



## **IMPROVING THE FINANCING OF SCHOOL EDUCATION BASED ON INTERNATIONAL EXPERIENCE**

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### **ABSTRACT**

This study explores contemporary methodologies for funding school education in Uzbekistan and globally. It presents a comparative review of general education budget allocations across several countries, focusing on the proportion of school-level expenditures within total educational spending. The article highlights the effectiveness of public financing, the contribution of private and international funds, and the imperative to boost investments in the school sector. The findings underline the need for enhanced transparency, efficiency, and fairness in resource distribution. Based on these insights, targeted recommendations are proposed to improve Uzbekistan's school financing framework.

### **KEY WORDS**

School education,  
financing, budget  
allocation, Uzbekistan,  
GDP, efficiency,  
government  
expenditures,  
comparative analysis.

### **Introduction**

School education serves as the cornerstone for a country's long-term socio-economic progress. Within the context of a globalized economy, the state's role in guaranteeing quality, accessibility, and efficient funding mechanisms becomes strategically vital. Different nations have implemented diverse models of governmental involvement in educational policy, reflecting their unique socio-economic priorities and resource capacities.

At the international level, numerous efforts have been directed at optimizing the use of financial resources dedicated to general education systems. According to data from OECD member countries, approximately 8 to 10 percent of total public budget expenditures are typically allocated to general secondary education. For instance, the United States directs around 6% of its overall government budget to education, while Japan allocates about 3.2%. France dedicates between 9 and 10 percent of total government spending to educational purposes, with a substantial portion earmarked specifically for school education [1].

Globally, the extent of public education funding often mirrors a country's stage of socio-economic development and the degree to which its economy prioritizes social objectives. In many developed nations, the state plays a central role in administering school education. This involves setting educational standards, designing curricula, defining teacher qualification requirements, and

implementing quality assessment mechanisms. Finland exemplifies a model where the Ministry of Education and Culture formulates policies and allocates resources, yet schools retain significant autonomy over pedagogical methods. This hybrid governance model fosters trust and promotes high educational outcomes.

## Literature Review

Education is increasingly recognized as a fundamental driver of national competitiveness within the global economy. Sustainable financing of school education is essential to cultivate the knowledge and competencies demanded by the contemporary world [2].

Securing stable and sufficient funding for school education is a prerequisite for achieving sustainable development objectives and ensuring equitable access to quality learning opportunities [3].

Harry Anthony Patrinos, an economist with the World Bank, underscores the critical importance of education financing, stating that investments in education are among the most effective tools to stimulate economic growth and reduce poverty. He highlights that financing quality school education is a cornerstone of building human capital [4].

Eric A. Hanushek, a renowned education economist, emphasizes that mere expenditure on education does not guarantee improvements in quality. Instead, the efficiency of fund utilization and ensuring equitable access to high-quality schooling are crucial factors [5].

Research by H. Dustmukhammed introduces a set of indicators designed not only to evaluate the current condition of public education but also to analyze the effectiveness of targeted expenditures and identify potential internal and external risks influencing future budgeting [6].

D. Mirkhodja's studies stress the importance of mobilizing extrabudgetary resources for school development, proposing mechanisms such as supplementary salary bonuses for teachers and voucher-based financing schemes [7].

Ensuring stable and rational financing remains one of the most pressing challenges in education systems. National legislation typically mandates that expenditures on education conforming to state standards are primarily funded by the government, which guarantees citizens' rights to comprehensive general and vocational education [8].

## Analysis and Results

Internationally, the primary source of financing for school education remains the state budget. Budgetary allocations constitute the principal mechanism through which governments influence the development of educational systems. In countries characterized by high human development indices, such as Sweden, Norway, Canada, and Germany, education expenditures typically account for between 4 and 7% of GDP. This level of funding facilitates broad access to education, ensures availability of qualified teaching personnel, and supports the provision of modern educational materials and infrastructure.

In many nations, financing for primary and secondary education is sourced from multiple levels of government—central, regional, and local. For instance, in the United States, approximately 90% of school funding is managed at state and district levels, supplemented by local property taxes. Similarly, in the United Kingdom, the government allocates targeted grants to schools based on student enrollment and specific needs through agencies such as the Department for Education.

In the context of Uzbekistan, expenditures on education, including school education, represent a substantial share of government spending.

**Table 1. Analysis of Expenditures on School Education in Uzbekistan (2020–2024) [9]**

Year	School Education Expenditures (trillion UZS)	Total Education Expenditures (% of GDP)	Share of School Education in Total Education Expenditures (%)
2020	27.0	5.2	73
2021	32.0	5.4	68.7
2022	30.6	5.6	65.9
2023	42.9	5.5	64.8
2024	56.4	4.7	62.1

Between 2020 and 2024, government expenditures on school education more than doubled, rising from 27.0 to 56.4 trillion UZS. This substantial growth indicates a prioritization of school education within national policy agendas, influenced by factors such as increased student enrollment, salary increments for educators, infrastructure modernization, and the implementation of updated educational standards. Despite this increase in absolute spending, the proportion of total education expenditures relative to GDP exhibits variable dynamics. While remaining stable between 5.2 and 5.6% from 2020 to 2023, this indicator declined to 4.7% in 2024, falling below the UNESCO recommended threshold of at least 5%. Such trends may be explained by:

- A slower growth rate in education expenditures relative to GDP growth;
- Reallocation of government funds toward other sectors;
- Potential tightening of budgetary policies and expenditure controls.

Additionally, the proportion of school education within total education spending has declined from 73% in 2020 to 62.1% in 2024. This trend may reflect:

- Increased investment in other educational levels, including preschool, tertiary, and vocational education;
- Strengthening of adult education and professional development programs;
- Expansion of scholarship schemes and digital infrastructure for higher education institutions.

While diversification of educational spending is generally positive, maintaining an appropriate balance is essential to prevent underfunding of general school education, which constitutes the core of the education system.

**Table 2.Sources of School Education Financing (% of GDP, 2023–2024) [10]**

Country	Public Expenditures (%)	Private Expenditures (%)	International Sources (%)	Total Expenditures (%)
USA	4.3	0.8	0.1	5.2
Finland	5.2	0.2	0.1	5.5
Germany	3.9	0.7	0.1	4.7
France	4.5	0.5	0.1	5.1
Japan	3.2	0.4	0.1	3.7
UK	3.8	0.6	0.1	4.5
Canada	4.6	0.9	0.1	5.6
Australia	4.3	1.0	0.1	5.4
South Korea	3.7	1.1	0.1	4.9
Sweden	5.7	0.4	0.1	6.2

Leading nations consistently prioritize public financing of school education as a vital factor in fostering sustainable human capital development. Data indicate that, in most developed economies, public budgets constitute the majority of school education funding, typically ranging from 3.8% to 5.7% of GDP (e.g., Sweden at 5.7%, Finland 5.2%, Canada 4.6%, USA 4.3%). This demonstrates the strategic emphasis placed on education within fiscal policies.

Private expenditure also plays a meaningful role, especially in countries where competitive higher education admission and elevated educational aspirations drive demand for supplementary educational services such as tutoring, private schooling, and digital learning platforms. Countries with the highest private shares include South Korea (1.1%), Australia (1.0%), and Canada (0.9%). In contrast, private spending is minimal in Northern European countries like Finland and Sweden, indicating broad access to high-quality free education.

International financial contributions remain marginal, consistently around 0.1%, underscoring the self-sufficiency of education systems and limited reliance on external donors.

Notably, the total expenditure on school education in countries with top educational outcomes, as measured by international assessments such as PISA and TIMSS, exceeds 5% of GDP—examples include Sweden (6.2%), Canada (5.6%), and Finland (5.5%). These high investment levels correlate strongly with improved school readiness, teacher professionalism, modernized infrastructure, and inclusive educational environments, thereby exerting a positive influence on long-term socio-economic development.

By comparison, Uzbekistan's school education expenditures in 2023 were approximately 3.4% of GDP, highlighting the need to increase funding and enhance its efficiency. Although expenditures reached 56.4 trillion UZS (about 4.7% of GDP) in 2024, the share of school education within the total budget remains comparatively lower than in many developed nations.

## Conclusions

International experience confirms the dual role of governments as both the primary financiers of school education and coordinators of its strategic development. The effectiveness of public education policy is contingent upon:

- Ensuring sufficient budgetary funding levels;
- Employing flexible and responsive allocation mechanisms;
- Adopting results-oriented approaches;
- Providing targeted support for vulnerable student groups;
- Investing in educational infrastructure and innovation.

National adoption of these principles can contribute to the formation of a sustainable, equitable education system responsive to contemporary challenges.

Uzbekistan is encouraged to target education funding levels of 5–6% of GDP, with particular emphasis on the school sector. However, increased funding alone is insufficient; attention must also be paid to the efficient use of allocated resources.

## Recommendations

- Augment education expenditure as a proportion of GDP, aiming for 6% or higher to broaden development programs and enhance educational quality.

- Strengthen oversight of expenditure efficiency through systematic audits, performance evaluations, and timely adjustments to educational programs.
- Invest in technological infrastructure and human capital by expanding digital resources, enhancing teacher qualifications, and promoting modern pedagogical methodologies.
- Conduct comparative analyses of international best practices to adapt effective school financing and management models to the national context.

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