

THE NEED TO FINANCING THE EDUCATION SYSTEM BASED ON PUBLIC-PRIVATE PARTNERSHIP

<https://doi.org/10.5281/zenodo.1140090>

Sharapova Mashkhura Azadovna

*PhD, Associate Professor of the Department of
Finance, TSUE*

Zhartay Zhanibek Maratuly

*PhD, Associate Professor, Director of the Department
of International Cooperation and Academic Mobility of
the Kazakh Agrotechnical Research University named
after S. Seifullin*

Annotation. *This article emphasizes the need for financing the education system on the basis of public-private partnership, and also analyzes projects that are planned to be implemented in cooperation with international financial organizations.*

Key words: *education financing, secondary schools, public-private partnerships, international financial organizations*

Providing the future generation with a full-fledged education will ensure its place not only in personal life, but also in the socio-economic life of the country, and attention is paid to this issue as one of the priority areas of state policy. To determine the level of social well-being, indicators related to education are used, such as the level of enrollment of children in school, the number of students, the level of equality in education, public spending on education per capita.

By its economic nature, education is “an investment aimed at the formation of a perfect personality. Both society and the state are interested in such investments, since improving the quality of education ensures socio-economic growth, increases labor productivity, and serves to eliminate existing social problems. Therefore, financial resources allocated for education and measures for their effective use are of priority” [1].

According to the Nobel Laureate in Economics G. Becker, “the implementation of both public and private investment in intellectual capital is an economic necessity.” According to him, the investment of citizens in education, medicine and social programs aimed at replenishing personnel is an investment in the creation of new technologies that can only bring great benefits in the future[2].

The modern financial mechanism in the field of education is characterized by budget financing of educational institutions, the development of paid educational

services and the development of other sources of self-financing. At the same time, due to the fact that free services cannot be replaced by paid services, attention is paid to their rational combination.

In developed countries, strong state control over the education system has been established, and, despite the fact that financial independence has developed, the activities of educational institutions in them are mainly financed from public funds.

At the same time, these countries have experience in the rational use of public and private sources of funding. For example, in France the education system is centralized and subordinate to the national ministry, and 15-20% of the existing educational institutions are private educational institutions. In Germany, preschool educational institutions are not included in the state system, but school education is mainly financed from the state budget. In the United States, local governments play an important role in funding the high school system.

In Uzbekistan, as in all other countries, general education schools are financed from the state budget. But, today, due to the increase in the population, including students, there are problems associated with a lack of public educational institutions. And this requires increasing the attraction of private investment in education.

In 2019-2020, 20 non-state general educational institutions were created on the basis of public-private partnership, which admitted 5354 schoolchildren and created 907 new jobs. 71.7 billion rubles for these works. soums of private investment was directed[3].

From 2019 to September 2022, 423 projects worth more than \$12 billion were developed under public-private partnership (PPP), of which 71 were in the education sector. It is also planned to implement another 154 projects worth more than \$1 billion.

It is also planned to implement another 154 projects worth more than \$ 1 billion. In the field of education, as a result of the construction and reconstruction of 2,899 schools, 1,200,000 students can study in schools in the next four years.

By the end of 2026, the state will allocate 16.8 trillion soums from the budget for the construction of 2,050 new schools and the reconstruction of existing ones, which will provide an additional 700,000 student places. Private enterprises are expected to invest in the construction of 589 new schools for 396 students.

The Decree of the President "On the establishment of public general education schools on the basis of public-private partnership in the city of Tashkent and the Tashkent region in cooperation with the Asian Development Bank" was signed. According to it, in 2023-2024, it was planned to build a total of 13 schools, including 1 school in the Yangikhaet district of Tashkent, 5 schools in the Zangiata district, 2 schools in the Orta Chirchik district, 3 schools in the Kibray district, 2 schools in the Tashkent district Tashkent region[4].

To do this, the bank will allocate \$1.1 million to the project participants with the condition of return for maintenance and development of tender documentation. Thus, \$150,000 will be returned to the bank from the state budget, while \$950,000 will be returned to the bank by private partners. The Ministry of Preschool and School Education has been appointed the state partner in the creation of new comprehensive secondary schools.

In total, 67.55 hectares of agricultural land were allocated for the construction of new schools in the Tashkent region.

Under the terms of a public-private partnership, a tripartite agreement was signed in May 2023 between the Ministry of Preschool and School Education, the Ministry of Economy and Finance and the European Bank for Reconstruction and Development (EBRD). As part of this agreement, it is planned to build 15 schools in Namangan and Fergana regions. The capital cost of the project is \$55-75 million [5].

Table 1. Cooperation with Uzbekistan and international financial organizations on the basis of public-private partnership in 2022-2023

I	Cooperation project with the Asian Development Bank (in 2022-2023)	
1	Number of schools to be built	13
2	Total amount of the project	\$1.1 million
2.1	From the state budget	\$150,000
2.2	at the expense of the Asian Development Bank	\$950,000
3	The amount of land allocated by the state	67.55 hectares
II	Cooperation with the European Bank for Reconstruction and Development (in 2022-2024)	
1	Number of schools to be built	13
2	Project amount	\$55-75 million

Within the framework of cooperation, the creation of new state general education schools on the basis of public-private partnership in the regions of the republic, their maintenance and repair by private partners, as well as the reconstruction of current state general education schools, the construction and repair of additional buildings are planned[6].

Attracting more private investment into the education system in a market economy is one of the pressing problems of our time and has a number of advantages. The private sector uses its own capital and management potential, educational institutions are equipped with modern facilities and equipment, and the quality of education is improved. As a result, this has a positive effect on the further development of the economy and improving the well-being of the population.

References

1. Dostmuhammad H. Financing public education. Monograph.-T. Economics, 2016.-142 p.
2. Batova B.Z., Aslanova L.O., Alikaeva M.V., Gubachikov A.M. Problems of Education Financing in Russia // Fundamental Research. - 2016. - No. 5-3. - S. 546-550
3. Sharapova Mashkhura Azadovna. (2023). The importance of financial control in the financing of secondary schools. Galaxy International Interdisciplinary Research Journal, 11(4), 705–710.
4. Decree of the President of the Republic of Uzbekistan No. UP -163 dated May 25, 2023 “On the establishment of public secondary schools in the city of Tashkent and the Tashkent region on the basis of public-private partnership in cooperation with the Asian Development Bank”
5. www.edu.uz - official website of the Ministry of Preschool and School Education
6. Sharapova, M. A. (2022). The practice of financing the education system in the Republic Of Uzbekistan. International journal of trends in business administration, 12(1).