

ASSESSMENT OF THE EFFICIENCY OF FINANCING EDUCATIONAL INSTITUTIONS**Islamov Muhsin Ismoiljonovich**

Head of the Department of System Activity Business Process Coordination of the Department of System Activity Efficiency Assessment and Business Process Coordination of the Executive Office of the Ministry of Economy and Finance. Independent researcher

(99-322-66-63, Spaces3764@gmail.com)

Abstract: This thesis examines the issues of evaluating the efficiency of the financial management system in educational institutions. The education sector is one of the key branches of the national economy, and its financial stability is a major factor in the country's socio-economic development. Therefore, forming an effective system of rational and result-oriented use of financial resources, ensuring targeted spending of budget funds, and attracting additional financial sources are of crucial importance for improving the quality and accessibility of education.

Keywords: education system, financing, efficiency, budget, economic analysis, performance-based funding, management, resources.

Introduction

The education system plays a fundamental role in shaping the intellectual and economic potential of a nation. Effective financing of education represents a key investment in human capital development. In Uzbekistan, in recent years, large-scale reforms have been implemented to improve the financing mechanism of the education system, promote public-private partnerships, attract non-state funds, and introduce performance-based financing models.

However, in some educational institutions, the level of financial efficiency remains low. The main problems include unbalanced allocation of resources, weak mechanisms for expenditure analysis, insufficient transparency, and accountability. These challenges directly affect the quality and outcomes of education, which makes the assessment of financial efficiency an essential task for policymakers and educational managers.

Main Part**1. Organization of an Effective Financing System**

The main sources of funding for educational institutions include:

- State and local budget allocations;
- Grants from international financial institutions;
- Sponsorship and charity funds;

- Income generated from paid educational services.

Ensuring financial sustainability requires maintaining a balance among these sources, using resources effectively, and establishing strong financial monitoring and control mechanisms. The efficient use of financial resources directly contributes to improved teaching conditions, research quality, and overall educational performance.

2. Criteria for Evaluating Efficiency

The efficiency of financing educational institutions can be assessed using the following key indicators:

- Economic efficiency: the contribution of each monetary unit spent on education to the quality of human capital and national economic growth.
- Social efficiency: the level of graduate employability, the influence of education on social mobility, and equality of access.
- Organizational efficiency: the effectiveness of planning, budgeting, monitoring, and control mechanisms within institutions.

Internationally, the Education Performance Indicators (EPI) system is widely used to measure the relationship between financial expenditures and learning outcomes. This approach helps identify how financial investments translate into tangible educational results.

3. Performance-Based Financing Model

In recent years, Uzbekistan has begun to implement a performance-based financing model for educational institutions. Under this approach:

- Funding allocation is linked to the institution's actual performance outcomes;
- Key indicators include education quality, scientific productivity, international ranking positions, and graduate employment rates;
- Digitalization of financial management ensures transparency and accountability in the use of funds.

This model increases competitiveness among educational institutions and strengthens their financial independence. It also encourages universities and schools to adopt innovative management strategies and improve educational outcomes.

Conclusion

Improving the efficiency of financing educational institutions requires the following measures:

1. Introduction of digital financial management systems in education;
2. Strengthening transparency and accountability in the use of funds;

3. Expanding the performance-based financing model;
4. Actively attracting non-state and international financial sources;
5. Enhancing financial monitoring and audit systems.

Efficient financing not only ensures the economic sustainability of educational institutions but also contributes to improving the quality of education, developing human capital, and training highly qualified specialists who can compete in the global labor market. In the long term, an effective education financing system supports the sustainable socio-economic growth of the country.

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