



FINANCING THE INNOVATIVE DEVELOPMENT OF HIGHER EDUCATION AND ITS STRATEGIC DIRECTIONS

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Abstract

This paper studies the existing mechanism of financing the innovative development of higher education and its shortcomings Procedural-dynamic approach to the formation of the National Doctrine of Financial Support of Innovative Development of Higher Education. Moreover, it analyzes three main concepts of changing its funding system research on the basics, the theory of innovative development of the economy, general theories of financial management in the social sphere, and the theoretical and methodological support of financial management in the management of financial support of innovative development of higher education, the author's approaches to existing funding paradigms. According to the results, formation of a modern financial and economic model of innovative development of higher education, which has made a priority contribution to this development in the form of intangible assets of human intellectual capital and the results of intellectual activity.

Keywords: Innovation, innovative activity, finance, budgeting, financial management, financing, human capital, financial management, investments, projects

INTRODUCTION

Today, the issue of financing the innovative activities of higher education institutions is one of the most pressing issues in the country. Currently, there are various conceptual approaches to improving the state funding of university science and higher education as the main source of resources for the development of innovative potential of higher education. In particular, the first is to set a minimum share of education expenditures of the republican and



local budgets based on the state task; the second is the introduction of targeted taxes; the third is the establishment of minimum standards of public spending, calculated on the amount of money per capita or the share of GDP in higher education in general; the fourth is to expand the list of types of expenditures included in the concept of “targeted subsidies”.

However, by itself, budget revenues and expenditures, even if enshrined in law, cannot be a motivating factor in the implementation of innovation policy in education until the state assumes the role of a subject of stimulating the innovative development of higher education at the legislative and executive levels.

Therefore, the mechanism of financing the innovative development of higher education in the Republic requires a new conceptual approach. In this regard, the purpose of this article is to propose new conceptual approaches to changing the funding system based on the study of the existing mechanism of financing the innovative development of higher education.

ANALYSIS AND RESULTS

In international practice today, particularly in countries such as the United States, the United Kingdom, Australia, and New Zealand, methods of public finance management in the social sphere have been developed to rank program goals, measure program effectiveness and efficiency, and evaluate reporting procedures on their implementation.

At the same time, to some extent, these technologies are used not only in developing countries (Thailand, Turkey, Papua New Guinea), but also in transition economies (Bulgaria, Hungary). The process of budget reform in these countries is not yet complete and there are no concrete results, but the experience gained can be useful for our country - for example, improving public accountability of public administration in the social sphere will occur in parallel with increasing the effectiveness of targeted programs. They are achieved by including indicators of the volume of activities of public institutions, indicators of quality of services provided by the state and indicators of consumer satisfaction.

Today, the legal framework for the financing of higher education institutions of the country is reflected in the Law "On Education" and decrees and resolutions of the President of the Republic of Uzbekistan, the Cabinet of Ministers and a number of regulations of the Ministry of Higher and Secondary Special Education.

In particular, Article 38 of the Law of the Republic of Uzbekistan "On Education" called "Admission to educational institutions, including admission to public higher education and vocational education institutions is carried out on the basis of state grants and (or) fee-for-service contracts." According to this article of the law, currently the financing of educational

institutions is carried out from the state budget in the form of educational grants and paid contractual forms of training.

Chapter 9 of the law "Financing of education and state support" states that in Article 62 "Financing of educational institutions" at the expense of funds, as well as extra-budgetary funds and other sources not prohibited by law. It is also stipulated that the financing of non-governmental educational organizations will be carried out at the expense of money and material resources of the founders, customers, as well as other sources not prohibited by law. This chapter of the law gives the right to provide paid educational services and other services, as well as to engage in entrepreneurial activities in accordance with the tasks set out in the charter of public educational institutions, according to which additional sources of funding for educational institutions are:

Proceeds from training, retraining and advanced training of personnel on the basis of contracts, including contracts with foreign individuals or legal entities;
funds received from the performance of research, teaching and other work not prohibited by law on the basis of orders of individuals and legal entities;
income from the sale of products, work performed and services provided by educational institutions;
proceeds from the lease of buildings, structures and equipment;
funds (interest) received from the placement of idle funds of educational institutions on deposits in banking institutions;
funds allocated by state and economic administration bodies, as well as local state authorities;
bank loans and credits;
charitable funds of individuals and legal entities.

The law gives educational institutions the right to independently determine the procedure for payment for the provision of additional educational services, which stipulates that they have the right to independently dispose of funds received through the provision of paid educational services and other services and entrepreneurship.

In accordance with the Resolution of the President of the Republic of Uzbekistan dated May 7, 2018 No PP-3698 "On additional measures to improve the mechanisms for introducing innovations in industries and sectors of the economy" The task is to establish.

In general, the country has a system of budget expenditure planning and is currently based on indicators of normative expenditures related to the provision of educational services, research and innovation activities, and currently does not take into account the effectiveness of financing these activities.

In this regard, the state should independently determine the planning criteria and evaluate the comparative effectiveness of the costs incurred. The introduction of efficiency indicators in budget planning is a very long and labor-intensive process that requires changes not only in budget financing mechanisms, but also in the management of the public sector of higher education in general. Therefore, the next step in the rationalization of the management of funding for higher education is the introduction of new budgeting tools, namely:

- The order of allocation of budget funds for the activities of higher education institutions, which radically changes the conditions of funding, based on clearly defined results of the allocation of financial resources;
- Organization of the budget classification of expenditures in accordance with the principles of the program in accordance with the goals and objectives of public policy;
- Introduce medium and short-term budget planning at all levels of management of financial resources of higher education.

According to the results of the practice in our country, new management technologies are introduced at the national and local levels through the establishment of a system of indicators and indicators in the framework of targeted science and education development programs (FTSPR). At the same time, the net worth of university assets is used as the difference between assets and liabilities as the main financial indicator of the efficiency of the use of public funds. And the main factors that make up this result are current income and expenses. Revenues are defined as transactions that increase the net worth of the asset and expenses are reduced as its operations. This approach, together with the current budget classification of the Republic of Uzbekistan, allows to prepare reports on the current budget legislation (on budget execution), as well as reports on financial results and cash flows in accordance with international financial reporting standards.

However, in our opinion, the change in the principles of budgeting only means that, on the one hand, the funds allocated for targeted education development programs are a kind of additional budget funding for current tasks, and on the other hand, the amount and timing of these funds are almost constantly changing. program-targeted budgeting exacerbates the underlying methodological problem. Thus, the uncertainty in the formulation of the goals and outcomes of the programs and the lack of accountability for their funding justifies itself.

To address this problem, it is necessary to amend the regulations of the Government of the Republic governing the development, approval and implementation of targeted educational programs, as well as to improve the relevant funding procedures implemented by the executive bodies.

Solving the problem of improving the management of financial resources of targeted programs aimed at developing the innovative potential of higher education is impossible without institutional changes in the higher education system to increase the economic independence of higher education institutions, increase their responsibility for the final results of innovative activities. These include:

- growth of investments aimed at the growth of non-financial assets obtained as a result of modernization of fixed assets and commercialization of the results of intellectual activity of educational institutions and educational innovations;
- renewal of laboratory and research base of innovative universities, technology transfer centers and other subjects of innovative infrastructure;
- increasing the salaries and investment attractiveness of innovative teachers and researchers;
- expansion of the system of program-targeted financing of the subjects of innovative infrastructure of higher education on the basis of medium and long-term targeted development programs.

Effective implementation of programs to financially support the innovative development of higher education can not be done without planning the need for financial resources, which must be included in the operational order of innovative infrastructure entities on a timely and clearly defined trajectory. Today, the treasury system of financial flow management in the field of public higher education has its advantages and disadvantages. As an advantage of the budget execution treasury system, we see it as an opportunity to use it to finance departmental target programs and ways to invest in university innovations, and then to diversify them at the level of a particular educational institution. In the context of budget execution, the methodology of program-targeted budgeting should be used as a means of interaction between the management of financial resources of higher education institutions and the effectiveness of their scientific and innovative activities. Economic impacts then manifest themselves not in the form of tight financial savings and inefficient cost reductions, but as an opportunity to be more flexible in cost management and to assess the investment attractiveness of university innovations.

As a set of measures at the national level, the program-targeted approach to planning and using public resources involves the creation of centralized mechanisms for macro-level coordination, as well as the formation of a system of financial indicators and change indicators and management of financial resources of all economic entities.

In order to form a system of priority resources in the development of innovative potential of higher education, first of all, new conceptual approaches to its financing are needed, based on the following principles:

- * co-financing of educational, research and innovation activities of higher education institutions through maximum diversification of sources of funding;
- * guaranteeing the optimal amount of funding, which will provide adequate financial support for the innovative development of higher education;
- * financial independence of the subjects of innovative infrastructure of higher education in the distribution of financial resources received in the areas of research and innovation, as well as in the use of resources to measure the volume of resources and the results of these activities;
- * the results of intellectual activity, which are best suited to the process of accumulation and updating of knowledge, and the priority of financial support of educational innovations of higher education institutions.

The dynamic nature of market relations in the field of vocational education and the process of modernization in higher education, associated with the formation of a national innovation system and the need to improve the quality of human capital, require a change in the doctrine of financing higher education. The theory of a systematic and integrated approach does not allow to fully solve all the problems of increasing the socio-economic efficiency of financial support of the modern level of development of higher education.

CONCLUSIONS

Our research has once again shown us that as a new doctrine of financing higher education, it is necessary to use a procedural-dynamic approach to finance its innovative development. financing of mega, macro and micro processes that characterize the interaction and temporal sequence of teachers in making financial decisions on the economic necessity and expediency of financing business, social structures, economic entities of higher education, educational institutions and higher education institutions.

The procedural-dynamic approach allows to formulate the basic rules of the doctrine of financing the innovative development of higher education. The main hypothesis of this doctrine is that if the synergistic process of financing the innovative development of higher education is dynamic and high risk in the context of economic uncertainty, then the interaction between public, private investors and the innovative infrastructure of higher education encourages cumulative processes and positive trends. should include a set of related financial mechanisms and tools that can be addressed by applying the following conceptual approaches to financial support for higher education.

The first conceptual principle envisages effective state regulation of financial flows of economic entities of higher education innovation infrastructure and transformation of state budget revenues and expenditures into real economic incentives for its innovative development,

determining the amount and structure of financial resources interested in the best results science-based procedures and appropriate principles, forms and methods of providing financial resources to universities, properly funded by the state. The relevance of this conceptual approach is based on the following factors:

- The need to search for internal resources to optimize public spending on modernization in higher education, as well as to justify the adequacy of funding for research and innovation activities of higher education institutions;
- The need to increase the level of competitiveness of local higher education and achieve additional competitive advantage by supporting the innovations of higher education institutions with more effective resources;
- The ability to integrate modern management and information technology for financial decision-making, which improves the efficiency of management of financial resources of higher education and, above all, the quality of its innovation sector;
- The need to increase the investment attractiveness of innovations of higher education institutions and other innovative infrastructure entities.

A distinctive feature of economic incentives to create a mechanism for sustainable financing of innovative development of higher education is the primary role of the state. At the same time, a positive financial flow towards its sustainable development occurs in the process of implementing fiscal and tax policy by the state, which should provide for the coordination of the budget financing system with various tax regulations and incentives for universities. In this case, it is important to optimize budget revenues, their structure, sources, normalization and planning procedures. The principle of regulation of the financial mechanism by the state as a strategic investor allows to perform the following functions of optimizing budget expenditures: Introduction of a rational procedure for financing research and development of higher education institutions; introduction of a new system of remuneration of research and teaching staff and teachers-innovators; implementation of new approaches to the system of taxation and benefits in the industry; Preferential lending for investments in the development of the material and technical base of higher education institutions; use of effective methods of financial control and economic analysis; Application of outsourcing in a number of areas of development of science and innovation in higher education.

At the same time, the outflow of funds, ie the direction and order of use of budget funds should be related to the economic interests of universities and the priorities for the development of their research and innovation activities. In this context, the evaluation of the effectiveness of the use of financial resources directed to the development and implementation of innovative

development programs of higher education is closely linked with the current regulation of negative flow, which depends on the system of control over the turnover of economic entities.

The concept of effective state regulation of financial flows of economic entities of higher education innovation infrastructure considers it necessary to finance state universities, especially research and innovative universities, in accordance with the approved minimum allowable financial standards and then increase these amounts depending on the effectiveness of university research and innovation. At the same time, the principle of budgeting based on results, which determines the order and volume of funding for performance indicators for the strategic and current program for the development of scientific and innovative activities, is based on the system of financial management of universities.

The appropriateness and effectiveness of such a conceptual approach is confirmed by the following factors. First, the use of such technologies to finance the economic infrastructure of higher education provides an integral link between the strategic goals of its development and plans aimed at achieving them, and the implementation of plans through rapid processes. Second, the change in funding depending on the results of scientific and innovative activities encourages the development of not only the financial but also the innovative infrastructure of higher education institutions, which helps to restore the innovative potential of higher education in general. Third, it is necessary to identify financial and non-financial indicators that serve as targets in order to further provide universities with resources for the development of strategic financial plans and budgets. These indicators should be related to the strategic goals of developing the innovative potential of higher education, be very clearly defined, balanced, and finally, they should cover all subjects of the innovative infrastructure of higher education.

The proposed conceptual approach provides a methodological basis for the formation and use of financial mechanisms and tools, which are the strategic allocation of financial resources for different levels and subjects of innovative infrastructure of higher education, control of financial flows, planning funding for research and innovation; , allows you to combine tactical and fast levels. However, it does not take into account the possibility of expanding sources of funding for the innovative development of higher education.

In this context, the second conceptual approach we propose is that one of the effective means of financial support for innovative development of higher education is co-financing research and innovation of higher education institutions through the use of multi-channel funding mechanism or maximum diversification of financial resources.

To change the management of financial resources in higher education, you can use the “soft management” experience, which includes flexible, decentralized financing of various development programs. In this context, it is interesting to study the experience of innovative

management in higher education in foreign countries, which are currently experiencing a new stage of development. For example, in EU countries over the past decade, both at the national, regional, sectoral and local levels and at the level of educational institutions (enterprises, employers) to develop qualification requirements for professionals, as well as to develop the labor market and support vocational education with resources and social partnership bodies with the participation of business associations, chambers of commerce and industry, trade unions and representatives of the education sector).

In addition, in world practice, it is a process of active participation of employers in the management of the budgets of vocational education institutions, which allows them to influence the goals, structure and results of their activities. In some countries, co-financing models have been operating steadily since the late 1960s, laying the groundwork for the overall responsibility of social partners for the outcome of the use of financial resources.

The growing financial contribution of commercial and non-profit organizations to educational institutions, the development of new forms of support for them is a reflection of significant changes in the forms and means of financial support for modern higher education. The participation of employers in the co-financing of vocational education makes it clear that this is not only a scheme to attract additional financial resources, but also an important channel of bilateral relations between them. Attracting extra-budgetary funds and private investors will not only provide universities with additional financial resources, but also create a more effective management model that encourages innovative processes in vocational education. Today, the most responsible partners of the state in the co-financing of education in our country, including the science of higher education institutions and educational innovations, are companies in the financial sector. The development of social responsibility of business in our country is at an early stage of its formation. The state should encourage the transition from one-time charitable activities to the joint development of major innovative programs in higher education.

By sharing the state burden of innovative education costs, businesses can make both foreign and domestic investment. Foreign investment is defined as the social activity of a business based on the investment of firm capital in the science of the university and the renewal of the educational sphere of its region; and domestic investment - we understand investing in an organization's financial resources to develop the intellectual capacity of employees, increase and support human capital, improve skills, and ultimately increase the level of business income. Thus, investments in the innovative development of higher education are financial resources aimed at the implementation of joint innovative programs in higher education, developed taking into account the interests of social partners of the state and companies, whose investments are expected to have a certain social and economic impact.

Another major social partner in co-financing the development of the innovative potential of higher education could be international non-profit foundations and relevant grant organizations. Through the accumulation of private funds, funds of corporations or budget funds of different countries, these international funds are often able to finance the subjects of innovative infrastructure of higher education on a non-repayable basis. However, due to the lack of reliable statistics, it is difficult to calculate the total amount of investment made by public organizations in the development of national higher education.

If we interpret higher education as a strategic resource for the innovative development of the country on the one hand and as one of the main tools for the formation of human capital on the other hand, the financial support of its activities and development should become the subject. At the same time, the main methodological task is the formation and application of the principles of co-financing the innovative development of higher education: compliance with the law; equality of the parties in the freedom to choose and discuss the issues that constitute the content of agreements on co-financing of innovative projects; demonstrate the good will of the parties in making commitments; regular supervision and responsibility for the performance of obligations.

The concept of co-financing research and innovation of higher education institutions that we propose implies that in order to achieve the planned results of developing the innovative potential of higher education, each subject of its innovation infrastructure must have sufficient financial resources to develop and commercialize innovations. At the same time, the flow of budgetary and extra-budgetary financial resources should be carried out in a formalized manner in accordance with clear and transparent criteria for evaluating the effectiveness of scientific and innovative activities. A prerequisite for the success of the self-financing process is the attraction of financial resources on a competitive basis.

The justification of the need for a third conceptual approach implies the formation of a theoretical framework for prioritizing investment in the development of innovative potential of higher education, primarily by encouraging private-public financial investment and innovation in higher education. In the current context, in order to effectively manage the financial flows of higher education, it is necessary to increase the investment attractiveness of research and innovation in higher education. In terms of long-term development of the country's economy, the main goal of investment should be innovative and technological modernization of higher education potential. Achieving this goal can only be achieved through the active and efficient use of all available resources for these financial, material and other resources, as they are aimed at solving the most important tasks for the development of universities and achieving measurable end results. At the same time, the state should retain the responsibilities of a direct

investor for non-profit projects of higher education and at the same time create conditions for attracting financial resources from the education sector and foreign investors.

In our opinion, it is necessary to apply the investment attractiveness of financial investments in the development of human capital as a theoretical basis for the development of the innovative potential of higher education as a theoretical basis for the priority of public-private investment. The classics of economic science evaluate the concept of "human capital" as the knowledge, health, skills, experience that a person uses to make a profit. Modern economists attach great importance to the theory of human capital, because it allows to study many phenomena of market relations in general and, most importantly, the efficiency of financial investments in the human factor.

The key issue that needs to be addressed is not to identify differences between private and social income norms, but to more accurately calculate costs and benefits due to the long-term nature of investment in education. According to local and foreign analysts, there are stable correlations at all levels of accumulation and increase of human capital: for the private return rate - direct - linear, for the social norm - in the form of inverse hyperbolas, which depends on the level of state participation in investment. In our opinion, the purpose of public investment in higher education is not only to ensure its quality and accessibility, but also to develop their innovative potential, mainly by improving the quality of all types of activities of higher education institutions.

Consistent implementation of this theoretical rule will allow solving the main problems of financing the innovative development of higher education in accordance with the principles of management of financial resources of higher education:

- The principle of program-targeted approach to the management of all stages of financial support of universities: forecasting, planning, regulation, accounting, analysis, control;
- The principle of diversification of financial instruments in the field of higher education, which encourages the attraction of extra-budgetary income from private investors, including families and students;
- The principle of encouraging the attraction of private financial investment in the development of innovative potential of higher education based on the use of a system of indicators that provide calculation, monitoring and evaluation of the effectiveness of investments in the innovative development of higher education;

These principles allow public and private investors in higher education not only to implement and control the targeted funding of certain innovative programs and projects, but also to ensure the financial sustainability of economic entities of the innovative infrastructure of higher education.

Implementation of the priority concept of investing in the development of innovative potential of higher education implies: rationalization of the cost structure for ongoing research, development of educational innovations, commercialization of their results; Improving the methods of calculating the need for resources for research and innovation activities of higher education institutions and determining the amount of their co-financing; control of investment processes; Development of financial models for the development of innovative potential of universities.

Implementation of the above rules will allow the formation of a modern financial and economic model of innovative development of higher education, which has made a priority contribution to this development in the form of intangible assets of human intellectual capital and the results of intellectual activity. The main result of this conceptual approach for the country's economy is the opportunity to increase income with the growth of investment in knowledge and information. Such an approach is of great practical importance because it justifies the possibility of making a profitable investment in the innovation of higher education institutions based on the expansion of the innovative potential of higher education institutions.

Procedural-dynamic approach to the formation of the National Doctrine of Financial Support of Innovative Development of National Higher Education, combining the three main concepts of changing the system of its financing, optimization of redistribution of financial resources and development of scenarios, as well as the formation of an effective financial decision-making methodology on resource provision of innovative higher education institutions at the macro and micro levels.

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