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Financial Resources and The Study of Problems Associated with Them Based on Research by Monica Kirya

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ABSTRACT

This scientific work examines the issues associated with the problem of lack of financial resources, which is the need for sustainable economic growth. Based on the methods of Monica Kirya, financial problems in undeveloped as well as in more economically stable countries were examined and compared with each other.

Keywords:

Finance, middle- and low-income countries, Monica Kirya, Education sector corruption, funds, corruption.

Introduction

The problem of lack of financial resources is exacerbated by the high demand for sustainable economic growth, especially in medium and poor countries for financial policy, tax system and budget reforms, including the availability of ways and means to allocate resources to stakeholders.

In middle and low-income countries, on the one hand, there is the problem of resources for education, on the other hand, the problem of efficient use of available resources, the problem of spending funds for the intended purpose has a negative impact on the entire education system.

In this regard, researcher Monica Kirya studied cases of corruption in public education, the damage caused by school principals to the educational process. As Kirya points out, "Education is the driving force of development, but corruption and lack of resources are undermining this role".

According to Monica Kirya's research, corruption - "that is, the abuse of entrusted management for personal gain" - leads to poor educational outcomes for a number of reasons.

Theft or misuse of school funds deprives schools of needed resources. nepotism and favoritism can lead to the hiring of low-skilled teachers, and procurement corruption can lead to the purchase of substandard school textbooks and other equipment. When families are forced to pay bribes or fraudulent "payments" for educational services that should be free, it worsens the situation of poor students (inability to pay, feels discriminated against) and limits equal educational opportunities. Hence, fighting corruption is critical to achieving BRM-4. According to Monica Kirya, the way to save limited educational resources can be achieved by preventing theft, robbery, loss and inefficient use of the system. Although many know this, they do not know ways to overcome it. Therefore, researcher Kirya states that the solution to this is to first identify the risks that lead to corruption in education. According to him, when studying the world experience, the following cases of corruption were observed in education:

- 1 For school enrollment forms, illegal fees apply even though they are free.
- 2 School seats will be awarded to the highest bidder in the auction.

- 3 Children of certain communities are privileged to enter, while others have additional fees.
- 4 Good grades and exam results are obtained by bribing teachers and administration leaders. Prices are often known in advance and candidates are expected to pay for it.
- 5 Exam results are issued only after payment is made
- 6 It cancels exam results by accepting or re-admitting students with a false name who may fail the school exams.
- 7 There is theft of funds intended for teaching materials, school buildings and more.
- 8 Through bribes from producers of poor quality teaching materials, teachers 'copyrights and so on are purchased
- 9 Schools or politically affiliated companies monopolize the provision of food and uniforms, resulting in low quality and high prices.
- 10 Teachers who are paid by the state offer students private tutoring outside of class hours. This can reduce teachers 'motivation in normal lessons and reserve compulsory topics for individual lessons, which can be detrimental to students who do not pay or are unable to pay.
- 11 School property is used for private commercial purposes (for the personal benefit of the principal and his or her partners).
- 12 Students and teachers are forced to do unpaid labor.
- 13 Kinship, favoritism, bribery, or sexuality influence the hiring or hiring of teachers.
- 14 Exam questions are sold in advance.
- 15 Exam results are modified to reflect higher grades, or examiners arbitrarily evaluate in exchange for bribes.
- 16 Another enters the exam for money.
- 17 Salaries are paid for "ghost teachers" - employees who do not work (or have never worked) for various reasons, including those who have died. This in practice affects student-teacher ratios and prevents unemployed teachers from filling vacancies.
- 18 Teachers often engage in private business during teaching hours, turning to spending time in the name of lessons. Absenteeism is a form of "peaceful corruption" that can have a serious impact on learning outcomes and student-teacher ratios in practice.
- 19 Money is collected from students and teachers for various activities.
- 20 Licenses and permits for training are obtained on a false basis (in exchange for money and acquaintances).
- 21 The number of students (including the number of students in need) will be increased to get good funding.
- 22 Auditors are bribed for not disclosing misuse of funds.
- 23 Funds allocated by the government or attracted by local NGOs (NGOs) and parent organizations are stolen or misused.
- 24 Politicians allocate funds to certain schools for their support, especially during elections.
- 25 Informal agreements based on political interests affect school management and activities.

About 25 (actually more) cases of corruption, which we have considered above, negatively affect the educational process and reduce the quality of education, as well as the plundering of the limited resources available for education.

This not only harms the state's economy, but also causes serious damage to society through the creation of poor quality or unskilled youth and cadres (useless human capital). The fact that these problems are mainly observed in backward countries, low-income and slow-growing countries, contributes to the underdevelopment and poverty of these countries.

In particular, a common situation in Afghanistan is the sale of teaching materials to students, even though they are free.

As a result, textbooks in the classroom will be in the hands of fewer students. While it is

possible to buy the necessary textbooks in the markets in the cities, it is not possible in rural areas. The Ministry of Education usually sends training materials to regions with which it has acquaintances. In Nigeria, in 2016, there were 8,000 cases of “ghost teachers” being paid monthly. In 2008, the World Bank will provide a large grant to Kenya for primary education. The UK Department for International Development (DFID) alone has allocated € 83 million. dollars.

These funds were used to improve school infrastructure. However, less than a year later, in 2009, there were reports that these funds were being looted by officials. In 2011, the court found that 54 mln. dollars were evicted by officials. Although about 40 people were questioned, it was difficult to prosecute because their documents were destroyed and witnesses refused to testify. As a result, donor aid was suspended and the Kenyan government was forced to cover the funds allocated by donor countries from its own budget (at the expense of taxpayers).¹ According to Transparency International, which reports on global corruption, in a 2015 survey in Africa, 13 percent of respondents said they paid bribes to teachers or school officials. However, it does not take into account other forms of corruption, fraud, money laundering and theft. This is also the case in many other Asian and South American countries.

Unfortunately, in Uzbekistan, too, there are reports that funds allocated for education are sometimes looted and sometimes misused.

In particular, the Department of State Financial Control and its territorial departments in the 1st quarter of 2021 conducted budget control in the amount of 211.2 billion soums in 1,905 (1,349 in the 1st quarter of 2020) control over compliance with budget discipline and targeted use of budget funds. shortages of cash and inventories and unreasonable expenses were identified. Of these, 198 out of 248 control measures in the system of the Ministry of Public Education revealed violations worth 43.3 billion soums, which is 4.6 times more than in the 1st quarter of 2020 (9.4 billion soums).

These are the cases identified by the Ministry of Finance as a result of audits of funds allocated by the state. However, if we study the cases listed in Table 2 above (there is a need for separate research on this), we can see that there are major financial and economic problems in the public education system. Not only financial resources are taken into account here, but also the socio-economic consequences of the corruption cases in Table 2 and other cases in terms of the harm to the public education system as a whole.

According to Deputy Minister of Public Education Usmon Sharifkhodjaev, corruption is observed in Uzbekistan, mainly in the process of obtaining a school certificate, the process of enrolling a child in school, the process of grading teachers, the appointment of school principals.

Once researcher Monica Kirya has identified the risks of corruption in education, strategic tools need to be developed to prevent it.

There is no single plan to combat corruption in education, but progress has been made and achieved in reducing resource infiltration and combating criminal and immoral behavior that threatens educational outcomes. To do this, at least the following should be done:

First, it is necessary to increase budget transparency, reduce the human factor in audits and digitize the system. It is also possible to create social networks through the effective use of information technology. In India, for example, the “I Bribe” platform has been helping to collect and expose corruption in all areas.

In order to increase transparency, it is necessary to conduct public expenditure surveys. For example, where and for what purpose was the 1 sum spent?

Second, teachers need to be held more accountable. Teachers’ code of conduct, public scrutiny, grievance mechanism, pay reform, and more. An experiment in Kenya found that teachers who taught for a short period of time

¹VOA News. Millions in education money stolen in Kenya. 22February, 2012. //

<https://www.voanews.com/africa/millions-education-money-stolen-kenya>

were very effective and useful due to the strong public scrutiny.

At the same time, it is necessary to motivate teachers, raise their status, improve their salaries. It would also be advisable to introduce social platforms that describe the problems and challenges faced by teachers. Then the problems in the system will become clear and the problems will be channeled and measures will be taken to solve them.

The third is to expand international and bilateral cooperation. They can provide technical assistance in planning education reforms, risk assessment, socio-economic and systematic analysis, and approaches.

In general, the development of education in sync with global trends is crucial for education reform.

As noted in the OECD's 2017 report, mechanisms for managing, allocating, and controlling school funding play an important role in directing resources where they can be maximized. Since most school funding comes from the state budget, the development of effective mechanisms to distribute this funding among competing priorities is an important political challenge for governments.

School systems have limited resources to achieve their goals, and the effective use of these resources is the primary goal of their activities.

As we have seen, there are many and sometimes complex problems in education. On the one hand, there is a lack of funds for the development of education, on the other hand, problems with the effective use of available funds have a negative impact on the proper functioning and development of the system.

Education is also affected by many socio-economic, political and bureaucratic factors. As the main source of education is the state, the main regulator in education reform remains the state. However, the public should not be negligent about the effective use of funds allocated for education. After all, the state budget is formed at the expense of taxes. Therefore, as discussed in paragraph 1.2, the issue of economic and financial literacy not only improves an individual's lifestyle, but also increases his or her involvement and accountability for events and changes in society.

Just as the quality of education is generally low in low-income or poor countries, the low level of economic and financial literacy of individuals can be measured by the correlation of poor quality education.

In general, education funding comes in two ways, namely: external and internal resources. External resources are grants and loans from developed countries (donor countries), international financial institutions and banks. Internal resources are the main source of education. Internal resources are primarily the state budget (at the expense of taxes)

In addition, internal resources include grants, donations and payments from private organizations and individuals. For external resources, donor countries and international organizations are expected to receive funding, loans (credits) in the framework of international programs adopted for the development of education around the world, the literacy of all young people. However, internal resources are mandatory. Because all states have adopted international treaties such as the Universal Declaration of Human Rights and the Rights of the Child, this international law and the resulting national legislation give everyone the right to education.

Also, when asked how much money states should allocate for national education, according to the criteria developed by UNESCO, as mentioned above, it should be at least 4% of GDP or at least 15% of total public spending. In some cases, the annual cost per student is calculated, and the minimum annual cost per student should be around \$ 500. However, these criteria are not mandatory and may vary by country. However, compliance is important for the development of education.

Researchers in the field have been focusing on the amount of budget allocated to improve the quality of education and its effectiveness. In particular, researcher Helen Abadzi notes that the BMR-4's "education for all" target expenditures to provide basic literacy skills can be as much as 4-5 times the estimated budget. According to him, the funds allocated by low-income countries for education or the international aid provided to them are not

enough. Another researcher, Heinemann, points to the insignificance of staff in economic and financial literacy, strategies, and project management in order to effectively spend funds allocated for education.

Therefore, the World Bank declares that in the 1990s, only 20-25 percent of the workforce in this sector was economically and financially literate. In this regard, in paragraph 1.3, we have cited the example of South Africa and Turkey in the case of low levels of economic and financial literacy of school principals or school administration and lack of allocated funds, as well as inefficient use of available funds.

Unfortunately, we can say that insufficient research has been conducted in Uzbekistan on this issue, and the lack of study of economic and financial literacy, skills and shortcomings in the use of resources of school management leads to a number of difficulties in making decisions on this issue.

Although financial resources play an important role in improving the quality and importance of education, there are studies that suggest that policy plays a crucial role.

In particular, Tim Sailva, in an article by Benjamin Levin, argues that while the quality of education depends on the government, it is up to the government to decide what reforms to make in education. According to researchers, the reforms do not take into account the constraints imposed by political obligations, and there is a lot of competition in funding (among political bodies) for budget expenditures. This can lead to difficulties in implementing any reforms in education, as well as the emergence or conflict with various political or administrative restrictions.

On the other hand, state funding of education is not only the main means of government influence on the process of change in educational institutions, but also serves as the main means of achieving positive results in education.

In short, from the late nineteenth and early twentieth centuries, education began to be recognized as an important foundation and right of human life. This led to the creation of equal rights for the children of workers as well as the rich with the ideas of socialism and the

interference of the state in educational activities.

After World War II, education was seen as human capital and was argued to be one of the foundations of economic growth. These ideas were further strengthened by the important role of the human factor in post-industrial society. With the main source of education being the state (budget), the state began to play a key role in education reform. Since the 1990s, with the intensification of globalization, the international community has begun to pay serious attention to improving the quality and importance of education around the world, and programs to expand external assistance for education have been adopted.

Thus, two types of funding for education were internal (basic) and external. External financing (aid and loans) is still low. However, domestic funding is increasing year by year all over the world. At the same time, many middle- and low-income countries are having difficulty finding resources for domestic funding (budget, private education, charity, and aid). Although countries are required to finance at least 4% of GDP and at least 15% of total expenditures, an average of 50 countries fail to meet any of these criteria each year. Lack of resources is the biggest problem in improving the quality of education.

However, the inefficient use or looting of educational resources, based on available resources, is exacerbating the situation for poor countries. In low-income countries, on the one hand, there is strong competition between organizations interested in the budget, and on the other hand, the misuse and misappropriation of allocated funds not only delays the solution of economic and social problems, but also strengthens it.

The funds allocated for the education sector serve to justify the investment in human capital. Through education, young people with disabilities influence the development of themselves and their families, as well as society. However, funding problems, deficiencies, and thefts reduce the quality of education, leading to the creation of useless human capital (young people with low knowledge and skills). Therefore, as we have seen above, at least

identifying the risks of corruption in education in Table 2 and taking measures to prevent it will serve to improve the quality and effectiveness of education.

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