

## THE MAIN FACTORS OF THE DEVELOPMENT OF MARKET RELATIONS IN THE FIELD OF HIGHER EDUCATION

**Dilshodjon Rakhmanalievich Khakimov**

*Fergana State University, department of World and Regional Economy, Candidate of economic sciences, associated professor*

**Azizbek Abdukakhkhorovich Khalildinov**

*Fergana State University, department of World and Regional Economy, teacher*

**Shakhnoza Esonovna Abdullaeva**

*Fergana State University, department of World and Regional Economy, teacher*

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### Abstract

The article analyzes the development factors of market relations in the field of higher education. Acquiring knowledge in society as the main capital and diversifying sources of education financing; changing the role of the state in the field of education; spread of neoconservative ideology; development of new information technologies.

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## INTRODUCTION

Features of modern education management are largely determined by the development of market relations in the education system. These processes are the subject of research in this article, and the analysis is mainly carried out on the example of higher professional, more precisely, university education, because market relations are actively developing in this field.

## LITERATURE ANALYSIS AND METHODOLOGY

The article highlights the main factors of the development of market relations in the field of higher education and analyzes their combined effect in the case of higher education, which until the beginning of the 80s was almost completely separated from the influence of market mechanisms. But the situation has changed significantly. In the early 90s, a number of researchers came to the conclusion that the market should be considered "the main element of the European higher education policy". » [Neave G, 1990]. The same trend began to be observed in the evolution of North American universities [Buchbinder H, 1993]. In recent years, this trend of market development in the field of education has strengthened and spread to new countries, becoming one of the main factors in the development of Uzbek higher education.

In the process of social development, information and knowledge take the status of the main capital [Bell D., 1981]. As knowledge and education generate benefits, to what extent should the costs and benefits be distributed and how should these benefits be determined? The benefits of education are

reaped by society as a whole, by businesses and individuals themselves. These benefits can be direct, that is, in the form of money, expressed about the work, or they can be indirect, external to the salary. Education leads to an increase in the productivity of workers, an increase in their contribution to the national income, which is reflected in an increase in wages - this is the direct benefit of education. Indirect, external benefits of education are the improvement of the general culture of people, the reduction of crime, the achievement of greater social harmony, the spread of technological innovations, etc.

The transformation of knowledge into the main social capital, the increase in the benefits associated with the acquisition of knowledge and education will help to endorse education as a commodity. At the same time, the uniqueness of education as a commodity is manifested, which consists in the fact that the person who consumes this product and the society in general and specific enterprises receive benefits from it [Тихонов А., 1998].

The nature of education as a commodity is the basis for preferring mixed financing of education over pure public or pure private. At the same time, priority is given to mixed funding in public and private educational institutions. The dual system, which includes public educational institutions fully subsidized by the government and private institutions fully financed by private sources, i.e. tuition fees, is actually rarely used. The uniqueness of education as a commodity, from which individuals, enterprises and society as a whole benefit from its consumption, justifies the expansion and diversification of funding sources.

In such a situation, the state becomes one of the buyers of this product, along with individuals (students), enterprises, and various public organizations. In other words, participants of market relations in education are not only educational institutions, enterprises and students, but also the state.

In the conditions of the formation of the information society, despite the fact that the benefits from the education of individuals, communities, organizations are increasing (especially at the level of higher education) and, accordingly, their share in education costs is increasing. The limits of reducing the share of state expenses are determined by the fact that the state still assumes a part of the expenses and thereby ensures the fulfillment of the function of social justice, contributes to the improvement of general culture, reduces crime and other external social benefits.

Changing the role of the state in the field of education is the most important factor in the development of market relations. Over the past two decades, the reduction of state financing of education has gradually become a reality in almost all countries of the world and is accompanied by the development of new mechanisms of state financing of education [Балашов Г., Беляков С., Виноградов Н., 1996]. The main direction of the development of these mechanisms is to help the formation of competitive market relations in the education sector of the state, that is, to increase the supply of high-quality educational services and products, to increase the effective demand for them from students and their families and enterprises, to strengthen competition in the developing market.

## ANALYSIS AND RESULTS

The main factors of the development of market relations in the field of education are:

- acquisition of knowledge on the state of fixed capital in society and diversification of education financing sources;
- changing the role of the state in education;
- spreading neoconservative ideology;
- development of new information technologies.

An important factor in the development of market relations in the field of education was the transition from the ideology and policy of liberalism to neoconservatism.

The main growth of "red brick" higher education institutions took place in 1960, economic thought was based on the ideas of interventionism, paternalism, corporatism and Keynesianism..."[Hague D, 1991, p. 5]. As a result, the following situation arose:". Most British universities belong to the public sector, and most of the academic business is in the private sector. The private sector threatens the strongest public sector monopolies. Universities will be forced to significantly change what they do and how they do it, in order not to be forced out of the fields of activity that they rightfully consider." [Hague D, 1991, p. 13]. In modern conditions, universities in the era of liberalism are "organized like a business in the field of science should be replaced with established and functioning" universities. [Hague D, 1991, p. 9].

In the ideology of neoconservatism, the concept of the market is closely related to the concept of the private sector, which is opposed to the state. At the same time, the market and private property are presented as a source of vitality and development, and state property is presented as a "suffocator", a means of state intervention in the spheres of civil society. A traditional university is sometimes seen as an institution operating in the public sector, and the ideology of neoconservatism supports both the use of market financing mechanisms in universities and their privatization, that is, the transfer from the public sector to the private sector.

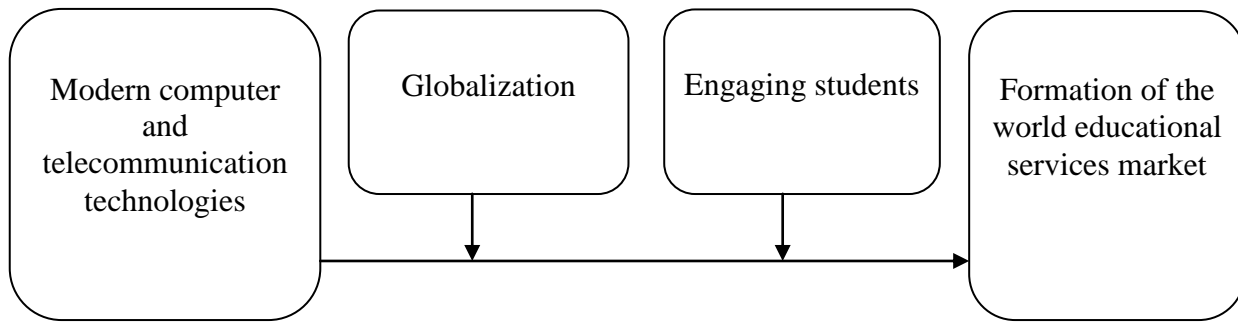
But while most countries' universities are increasingly using market mechanisms, many countries are skeptical about the prospect of university privatization. For example, for Finland. Researchers: "in the past, several higher education institutions in Finland were "private", that is, autonomous corporations with a legal status similar to privileged universities in Great Britain and other countries. And yet, these "private" universities received 75-95% of financial resources from the state budget, resulting in autonomy turned out to be largely cosmetic. In the 1970s, due to the increasing financial difficulties of these universities, as well as due to the state policy aimed at equality and a more rational organization of the higher education system, private universities were transferred to the state as its property. Therefore, higher education Current prospects in the field (whether through one or more "privatizations") of existing institutions of higher learning or the creation of new Finnish "super colleges" have been addressed to a certain extent. The creation of elite universities that compete with public universities and are open only to the wealthy is a fundamental Finnish goal. was a radical departure from the doctrine of education." [Kivinen O, Rinne R, 1992].

Thus, although the ideology of neoconservatism applied to the field of education, it was often subjected to critical analysis, nevertheless, the spread of this ideology was definitely a factor in the development of market relations in the field of education.

One of the main factors in the development of market relations in the field of education is the use of new computer and telecommunication technologies, on the basis of which new educational technologies and new models of providing educational services began to develop.

New information technologies significantly contribute to the development of market relations in the field of education, because their use leads to the rapid expansion of the market of educational services. By creating the possibility of learning at the workplace, at home or in a training center near home, and at the workplace, new technologies greatly expand access to education, help to achieve equality of this access, regardless of the place of residence, the possibility of giving up income while studying disappears. They give people a "second way" and a "second chance" for education. Thus, the number of consumers of educational services is increasing dramatically.

In addition, modern computer and telecommunication technologies naturally help to expand the educational space, its globalization, to attract students regardless of territorial divisions and national borders, and to form the world market of educational services.



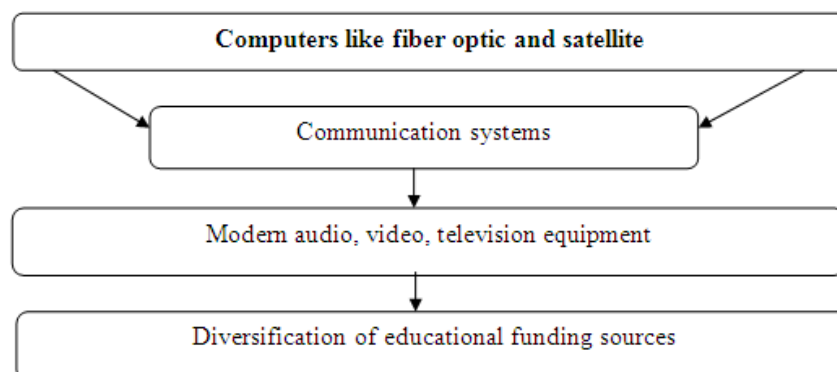
**Figure 1. Formation of the world educational services market**

If in the traditional education system people living in a certain area can study only in educational institutions located in that area and have to move to the place where they are located to study in another institution, then in the new education system, many different educational institutions provide their services to the consumer himself, not to the educational institutions. They will deliver anywhere that is more convenient for them, in fact. Thus, the competition between educational institutions and the struggle for the consumer of educational services is growing sharply, which is very necessary for the development of market relations in the field of education.

Competition between different educational institutions is growing rapidly with the development of new educational technologies, because the effectiveness of education based on these technologies can significantly exceed the effectiveness of traditional education on a certain scale of educational services provided on the basis of modern computer and telecommunication systems. If the cost of traditional education increases due to the extensive nature of the use of highly skilled labor, then the economies of scale of educational efficiency based on modern information technologies will increase due to cost savings in the process of expanding the scope of services provided.

New technologies help the development of non-formal education, that is, the provision of educational services outside the educational institution - a social institution created specifically to solve educational problems. Educational tasks based on new technologies are increasingly performed by enterprises and other social institutions. New information technologies allow providing educational services to various social institutions, regardless of whether education is their main goal. Thus, the number of organizations offering educational services has increased dramatically, and the supply of these services is growing, which leads to increased competition between their sellers and the development of market relations in the field of education.

New technologies contribute to the development of the market of educational services, because the use of complex technical means and systems in the educational process - computers, communication systems, modern audio, video, television equipment, etc. - helps to diversify the sources of education financing, to actively attract funds from the students themselves, enterprises, and a wide range of business circles to pay for the use of complex technologies for educational purposes.



**Figure 2. Diversification of funding sources of the market of new technologies educational services**

**Table 1 Development of the educational services market**

development of competition between different educational institutions, all providers of educational services, their struggle for consumers;
a significant increase in the delivery of educational services during the development of new forms of non-formal education;
improving educational efficiency, covering expenses as a result of consuming educational services;
expanding and diversifying sources of education funding.

The factor of development of new information technologies, together with a number of other factors such as the reduction of state funding and changes in the mechanisms of its provision, awareness of the status of the main capital in social development, confirmation of the neoconservative ideology, contributes to the spread and strengthening of state funding, develops market relations in the field of education.

### CONCLUSIONS AND SUGGESTIONS

Thus, the technological factor - the development of new computer and telecommunication technologies - is closely related to other factors and contributes to the development of the educational services market.

On-the-job or on-the-job training, significantly expanding access to education and strengthening the equality of this access, due to the expansion and globalization of the educational space, there is a sharp increase in the number of consumers of these services, a number of factors of the most diverse nature - economic, socio-political, ideological, helps to establish and develop market relations in the field of technological education. During this process, new economic mechanisms are being formed in the educational system.

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