

HIGHER EDUCATION SYSTEM IN THE DEVELOPMENT OF THE NATIONAL ECONOMY

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Abstract

The article reveals the role of the higher education system in the national economy. At the same time, a comparative analysis of traditional and modern views on the education system is carried out. A complex of factors affecting the quality of education was identified. The level of coverage of the higher education system in Uzbekistan and the existing imbalances in it were determined. The scientific conclusions and practical recommendations for improving the system of higher education are given.

Keywords: National economy, education system, higher education, professional qualities, labor market, set of factors, competitiveness.

Introduction

Currently, extensive scientific research is being conducted to further improve the quality of personnel training in higher education systems worldwide, taking into account regional aspects. In this regard, attention is being paid to the creation of innovative models for training highly educated personnel in regions with varying conditions and to aligning the rapidly changing demand of the economy for qualified specialists with the existing capabilities and potential of personnel training. It is important to note that modeling and forecasting the innovative-investment mechanisms for enhancing the quality and potential of personnel training in these regions are considered crucial scientific trends.

In recent years, the social and economic reforms implemented in Uzbekistan require the establishment of a higher education system capable of ensuring fundamental quality changes in society and sustainable development in the near future. In the Address to Parliament on December 28, 2018, the President of the Republic of Uzbekistan emphasized the need to strengthen efforts aimed at creating broad opportunities for education in higher education, enhancing the prestige of universities, increasing the number of private educational institutions, attracting highly qualified personnel to the sector, intensifying competition, strengthening cooperation with reputable foreign institutions and universities, and further enhancing the scientific capabilities of higher education institutions, as well as expanding the scope of training scientific and pedagogical personnel. The establishment of new higher education institutions in the regions, the introduction of modern educational disciplines and specialties, the opening of evening and external study forms, and the increase in admission quotas are important tasks in these ongoing reforms.

Analysis of Literature on the Topic

Throughout different periods, economist scholars have researched the role of the education system at both micro and macroeconomic levels, focusing on its economic aspects. The significance of the education sector within the national economy changes with its development. In particular, P. Drucker believes that in today's world, "knowledge is pushing capital and labor aside, becoming the leading

factor of production" [2]. According to E. Denison, the increase in per capita income in the U.S. is attributed to the rise in levels of education [3].

In Uzbekistan, the state of the higher education system, development trends, management and financing issues, marketing and management, and the development of the educational market have been researched by economists during the years of independence. Notably, studies have been conducted on the tasks of developing higher education [4], the impact of the education system on the development of the national economy during the transition to market relations [5], the improvement of economic relations in the educational services market [6], and the enhancements of organizational-economic factors in the preparation of highly qualified specialists for entrepreneurship [7].

Most of the aforementioned scientific works are dedicated to studying the development and marketing mechanisms of the higher education system. However, the specific characteristics of the formation and operation of the higher education system in Uzbekistan, the need to strengthen its ties with the labor market, the improvement of educational quality, and the enhancement of management have not been sufficiently explored, highlighting the necessity for deeper research in this area.

Research Methodology

This work employs methods such as systematic analysis, logical and comparative analysis, and analysis and synthesis. Through these methods, the interrelation of factors influencing the developmental trends of higher education has been studied. The pathways for enhancing the competitive environment and quality within higher education were assessed. Consequently, scientific proposals and practical recommendations aimed at reinforcing the interconnection between higher education institutions and labor markets were developed.

Analysis and Results

The deepening of economic reforms and the modernization of the economy in our country necessitate the development of an innovation system. Innovations play a crucial role in acquiring knowledge, accelerating scientific research, fostering social and economic development, and ensuring its economic security.

The sustainable development of the education sector is a guarantee for the rapid social and economic growth of our nation. Achieving this requires effective operation of educational institutions based on the improvement of economic relations within the higher education system. During the period of liberalization and modernization of the economy in the Republic of Uzbekistan, prudent utilization of production factors is a key driver in achieving high economic growth rates.

As we know, the human factor is considered primary among production resources. All other factors operate under its direct influence and active participation.

Starting from the 1960s, developed countries began their transition to a post-industrial information age. This period has led to fundamental changes in human civilization. Specifically, the increasing importance of knowledge in the economy has resulted in the discovery of new technologies capable of transforming human bio-social characteristics. The ability of each individual to freely access and utilize accumulated information and knowledge, along with the peculiarities of global economic development in the context of globalization, indicates that the impact of information and technological progress on

economic growth is increasing. Consequently, the theory of the "new economy" begins to take shape as a structural component of the general theory of economic growth.

In contemporary times, both traditional and innovative approaches to organizing education have been developed. A comparative analysis of their structural components reveals, first, that there are fundamental differences between them, and second, that the formation of new perspectives on education in the present time is an urgent issue (Table 1).

Comparison of traditional and new views of education [8]

Components of the educational process	Traditional views	New views
Scientific values	Absolutization of science, basing it on the classical type of scientific rationalism is its essence	The New Classic and later types of scientific rationalism prevail. In it, scientific knowledge is considered from the point of view of social conditions and social consequences of human activity
Educational purpose	Giving a cultural experience of a bygone era	Forming the vision of creative activity in the future
Coordination principles	Blocks of subjects organized on the basis of teaching subjects, departments and teachers are separated	Organized on the basis of interdisciplinary education, systematic thinking is the holistic assimilation of the laws of nature, technology and society by people.
Means	It is based on more ready-made knowledge and problem-solving teaching tools and methods. They are clearly known to the teachers in advance	Learning tools and methods, mastering the methodology of creative activity, the orientation of the individual's innovative ability to create things that the teacher does not know

Education is a unique sector that has a dual characterization. On one hand, it plays a direct role in meeting the spiritual and cultural needs of the people; on the other hand, the higher education system is considered a sector that supplies the labor market with qualified workforce through its activities. The education system is a crucial element of the national economy. This fact necessitates the study of the laws governing its formation and operation. The essence of the education system is manifested in its functions (Table 2).

Tasks of the educational system [9]

No	Functions	Content
1	Information Provision	Providing educational service providers and consumers with information about the status of educational institutions.
2	Mediation	Shaping economic relations between educational entities.
3	Price Formation	Establishing market prices in the education sector based on the correspondence of supply and demand.
4	Incentivizing	Enhancing the quality of education through the implementation of new technologies in the educational process.
5	Purging	Removing entities that cannot provide educational services at the required standards or have low efficiency from the economic space.
6	Social	Allowing for income stratification within the education system.

The analysis of the main tasks of the educational system's activities shows that limiting economic relations within it solely to the exchange of educational services does not fully reveal its essence as an economic category. The market mechanism establishes economic relations between the entities of educational institutions through competition and pricing. The uniqueness of the educational system as a good and its specific characteristics determine the particularities of economic relations within educational institutions. One of its distinctive features is the high level of monopolization due to the significant share of state ownership of the means of production. The presence of this situation is a result of the educational system being a mixed good.

In the educational system, knowledge is exchanged in the form of education. This type of market directly participates in shaping the qualifications or quality of the labor force and ensures its efficiency. Therefore, the role of the educational system in the national economy is significant(1st picture).

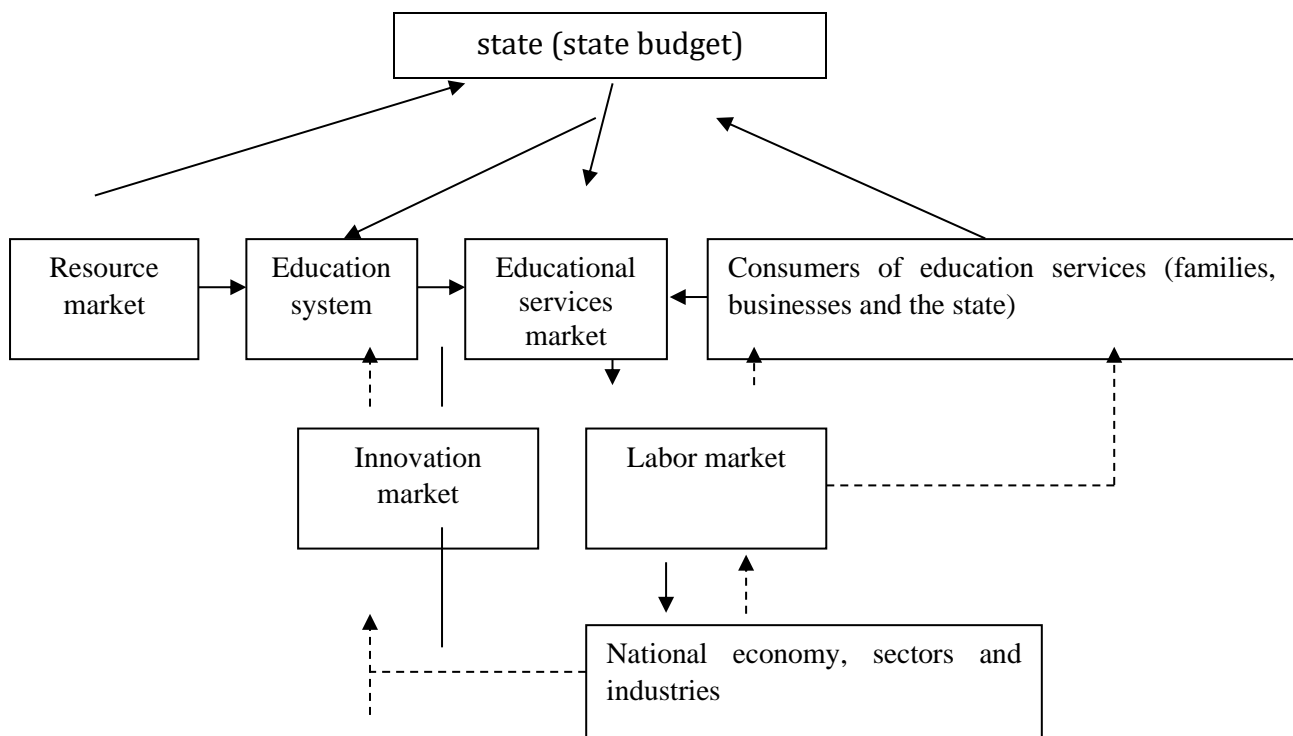


Figure 1. The Role of the Educational System in the National Economy [10]

The consumers of the educational system include individuals, families, enterprises, and the state. The institutions of the educational system are considered the subjects of education. The educational system is connected to the labor market and production through education.

As a structural component of the education sector and as a part of the national economy, it directly participates in the reproduction and retraining of qualified labor, thereby contributing to the creation of gross domestic product. This can be observed in the following aspects:

- The extensive implementation of information technologies in the education sector deepens its technological and functional connections with other branches of the national economy;
- The development of education based on market relations in the relevant sphere;

- The existence of unique economic relations in the education sector allows it to participate in the reproduction stage (creation of national wealth and meeting the needs of individuals in the educational system) and at the consumption stage (the active participation of education in the purchase of goods and services), influencing the formation of income for the population at the distribution stage.

The educational system ensures economic growth in the country by shaping the qualified labor force and improving its quality. Moreover, the interconnection between the educational system and the field of science positively impacts the pace of economic growth through the implementation of the results of scientific and technological development (innovations).

Factors influencing the quality of education and professional training for personnel [11]:

- People: the composition of professors and teachers, students, auxiliary staff, administrative personnel, and others;
- Technologies: pedagogical, educational, informational, managerial, monitoring, and others;
- Material and technical support: buildings, equipment, laboratories, and practical training bases, among others;
- Normative-legal and educational-methodological support;
- Incentives and fundamentals;
- External influences: market economy requirements, enterprises, society, and the state.

The dominant factors among the aforementioned structural components of the educational system influence the quality of education and professional training for personnel. There is a need for a systematic approach to addressing the issues of the quality of education and professional training for personnel. The factors must be managed in their entirety, considering their interconnections and relationships as links in a chain. The failure of any link (factor) from this chain may lead to disruptions in the management system of educational quality. Such disruptions can also occur when a given factor exceeds an acceptable limit. Therefore, maintaining the ensemble of factors within the demand boundaries set by the market economy, enterprises, society, and the state is a primary task of the educational quality management system.

The number of workers in Uzbekistan is changing over time. Currently, the total workforce accounts for approximately 68% of the total able-bodied population. The composition of the workforce in Uzbekistan has radically changed in recent years. In the 1990s, 40% of jobs were in the agricultural sector, but nowadays this sector provides jobs for only one in four workers. The service sector plays a leading role in the economy, providing jobs for more than 50% of the workforce. Nearly 80% of newly created jobs are in the services sector. Today, Uzbekistan has the opportunity to maximize the application of its economic potential. However, the higher education system is delivering significantly fewer graduates than required by the labor market.

Uzbekistan's population is feeling the need for a broader coverage of the higher education system, considering per capita income. However, the number of students accepted into each area for higher education institutions is determined according to the offers made by the state's planning authorities. The competition for spots in these institutions is usually very high. However, this situation indicates that the relationships between the educational system and production or between the educational system and the labor market have not yet developed to a sufficient degree. The main reasons for this situation include:

- Higher educational institutions are preparing specialists based not on labor market demands but on their own capabilities;
- Due to the material and technical base of the higher education system being insufficient, there is a low level of practical skills among the prepared specialists;
- When choosing a profession, young people consider their parents' wishes and their capabilities instead of market demands;
- The mechanism for the participation of production entities in the training of specialists has not sufficiently formed.

Overall, the analysis of the personnel training system in the development of the national economy is based on the following socio-economic results. Notably, in our country, during the third phase of implementing the National Personnel Training Program, the goal has been set to "improve and further develop the personnel training system in accordance with the prospects for socio-economic development of the country, based on the analysis and generalizations of the accumulated experience" [12, p. 41]. Therefore, in determining the priority directions for improving economic relations in the educational system, it is essential to consider, first, the current state of educational institutions, which are the leading subjects of the educational system, and the existing problems within them, and second, the changes in the content and organization of higher education at this time. This is because these changes are an integral part of scientific and technological advancement. In our country, this direction aims to develop property relations that constitute the foundation of economic relations in the educational system. It is challenging to create a competitive environment in an educational system based solely on state property. Internationally, in developed countries, especially Japan, the USA, China, and South Korea, there are systems of higher education based on private, municipal, and local ownership. This situation also affects the quality of services in the educational system. Thus, it is advisable to establish educational institutions based on various forms of ownership while maintaining state control over the educational system. The National Personnel Training Program notes that "state and non-state institutions will be developed, a competitive environment in education and personnel training will be established, and the educational system will be managed by the state" [12, p. 60]. However, this area has not yet witnessed significant positive shifts. It is appropriate to develop unconventional forms of acquiring knowledge and increasing qualifications to ensure continuity in education.

Conclusions and Recommendations

One of the priority directions for improving economic relations in the educational system lies in enhancing the quality of educational institutions. The quality of education is linked to the effective organization of the activities of educational institutions that serve consumers.

Currently, the quality of education is improved through enhancing its competitiveness. The competitiveness of the educational system refers to the ability of education to meet demand and their marketability. The characteristics that provide the opportunity to satisfy certain described needs underlie these processes. The competitiveness of education is determined by comparing them with other educational institutions of the same type. This is primarily achieved through the following two parameters: the compliance of education with specific needs and the costs of meeting these needs.

To satisfy demand, the quality of education must align with consumer expectations. Thus, the quality of the educational system is a key factor ensuring their competitiveness in the market. At present, the necessity of improving the economic relations of our country's educational system is linked to scientific and technological advancement, economic globalization, and the competitiveness of the national economy. Additionally, the priority development of the educational complex is considered a necessary condition for achieving high rates of economic growth and improving the welfare of the population. Currently, the educational system is developing at national, regional, and global levels. This situation is leading to an intensification of the conflict between two paradigms in developing the educational system. These paradigms represent the academic and market perspectives on organizing and developing higher education. The solution to this conflict can be found through the synthesis of these two approaches, by establishing a rational relationship between them.

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