

## **Economic of Educational Services Market Place In the Relationship System**

**USMANOVA RANO MIRJALILOVNA,**  
*candidate of economic sciences, Alfraganus university*  
ORCID ID: 0009-0008-7594-7983

**Annotation:** . As a result of economic liberalization, divergencies and diversification and structural changes, the establishment of a multifaceted and fully high economic growth, creation of real and balanced high growth rates, the economy interests, attracting foreign investment, involve foreign investment, small businesses and attracting foreign businesses, Significant results have been achieved in the development of private entrepreneurship, social protection.

The National Training Program “The development of the labor market, taking into account the real socio-economic conditions”, demanded it. The structural changes in the economy of Uzbekistan affect the demand for educational services in the educational services. In turn, the School Market must have the ability to be able to satisfy this requirement even more than quantitative, structure and quality. The stability and effective future of this process depends on how the economic relations in the educational services are taking place and trends.

**Keywords:** Human Resources, Education Services Market, Socio-Economic Development, Education, Education.

### **Introduction:**

In the current era, in the conditions of increasing globalization in the world, human resources become the main factor of economic development and competitiveness, the fact that the technological changes that ensure economic growth are more related to the accumulation of human capital, it is necessary to constantly improve the fields of education and science in accordance with the changes taking place in the world, only then the influence of the education sector on the development of society and the more effective development of the national economy based on innovations is increasing. Therefore, it is necessary to further accelerate the socio-economic development of our country and to continuously increase the role of the education system in ensuring its economic security.

### **Literature review:**

The analysis shows that the study of the economic aspects of the education sector in our country began in the mid-90s of the 20th century. Prior to that, E.G. Nabiev studied the aspects related to human capital and its accumulation in the analysis of problems related to the role of the service sector in the reproduction process.

In his book, S.S. Gulomov highlighted the specific features of the development of the higher education system, which was the main subject of the educational services market during the years of independence. In his opinion, “Education is not just one aspect of society’s life, but it is a factor that

creates the leading system of development of society as a whole."

M.Kh. Saidov conducted researches on investment, management and marketing of higher education.

#### Methodology.

Observation, generalization, factorial and dynamic comparison, logical analysis methods were used in the research work

#### Results.

In the conditions of the world financial and economic crisis, "...it is necessary to consistently continue the work on ensuring more stable development of our economy, its diversification and modernization, technical re-equipment of production".

In fulfilling this task, it is important to meet the demand for highly qualified specialists in the sectors and branches of our national economy.

The educational services market in our country is regulated by the state. During the period under analysis, the market of educational services based on competition was formed in the higher education system through the development of state and non-state educational institutions.

Self-regulating and regulated markets can be distinguished from the point of view of ensuring equilibrium in the market of educational services. The first type is regulated by the market mechanism. And the regulated market is regulated by two instruments, namely the market mechanism and the state.

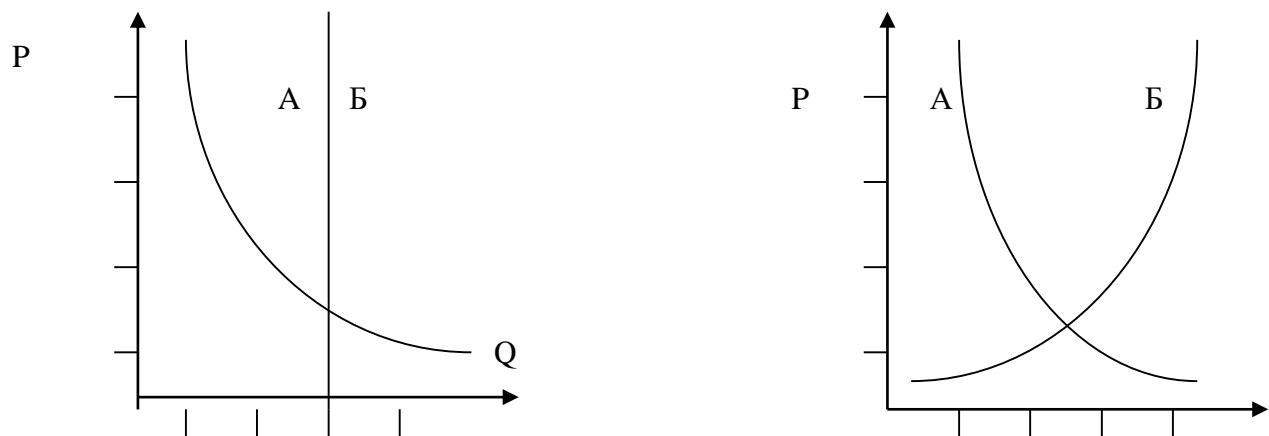
A socially oriented market has been formed in the education sector of the Republic of Uzbekistan. Financial relations between providers and consumers of educational services are regulated by the state and are based on the activities of social institutions. And the market of educational services is regulated by price and competition, that is, by the market mechanism. The application of the law of supply and demand to the amount of supply and demand in the educational services market affects the price level. However, there is a peculiarity in the formation of demand and supply for a specific commodity educational services. In particular:

- high social priority of educational services is connected with high elasticity of demand for it. Because the high social importance of education limits the expenses related to meeting the needs of the population other than the consumption budget;

- the offer of educational services is also affected by the limited resources needed to increase the amount of services in a short period of time.

It is worth noting that the change in the amount of demand and supply of educational services occurs under the influence of the price factor. However, this process is unique in the educational system. Higher education services in the Republic of Uzbekistan are offered by higher education institutions, but its cost and admission quotas are determined by the state. Therefore, the line B, B1 representing educational services will have a vertical shape rather than a curve. A, A1 line is curved and has high flexibility.

The situation described above is typical of state-owned higher educational institutions. In non-state higher educational institutions, the price is determined by the providers of educational services, taking into account the state of the educational services market and other factors. In it, the line B, B1 is not vertical, but curved (Fig. 1).



Price level for P-educational services, quantity of Q-educational services

Figure 1 Changes in the demand and supply of educational services under the influence of the price factor

The market price for educational services is formed as a result of matching the amount of supply and demand in the educational services market with a certain price level and the amount of educational programs. Under the influence of the price factor, the amount of supply and demand for the product sold in the market changes. A number of non-price factors influence changes in supply and demand in the educational services market:

- level of education, social status and income of parents who send children to education;
- the uniqueness of upbringing in the family and the imagination of parents about the future of children, which is of decisive importance in choosing a life strategy;
- opportunities for young people to earn high wages during their lifetime;
- spiritual satisfaction of young people from the chosen work during their life;
- their opportunities to achieve a higher social status.

In addition, the demand for educational services is highly elastic. Because consumers can consciously reduce the cost of purchasing educational services at the expense of other types of expenses in the family budget. They compare the costs of higher education after compulsory education with the income they can earn without studying. The method of studying the demand in the educational services market is characterized by the sameness in all stages of education. It is assumed that all the costs of education will be reimbursed at a high level in the future. Therefore, costs are weighed against benefits when making decisions about investment in education. In other words, "opportunity costs" are determined. In this process, the benefits of education are crucial. The number of applicants who directly participated in the competition was accepted as the real demand for higher education in the market of educational services.

For the 2023-2024 academic year, the number of entrants who applied to study at state higher education institutions was 1 million 18 thousand. This is almost 200,000 less than last year. The largest number of applicants chose the National University – 36,782.

By language of instruction:

- Uzbek language — 890,304 people;
- Russian language — 95,456 people;

- Karakalpak language – 29,917 people;
- other languages — 2,330.

**By forms of education (in relation to the first field of education):**

- full-time education — 577,096 people;
- evening education — 24,802 people;
- part-time education — 407,945 people;
- form of distance education — 8,164 people.

HEIs with the largest number of applicants (in relation to the first field of study):

- National University of Uzbekistan — 36,782 people;
- Tashkent State Transport University — 30,421 people;
- Fergana State University — 29,941 people;
- Tashkent State Pedagogical University — 28,827;
- Karshi State University — 28,417 people.

The first 5 applicants by region of permanent residence:

- Kashkadarya region — 120,008 people;
- Samarkand region — 114,180 people;
- Fergana region — 94,999 people;
- Tashkent region — 89,603 people;
- Surkhandarya region — 84,457 people.

With the document, the following admission quotas for the 2023/2024 academic year were approved:

- 34,860 people for full-time education of bachelors;
- on the training of masters – 8,923 people.

At the same time, according to the document, starting from the 2022/2023 academic year:

- 2,000 additional state grants will be allocated to the acceptance parameters based on the generally established state grant for full-time undergraduate education for women who do not have a higher education with a recommendation letter from the Family and Women's Committee;
- 1,000 state grants will be allocated for personnel training in foreign higher education organizations and their branches and non-state higher education organizations operating in the republic;
- the fee-contract amount of the women accepted as students on the basis of the basic fee-contract within the parameters of the admission to the master's degree of the state higher education institutions will be covered from the state budget funds.

This situation shows that there are still great opportunities in the market of educational services to increase the demand for higher education services.

It is noted that one of the tasks of the 41st goal of the New Uzbekistan Development Strategy for 2022-2026 is to increase their share to 8% in 2026, including 3% in 2022, by expanding the conditions and opportunities for organizations providing non-governmental educational services.

The 49th goal is to increase the number of non-state higher education organizations to at least 50 by 2026, and in particular, to establish at least 1 non-state higher education organization in Navoi, Samarkand, Surkhandarya, Kashkadarya regions and Tashkent city in 2022.

There is a peculiarity in the formation of the price in the market of educational services in our country. The price for educational services is determined by the Cabinet of Ministers of the Republic of Uzbekistan. This situation affects the description of economic relations in the market of educational

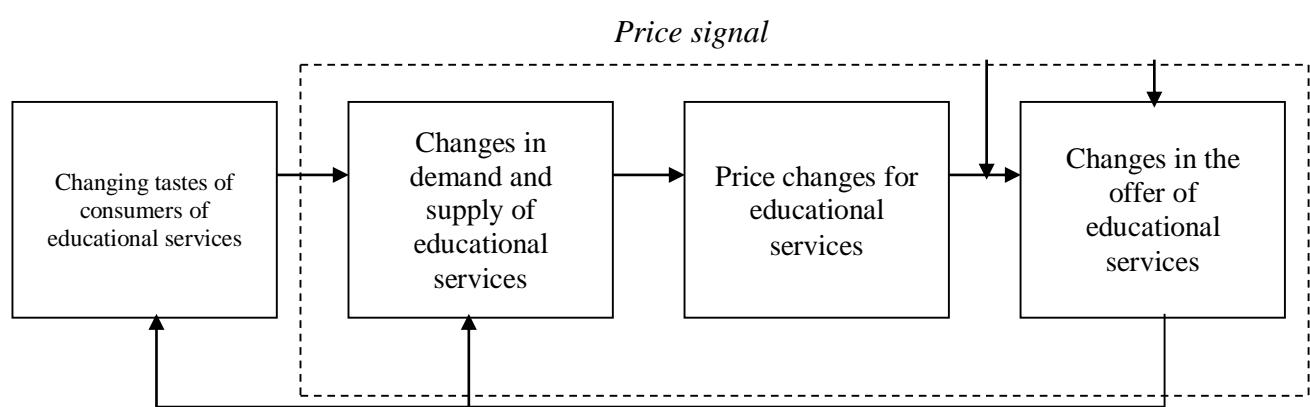
services (TSB). The price for educational services is determined by the provider of these services. To a certain extent, this situation affects the level of autonomy of educational institutions. On the other hand, the price of educational services should be adapted to the capabilities of the population. Only then will supply and demand match.

This has a positive effect on the expansion of the educational services market, indicating that the population has great opportunities to use higher education services.

It should be noted that when the prices of educational services are at the level of the population's ability to pay, the difference between producers of educational services based on market and non-market relations disappears. In such conditions, consumers in developed countries choose the type of private education services based on their quality. In transition economies, there is a greater choice of public education services.

We can observe the same trend in our country. One of the elements of the educational services market mechanism is competition. Educational services offered in the market should be competitive. This situation encourages higher education institutions providing educational services to constantly improve the efficiency of their activities.

The movement of the educational services market is carried out through the market mechanism.



Changes in people's tastes are reflected in changes in the amount and prices of educational services in the market. Price changes affect the quantity and supply of educational services. It is adapted to the demand and quantity that have changed as a result of the change in people's tastes. Competition encourages educational institutions to constantly adjust the provision of educational services to market requirements and to increase their efficiency. It is known that the market is divided into certain types depending on the market situation.

Higher education services in our country are characterized by intra-industry competition. Competition takes place between higher education institutions offering educational services. The presence of non-state higher education institutions providing educational services in our republic has a positive effect on the formation of a competitive environment in the market of educational services. In order for state-owned higher education institutions to compete, it is necessary to ensure the high quality of educational services provided by higher education institutions to consumers. For this purpose, it is necessary for HEIs to increase the effectiveness of the funds spent on education, to organize marketing services rationally, to strengthen and update their material and technical bases, to have high qualifications of their personnel and to ensure its continuous improvement.

It should be noted that the education system and the market of educational services are influenced by a number of factors other than price. One of them is the level of socio-economic development of the country. The high level of socio-economic development of the country increases the demand for

qualified labor force. In turn, the increase in demand for educational services increases their supply.

During the analyzed period, the stable growth of our national economy led to the expansion of the educational services market. The introduction of the contract-based training system in our country is one of the laws of the development of the educational services market.

Therefore, the degree of commercialization of the educational system based on supply and demand is also one of the non-price factors affecting the market of educational services. And the commercialization of educational services shows that the value of training in the market of educational services is increasing.

The state has the main position in the market of educational services of the Republic of Uzbekistan. If the state is the main provider of educational services in the market, the main consumer of the demand side is young people who want to study. In addition, the state also performs the task of protecting the rights of market subjects. Improving the quality of the continuous education system created in the third stage of the education system reform is considered a priority task. The state forms the market for educational services and human capital.

Consequently, the economic relations that arise in the market of educational services have a socio-economic character, and they are more closely related to the factors that determine the dynamics of the market of educational services.

Curriculums of higher education institutions providing educational services should be in line with the requirements of the labor market, and students should be interested in fully mastering it. Through the labor market, production places its demand on higher education institutions in the market of educational services. The presence of demand allows the resources at the disposal of educational institutions to be directed to meet these requirements, which leads to an increase in the quality of education of students. Therefore, the dynamics of demand for skilled labor is considered to be a non-price factor influencing the market of educational services. Analyzes show that the number of persons with higher and secondary specialized education in the labor resources of our country is increasing, which indicates that the supply of qualified labor in the labor market is increasing.

It shows that the relationship between the market of educational services and the labor market has not yet been sufficiently developed. The main reasons for the existence of this situation are as follows: higher education institutions are still training specialists based on their own capabilities and not on the demand of the labor market and the market of educational services; low practical skills of the specialists being trained due to the need for further improvement of the material and technical base of the higher education system; the fact that young people choose their specialty not from market demands, but from their parents' wishes and their capabilities; insufficient formation of the mechanism of participation of production entities in the training of specialists.

Thus, the market of educational services has been formed in our country, it has an oligopolistic character, state-owned educational institutions and foreign higher educational institutions and their branches operate in the market of educational services, state educational services use the services of higher educational institutions as a private benefit. Sells to consumers. This situation develops a competitive environment in the market and affects the quality of educational services. Naturally, in such a case, the price in the market of educational services is determined by the state, not by the educational institutions directly providing the educational services. This somewhat limits economic relations in the market of educational services.

It is worth noting that the relationship between the market of educational services and the labor market in our country is still not organized effectively enough, and besides, the existing mechanism of the market of educational services in our country is insufficient to support state higher educational institutions and control the quality of education in them. Cannot provide.

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