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# The Development of Non-State Educational Services in Uzbekistan is an Important Factor in the Improvement of Human Capital

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#### **Abstract**

This study examines how three external governance mechanisms interact with the internal family-governance system to influence dividend payout decisions. The findings indicate that family businesses deliver fewer dividends when the market prefers dividends. Contrarily, family firms release more dividends under greater monitoring from institutional investors and debt holders. The study expands various theories and generates policy implications.

Keywords: Educational services • Non-profit • Organizations • Educational services

## Introduction

Sustainable development of the educational services sector will result in the improvement of human capital, ensuring the rapid socio-economic development of the country. Due to this, it is paid great attention to this industry. Positive changes such as further deepening, modernization and diversification of the economy of the Republic of Uzbekistan, ensuring rational use of production factors, and achieving high economic growth rates are directly dependent on the quality and effectiveness of educational services. Education is becoming an important prerequisite for the introduction of new technologies in all areas of human activities, enhancing competitiveness, and improving living standards. The social responsibility of higher education is, in many ways, the acquisition of professional and social skills that enable everyone to remain in the rapidly changing labor market, fully participate in the emerging innovative economy, and thus ensure the well-being and prosperity of society [1]. Addressing the education of young people and the quality of educational services, the President said: "We mobilize all the efforts of our state and society to ensure that our youth have independent thinking, high intellectual and spiritual potential, and can grow up and be happy as their peers around the world."

# **Literature Review**

The future of the country is inseparably linked with the words of President Shavkat Mirziyoev. There is a need to further improve the system of science, modern and continuous education. There is a wise saying in our nation: "Education and training start from the cradle". Only enlightenment can lead a person to perfection and the development of society. In developed countries, much attention is paid to investing in the full cycle of education that is, investing in the education of the child from the age of 3 to 22 years. This investment will bring the company 15-17 times much profit. In our case, this figure is only 4 times. Therefore, we must focus on human capital and make every effort to do so. He noted that the creation of private schools should be widely used by public-private partnerships [2].

It is noteworthy that radical improvement of the quality of educational services, the formation of intellectual, aesthetic and physical generation and education of young people to a new level is one of the main goals of the

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Strategy of Action on the five priority directions of development of the Republic of Uzbekistan in 2017-2021. Promoting a healthy competitive environment in the education system, expanding the range of non-governmental educational services is an example of these actions. Based on international experience, it should be noted that non-governmental educational activities are not only specialized institutions but also legal entities of other organizational and legal forms: Private enterprises, limited liability companies, joint-stock companies, foundations, associations, and others are also engaged. Even in foreign countries, which have developed educational system, non-governmental educational institutions play an important role.

For example, in the case of only non-state educational institutions, according to statistics, their share in general secondary education in Germany is 12%, 18% in the US, 17% in France and 20% in the UK. Spain, Ireland, and the Netherlands are also examples of the most advanced non-governmental educational institutions. The share of nongovernmental education in these countries is 30%. In France, for example, non-governmental educational organizations, private entrepreneurs, various companies, and in Japan trade, associations, entrepreneurs, and other private persons are engaged in nongovernmental educational activities. In Germany, the majority of subjects in this area are family businesses [3]. Although the system of non-governmental educational services in developed countries is different, the educational and methodical work in them also differs in various ways. In the system of nongovernmental educational services, the emphasis should be on the outcome, not on how education is organized. Educational institutions play a key role in the creation of a system of nongovernmental educational services. In Asian countries, China, Singapore, South Korea and Japan, the education system is clearly on track. Although each country has its educational system, the result is high.

### Discussion

#### Higher education in the developed European countries

In the system of higher education in the developed European countries, the education of students is mainly focused on two directions. The first focus is on aligning students 'knowledge and skills with employers' requirements. The second direction is the orientation of students to further research. Foreign experience shows that healthy competition between state and non-state educational institutions promotes the right of citizens to quality education. Comparing these indicators with those of Uzbekistan, the total number of secondary schools in the country is 9692, of which 35 are private. In other words, today the share of private secondary schools in the country's general education system is only 0.36%. Of these, 26 are located in Tashkent, 9 are in the provinces [4]. The non-government school was not established in the Republic of Karakalpakstan, Bukhara, Jizzakh, Kashkadarya, Navoi, Syrdarya, Surkhandarya and Tashkent regions of the non-state educational institutions, 20 are intended for primary education (1-4 grades) and the remaining 23 are

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for general secondary education (grades 1-9), with about 6,000 students in 330 classes (compared to public schools 0.12%).

An analysis of a comprehensive study of the national education system by a group of foreign experts, jointly organized by UNESCO and DGP Research and consulting, emphasizes the need to create a competitive environment for improving the quality of education while prioritizing private sector development. To address existing problems, the Decree of the President of the Republic of Uzbekistan "on measures for further development of non-governmental education services" was accepted to provide non-state educational institutions with long-term soft loans and it is extended the time of repayment of previously taken loans. Also, all types of taxes are free upon education and related services until 2021, teaching subjects in foreign languages deeply and to improve the effectiveness of education, widely involvement of teachers and specialists from foreign countries is provided. It should be noted that by the Decree of the President of the Republic of Uzbekistan dated September 15, 2017 No PP-3276 "on measures for further development of non-governmental education services", starting January 1, 2018, legal entities will be engaged in non-governmental education. The provision of services is carried out under a license.

# Legal entities providing non-governmental educational services are

- Carries out its activities based on state educational standards and requirements.
- Takes measures to provide highly qualified teachers and other personnel, to create the necessary conditions for the organization of educational and training process, in strict adherence to existing normative and legal acts.
- Interacts with parents or other legal representatives of students under the terms and conditions of tuition, terms of payment, rights, and obligations of the parties and other conditions.
- Finances its activities at the expense of paid educational services to the population, funds raised from charities and grants, as well as other sources not prohibited by the legislation.
- · Provide graduates with a state education certificate.

The quota for admission of talented and gifted children from socially vulnerable families in the pre-school and general secondary education is provided on a competitive basis at the expense of revenues from providing educational services at least 10% of the total number of students in the institution. At the same time, the decision to continue free (grant-based) education of students in recent years is made by a legal entity engaged in non-governmental educational services, based on the family circumstances of the student and his/her academic performance [5,6].

Together with the State Competition Committee, Tashkent city and regional governments created conditions for further development of non-state educational services for legal entities engaged in the provision of non-state educational services to the public under the established public-private partnership terms. Legal entities engaged in the provision of non-governmental educational services are exempt from the following charges until January 1, 2021:

- All kinds of taxes and obligatory payments to the State Targeted Fund (except for single social payment), which are exempted from the provision of modern teaching aids, purchase of necessary products and equipment, renovation of buildings and structures, capital repairs and social protection of the population. Purposeful provision of educational services;
- Single social payment from the salary of foreign teachers and specialists involved in the educational process based on labor contracts.

# The provision of non-state educational services by legal entities

- Foreign teachers and specialists are exempt from income tax on personal income and payments to the extra-budgetary pension fund under the Ministry of Finance as part of an employment agreement;
- Expenses related to the purchase of double air tickets to foreign teachers and specialists (not more than twice a year on a long-term employment contract) can be borne by the employer;
- Payment for the accommodation of foreign teachers and specialists is carried out by employers based on short-term employment contracts (for a period not exceeding one month), and long-term employment contracts are paid in conjunction with wages.

In turn, issues related to visas for foreign teachers and specialists invited to non-state educational institutions, air transport, accommodation, decent pay, and tax exemption are also addressed. It also provides free (grant-based) education to talented and gifted children from socially vulnerable families, not less than 10% of the total number of students in the institution [7]. Adoption of the Decree of the President of the Republic of Uzbekistan "on measures for further development of non-governmental education services" provides for a healthy competitive environment in the public education system, development of activities of non-state educational institutions, deepening of natural and foreign languages. This, in turn, will increase the prestige of our country in the world community as a competitive and highly qualified specialist in the world labor market. It promotes the formation of a fully developed human being. In general, the decisions will support the activities of qualified private entrepreneurs, whose responsibilities include expanding the sector of nongovernmental educational institutions, having access to education services for citizens in each district and city of the country, and providing appropriate youth education [8].

## Establishing a non-governmental system of education

Firstly, the step-by-step establishment of non-governmental educational institutions in business, corporate governance, services, crafts and other areas. Radical improvement of the quality and effectiveness of education, the realization of intellectual abilities, further development of their potential. Purposeful in-depth training in educational institutions, facilitating the manifestation and activation of the creative potential of students, contributing to the manifestation of individual talents and abilities of each student.

# Conclusion

In conclusion, it is expedient to establish and develop non-governmental educational institutions in our country based on the modern requirements and experience of foreign countries. Further improvement of the education system contributes to the development of the whole country. It will ultimately contribute to the prosperity of our country and the wellbeing of the population.

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