



Journal Homepage: - www.journalijar.com

INTERNATIONAL JOURNAL OF ADVANCED RESEARCH (IJAR)

Article DOI: 10.21474/IJAR01/18680

DOI URL: <http://dx.doi.org/10.21474/IJAR01/18680>



RESEARCH ARTICLE

ADVANCED FOREIGN EXPERIENCES OF FINANCING HIGHER EDUCATION INSTITUTIONS

Karlibaeva Gulshat Khojabayevna

PhD, Tashkent State University of Economics.

Manuscript Info

Manuscript History

Received: 05 March 2024

Final Accepted: 09 April 2024

Published: May 2024

Key words:-

Education, Financial Resources, Extra-Budgetary Funds, Investments, Individual Costs, Endowment Fund, Expenses

Abstract

Progressed outside encounters of financing higher education institutions, higher education expenses of foreign universities, financing of higher education institutions of foreign countries from budget and extra-budgetary sources, encounters of the USA, Great Britain, Australia Canada and Kazakhstan as illustrations of the approach of fetched assignment, endowment funds of higher education institutions issues such as financing through budgetary assets were considered.

Copy Right, IJAR, 2024., All rights reserved.

Introduction:-

The issue of pulling in fund and financing in any circle of human action is continuously important, since this straightforwardly influences the advancement of the comparing circle, the productivity of the movement itself and the competitiveness of the action comes about within the advertise.

Be that as it may, in spite of such intrigued to the issue beneath thought, there are still numerous questions especially since it could be an address of such "adaptable" circle of action as instruction which is characterized by lasting forms of changing, conditioned by the require of integration into the worldwide instructive space.

The definition of Endowment could be an entirety of cash or property given to an individual, organization, or institution to be utilized for a particular reason.

The majority of Endowment are expecting to preserve the initial entirety whereas utilizing venture profit for charitable causes. This implies that the Endowment will proceed to develop over time, giving an enduring source of funding for its planning reason. Endowment is ordinarily organized as a believe, a private establishment, or an open charity. Trusts and private establishments are ordinarily set up by affluent people or families who need to control how their cash is utilized. Trusts and private establishments regularly have exceptionally particular purposes, such as funding therapeutic inquire about or supporting a specific university. Open charities, on the other hand, are more often than not set up by bunches of individuals who need to pool their assets to bolster a cause they care around.

Methods:-

In the last few years, Uzbekistan has been quickly adopting the credit module system and self-financing from other countries for its higher education system. In Germany, education is paid for by the government at three levels: national, regional, and local. The main source of state financing of higher education is the federal budget. It does not incorporate government allotments for national investigate and other focused on programs, and the share of the government budget does not surpass 7%.

Corresponding Author:- Karlibaeva Gulshat Khojabayevna

Address:- PhD, Tashkent State University of Economics.

In Germany, universities have less options to get extra-budgetary funds, like tuition fees or funding from European countries, because they are free for students within the limits set by the government. Accepted applications will receive a 15% refund on contract fees for 5 different specialties.

Several private companies, societies, and foundations like Mercedes-Benz, Lloyd's Enterprise, German Research Society, and Volkswagen Foundation provide generous subsidies for different research projects. Therefore, extra-budgetary funds from sources outside of the budget is necessary for the advancement of research in universities, particularly in technical and natural sciences.

Optimizing subsidizing for higher education in Germany is one of the foremost urgent regions of the full complex of educational reforms. To begin with, decrease financing from the state budget, change the strategy for giving and disseminating stores, increase their quality, explore for solid motivational variables for their improvement, the most financing of higher education institutions depends on the quality of their educational programs.

The component of financing the circle of education in Russia nowadays incorporates the request for normal enhancement. These prerequisites require the advancement of the legal framework and the association of components centered on the comes about of financing activities. As a result of this approach, it will be conceivable to combine state guarantees for financing to a certain degree, on the other hand, the development of intrigued and duty of educational institutions for the comes about of their activities.

It is evident and increasingly nations get it that the advancement of the higher education system in Kazakhstan is carried out beside the increment of open and private expenditures, the arrangement of social stability and the development of opportunities for moving forward the well-being of citizens. Not as it were financial success, but moreover an advancement within the standard of living of the individual.

Uses on higher education in Kazakhstan accounted for 53.1% of the entire consumption on education in 2021-2022, in Ukraine - 38%, in Azerbaijan - 23.8%, in Tajikistan - 24.1%, the share of higher education expenditures among developed countries in Norway - 54.5%, within the USA - 50.2% and in Japan - 34.9%. In conclusion, as famous over, there's a propensity to extend state investing on education, particularly higher education, both in supreme and relative terms.

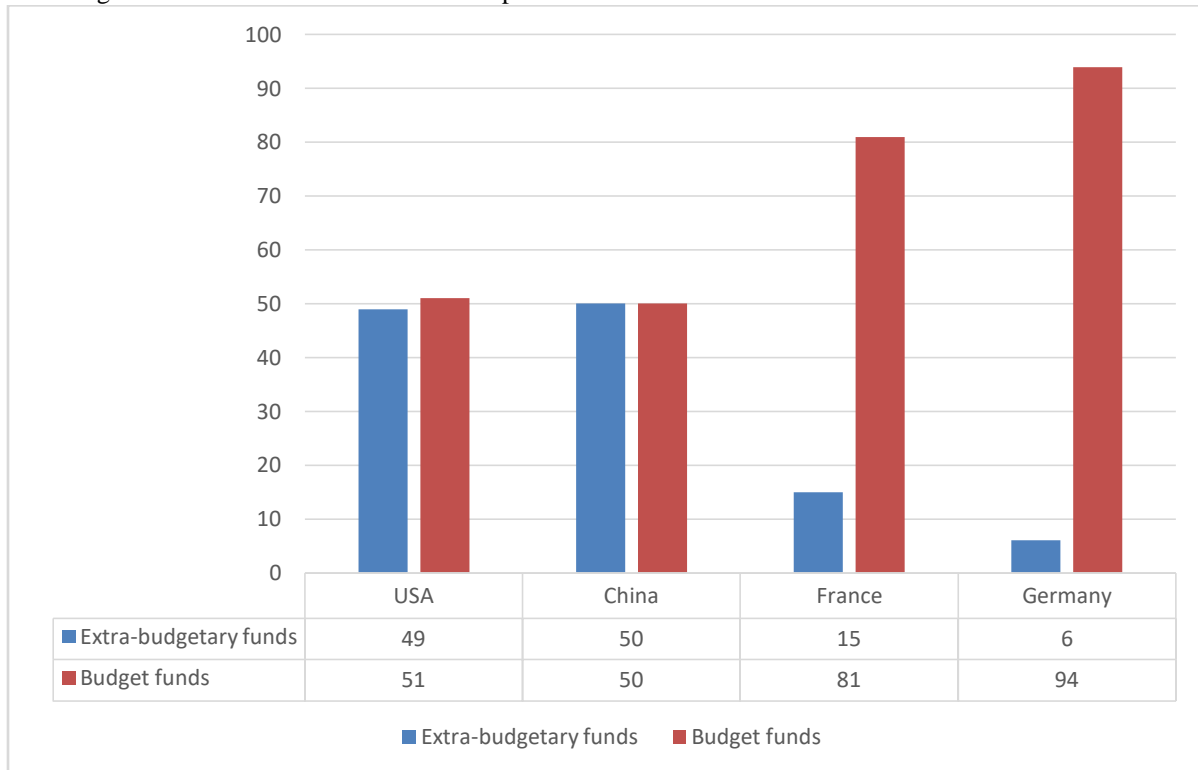
But at the same time, more private companies in Kazakhstan are becoming involved in funding higher education institutions, which means they are contributing more expenses to universities and colleges. Government spending not only covers expenses, but it also focuses on making investments. In this way, in countries such as Chile, Malaysia, Brazil, Japan, Georgia, and the Philippines, 81% or more of institutions are not run by the government. And in countries such as Hungary, Romania, the USA, Portugal, and Poland, more than 54% of institutions are not run by the government. In countries such as Japan, Chile, USA, and Uruguay, more than 73% of universities are not owned by the government. The share of financing of higher education institutions of foreign countries from budgetary and non-budgetary sources was considered.

From the information of Figure 1, it can be seen that within the USA, 51% of the activities of higher education institutions are financed from budget funds and 49% from non-budgetary sources, whereas in China this share is 50%, in France - 15% of budget funds and 85% from non-budgetary sources, in Germany 4% of budget funds are financed from 96% from non-budgetary financial related resources.

The amount of higher educational institutions, including non-government entities, is growing in European countries. This shows that they are getting more sources from different places, not just the government. For instance, in Austria from 2001 to 2022, the number of higher education institutions went up from 44 to 77, an increase of 75%. In Germany in 2022, there were 352 higher education institutions compared to 2000, 57 out of 100 has been increased. According to the Global University Network, cutting edge socio-economic improvement, it is called the knowledge society. Many countries in the world don't have sufficient monetary assets to supply such education.

In a few countries of the world, the financing of higher education institutions is completely state-owned, in others, it is related to the inclusion of non-state sources. Accordingly, the proportion of the share of state and non-state sources in financing is calculated in an unexpected way. Canada's encounter is additionally critical, since 1972, in

agreement with the government instruction investment funds arrange, the stores were taken from a uncommon enlist, and the wage was calculated over time and exempted from certain taxes.



Picture 1:- Share of funding of higher education institutions of foreign countries from budgetary and non-budgetary sources, in %.

Canada could be a government state comprising of ten areas and three domains. The Canadian Structure separates duty for political things between the federal and common governments, and obligation for education rests with municipalities. There's a national service of education and each territory contains a uncommon division dependable for post-secondary education. Therefore, in Canada, the administration of the higher education system and the powers of open arrangement related to the higher education system are broadly assigned to the nearby level. Figure 1 underneath appears the sources of funding for higher education institutions in Canada.

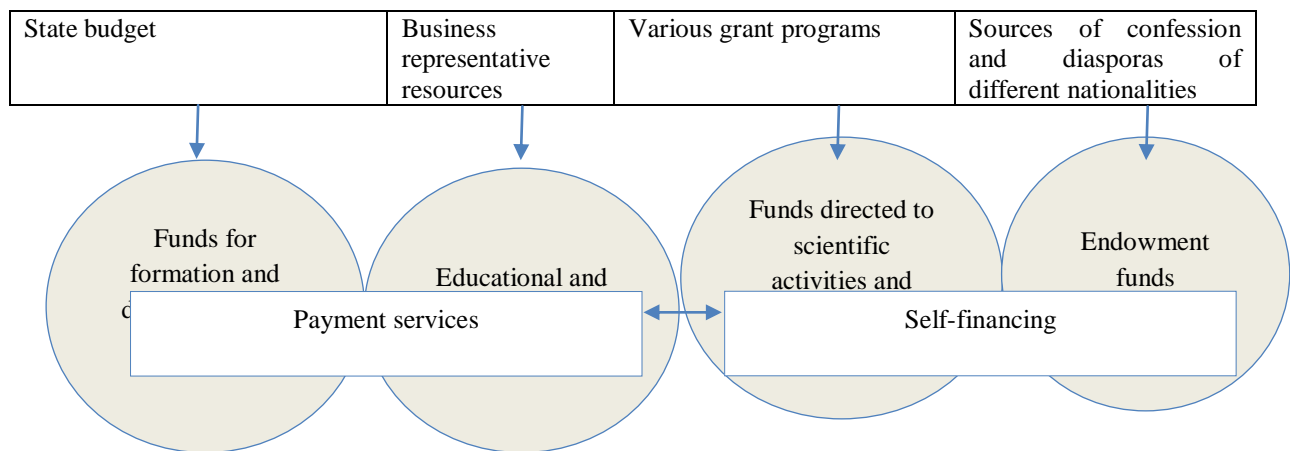


Figure 1:- Sources of financing for higher education in Canada.

The preferences of the Canadian education system incorporate: extending get to to higher education for all fragments of the populace, decreasing inflationary weight on the economy by occupying funds from circulation. The

most "challenge" confronting higher education is that the worldwide request for higher education is developing speedier than the capacity of countries to designate adequate budget funds for the palatable advancement of this segment.

Financing for most European higher education institutions is dispersed territorially. Higher education in France is free, in home, as it were the education itself is free, but the students pays for everything, counting the education process. This incorporates the utilize of inn foundation, convenience and suppers.

As a positive case of the taken a toll sharing arrangement, the involvement of the USA, Great Britain and Australia can be utilized to pull in education. Typically done through the buy of cutting edge hardware and the improvement of the university's infrastructure, as well as the fascination of skilled students, counting the creation of a uncommon grant finance.

It is evident that the introduction of this financing plot will diminish budget funds and, appropriately, pull in reserves from the understudies themselves. This financing strategy has the taking after positive perspectives:

- 1) makes openings for joint financing of higher education institutions;
- 2) empowers competition between higher education institutions;
- 3) extends the system of different paid administrations in higher education institutions;
- 4) increments budget funds and the number of confirmation candidates;
- 5) teach with respect to transfer of gotten reserves;
- 6) permits to control the circumstance of the costs of state higher education administrations;
- 7) permits lessening budget costs by drawing in extra-budgetary assets.

In Kazakhstan, they use state education grants in a similar way to how funding for education works in Russian Federation. The measure of the state instruction allow is decided as the normal fetched of preparing a understudy in a certain claim to fame within the republic. Drawing in extra sources of financing for higher education institutions can be done indeed by giving a association with the nuts and bolts of proficient hone amid the student's education, and later through the employment system. Imminent employers fascinated by graduate students attempt installment and exchange commitments for individual costs related to their studies or convenience. In some situations, such relations are carried out on the premise of set up contracts.

Most regularly, they are received by developing countries. Russia did not apply for such advances for a long time, at that point the circumstance changed. In specific, in January 1998, he endorsed an assention between the Russian government and the International Bank for Reconstruction and Development on a credit to fund an imaginative venture for the advancement of education.

It conceives the arrangement of a advance for Russia within the sum of 71 million dollars, 39.5 mln. of them were given to Russian universities, counting 7.2 mln. dollars, this portion of the advance had to be returned by higher education institutions, 8 mln. for the financing of the spinning credit finance for the distribution of reading material on the premise of repayment of the government budgets to higher education institutions. It is arranged to designate 23.5 mln. dollars are went through on the generation of reserves, went through on distributing course readings for common educational institutions.

Results:-

Funding for higher education institutions from Endowment funds is becoming increasingly important. In 2021, Russia will make 12 new funds, and there are currently around 420 funds in the country, mostly in higher education institutions, worth a total of 800 million has assets more than roubles. In the future, such funds within the field of education will increment, and endeavors to create them have started. A road map for the development of this fund is being arranged.

Harvard University has the biggest Endowment Fund in the world. It has 13,000 different parts that have been around for 350 years. Since 1974, Harvard University Management Company has been taking care of the financial resources that Harvard University has saved up. 33% of resources is put into hedge funds, and they make 5.5% profit. The amount of offers invested in stocks is 26% and has earned 5.9%, and the amount of offers invested directly is 20% and has earned 16%.

The estimate of the Yale University Endowment Fund will make up 35% of the entire university budget in 2022, and 45% of this finance will come from alumni contributions. 30% of resources are low-risk investments, which are cash and bonds, 21.5% is used for starting new businesses, and 16.5% is used to pay off debts.

In 2022, Stanford University's Endowment Fund accounted for 23 percent of the university's add up to budget, whereas alumni contributions accounted for 39 percent. Out of this, 1.3 billion dollars of budgetary reserves, i.e. 4.9% of the overall costs were distributed for the buy of university resources, 21.8% of the whole costs were for different scholarships for scholarships, budgetary motivations for teachers and students went through on advancement. The benefit of this fund was 20%, on offers within the global market - 20%, on properties - 20%.

The Endowment Fund of Princeton University accounted for 23% of the university's add up to budget. In 2022, this finance will contribute 1.4 billion to help pay for university costs. 18% of it is went through on understudy back, meaning 100% of it goes to educational cost expenses, lodging, free meals for children of low-income families winning less than \$65,000 a year, or free meals for students. Additionally, 24.5% were granted Pella grants, 61% gotten financial aid, and 82% of graduating students graduated university debt-free.

Subsequently, it is suitable to set up and create an blessing finance in higher education institutions of Uzbekistan nowadays. The funds of the support will comprise of expansive non-governmental non-profit organizations and joint-stock companies, budgetary assets of conventional citizens, ventures in education by eras and reserves sent by graduates.

Nowadays, more than 800 Endowment funds work within the USA, and their add up to capital is billions of dollars. The table underneath appears the measure of the world's leading Endowment funds.

Table 1:- Data on the measure of Endowment funds of the world's biggest universities in 2022¹

Higher education institutions with a large Endowment fund	Budget of the university	The share of the Endowment fund in the total budget	Alumni contributions directed to the endowment fund
Harvard	25,6	33%	47%
Yale	16,3	35%	45%
Stanford	12,6	23%	39%
Princeton	12,6	23%	64%

Based on the data displayed in Table 1, it shows that Endowment funds has demonstrated its adequacy in home. Much appreciated to this fund, the universities of the USA and European countries are creating their logical perspectives, keeping up administration within the world, pulling in solid researchers for educating, and are well paid by the support. A cutting edge university cannot be compelling depending as it were on state funding. Hence, it is vital to illuminate the issue of the advancement of additional sources of financing within the higher education institutions of Kazakhstan, to begin with of all, finance reserves ought to be included in them. The funds of the finance make it conceivable to gather budgetary assets and ensure economical inventive improvement of universities within the long term.

The foremost celebrated Endowment fund is the Nobel Establishment, which was set up at the conclusion of the 19th century. John D. Rockefeller is considered to be the record holder among the establishments of world universities measured to dollars.

¹Formed on the basis of Internet information.

Table 1.1:- Founders of the most famous Endowment funds²

No	Major investor	Amount of contribution	Name of university
1	Terri Gou Founder of Foxconn company	454 mln. \$	Oncology Hospital at National Taiwan University
2	PenniNayt	500 mln. \$	Oregon Health and Science University Cancer Research Center
3	MrsXelen Diller Spouse of Senforda Diller	500 mln. \$	University of California
4	Anil Agarval, Indian metallurgical magnate	3,5 mlrd. \$	Odisha Institute of Scientific Investigation
5	Betty Moore, spouse of Intel founder Gordon Moore	600 mln. \$	Californiatechnological Institute
6	FlorensIrving	600 mln. \$	Columbia University Herbert Church. To prevent cancer
7	MayklBlumberg	1,8 mlrd \$.	Johns XopkinsUniversity

Endowment funds ought to be built up in higher education institutions and have an official lawful structure expecting for particular purposes, i.e. for investments. This support is proposed to function on the premise of long-term standards that guarantee resource allotment and tall productivity.

Discussion:-

The Endowment fund is a special fund that underpins education, investigate and different administrations of higher education institutions, and resources related reserves are shaped primarily from fund or financial assets. An Endowment fund can be made by organizations and people with a common objective. In hone, fund initiators are more often than not donors themselves and shape this support. Donors' funds apportioned to this fund are non-refundable. Indeed in the event that the originators of this support are high-ranking individuals, the fund in it are continuously conveyed freely by the higher education institutions. More often than not, the Endowment Fund is shaped for an indefinite period. If the Endowment Fund is ended, the intrigued on it wil be given to the higher education institution that made the finance, the resources will not be returned to the giver and will not be disseminated.

The purposes for which budgetary assets of the Endowment fund are went through depend on the procedure of the higher education institution that shaped it. When its capital is shaped by one expansive financial specialist, the objectives of investing money related assets are indicated within the Endowment Agreement. It is additionally conceivable to distribute logical articles in distributions with a tall rating from the funds of this support. The capital of this support, beside the corporate accomplices of the higher education institutions, will be coordinated to the exercises that will bring the higher education institutions to higher statures. Yearly reports on the arrangement of reserves of this finance and their intended use are drawn up each financial year. An Endowment fund are a uncommon gather of capital investment who ought to moderate capital, gain pay and minimize chance. An Endowment fund covers not as it were the expenses from capital venture, but also the expenses paid to individuals such as office, utilities, site creation and upkeep, and accountants.

Conclusion:-

The leading universities of foreign countries, with their advanced experience, also participate in the commercialization of financial resources beyond academic activities. These resources are based on established government grants and commercialization of educational services. In addition, commercialization of scientific research works, high academic reputation and financing with targeted funds. In particular, the share of Endowment funds in strengthening their material and technical resources through the creating of the capital investment budget is very significant.

²Formed on the basis of Internet information.

References:-

1. Law of the Republic of Uzbekistan dated December 30, 2021 "On the State Budget of the Republic of Uzbekistan for 2022" No. ORQ-742.
2. Decision PQ-61 of the President of the Republic of Uzbekistan dated December 24, 2021 "On measures to provide financial independence to state higher education institutions" // <https://lex.uz/docs/5793251>.
3. Regulation of the Cabinet of Ministers of the Republic of Uzbekistan "On the procedure for financing state higher education institutions with financial independence based on the average cost per student" // UzR VM 01.08.2022 Annex to Decision No. 419.
4. Mirziyoyev Sh.M. Our great future is with our brave and noble people
5. Lijing Y., Brian M. World education finance policies and higher education access. A statistical analysis of World Development Indicators for 86 countries // International Journal of Educational Development 35, 2014. – pp. 25–29
6. Sherov A. (2019). Reforms in the system of higher education and their impact on financial stability // International Finance and Accounting, 2019(3).
7. Pavlova N. A., Nikolaev B. V., Dyatlova A. K. Sources of financing of the modern system of higher education in the USA // Humanities. Pedagogy, No. 4 (40), 2016.