognized as recognized obligations and deferred income, and all expenses-expenses during one academic year. The difference in income and expenses i.e.-the accounting of financial results is also correctly and reliably formed for one financial year.

The accounting for the distribution of payment-contract forms in Uzbekistan the regulation on the payment-contract form of teaching in higher and secondary specialized, vocational educational institutions and the procedure for the distribution of funds received from it is carried out mainly.[9]The amount of payment for contract teaching in higher education institutions is determined separately, for each academic year, in areas of knowledge, areas of field and education, forms of education and stages of Education (Bachelor's, master's, second and subsequent education). Proceeds from the contract form of teaching, including on the basis of the increased payment-contract, are included in the income of the higher education institution. These revenues are spent on the basis of an estimate of revenues and expenses approved in accordance with the established procedure for one financial year. Each year, an estimate of income and expenses for the calendar year on the proceeds from the contract form of training is developed and approved by higher education institutions and submitted for registration to the relevant ministry or office under subordination. The compilation, approval and submission of reports of income and expenses on funds received by higher education institutions from the contract form of teaching are also formed per calendar year. In addition, the supervisory boards of State Higher Education Institutions, for which financial independence is granted, form a business plan for the medium term, as well as parameters of income and expenses. When drawing up a business plan, in the process of maintaining accounts and reports, in the recognition of income and expenses, and in determining financial results, the discrepancy between the academic year



and the calendar year in turn leads to a number of shortcomings in the service of Higher Education accounting, as well as unreliable information provided.

Conclusion

In conclusion, European countries operate on the basis of an educational system based on the Bologna Process, which is governed by the European Union.[10] As of 2000, however, Europe's Estonia, Latvia switched to the Bologna Process by agreeing to the integration of the Lithuanian States into the education system of other states in the region. In 2007, the European credit transfer system was introduced, allowing comparison and recognition of higher education across the EU. The Bologna Process is-ensuring the quality of Education, which allows comparison by introducing mutually recognizable systems of educational assessment, has formed a single educational space of European countries.

Studying the experience of the European higher education system, it is advisable to introduce the following proposals to expand the financial activities of higher education institutions in Uzbekistan as well as increase the extra-budgetary income of higher education institutions.

1. Introduction of paid preparatory courses to entrance examinations of a higher educational institution of 1-2 years on the basis of each higher educational institution. The reason is that there is also a significant contribution of this direction in the structure of income of higher education institutions of European countries. The introduction of this direction to higher education institutions of our republic is one of the ways that will lead to financial stability in our country.

2.Expanding the organization of education for foreign students, doctorates, undergraduates, interns and others. Higher education institutions of Uzbekistan it is necessary to increase the number of foreign students as much as possible, depending on the demand and supply of foreign applicants who increase the quality of education, taking into account the low level of payment amounts compared to the payment amounts of foreign higher educational institutions.

3.Establishment of joint faculties with foreign higher education institutions. It is necessary to establish co-educational faculties with foreign mature higher education institutions. In doing so, students will have the opportunity to receive two public education. This in turn leads to the exchange of experience in the educational process, an increase in the quality of education, an expansion of the worldview of students, as well as an increase in the income of the HEI in our republic.

As a result of this work, the quality of teaching in higher educational institutions of Uzbekistan is increased, which leads to an increase in the organization of accounting of non-budgetary funds of the HEI, that is, revenues. Currently, the first task of higher education institutions, which are granted financial independence, is to ensure financial stability. That is why today it is necessary for HEI to carry out work on ways to expand their income in order to achieve financial stability, having studied foreign experience.

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