

**MENTAL ENLIGHTENMENT SCIENTIFIC –
METHODOLOGICAL JOURNAL****MENTAL ENLIGHTENMENT SCIENTIFIC –
METHODOLOGICAL JOURNAL**<http://mentaljournal-jspu.uz/index.php/mesmj/index>**THE NECESSITY AND PRACTICAL IMPORTANCE OF DEVELOPING ECONOMIC
COMPETENCE OF FACULTY MEMBERS IN HIGHER EDUCATION
INSTITUTIONS****Azamat Usmanov**

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ABOUT ARTICLE

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Abstract: This article analyzes the economic competence of university professors and instructors within the context of the transformation of modern higher education institutions. In particular, it elucidates the role of academic staff from the perspectives of the “third mission”, innovative activities, startup ecosystems, investment attractiveness, and the commercialization of educational services.

Introduction. Over the past decade, the global higher education system has undergone profound transformation, revealing ever more clearly its economic characteristics. It is no longer sufficient for universities as we know them to limit themselves to education and theoretical research; rather, they are required to operate on the basis of criteria such as deep integration with real industries and sectors, the adaptability of curricula and the knowledge and values imparted to the demands of the labor market, and the economic efficiency and practical impact of scientific research, startups, and innovative projects. These indicators make it increasingly important for universities to emerge as active agents of economic development.

According to the concept of the “business university,” the activities of modern universities are conducted in three main directions: education and upbringing, scientific research, and serving socio-economic development — that is, the implementation of the “third mission.”

Methodology. It is precisely the “third mission” that signifies the active participation of higher education institutions in the economic system – encompassing innovation, entrepreneurship, and knowledge transfer. According to analyses by the Organisation for Economic Co-operation and Development (OECD), the “third mission” of higher education institutions encompasses the following:

- contributing to the local economy;
- collaboration with real industries (business);
- addressing economic and social challenges;
- developing entrepreneurial activity.

These processes demand that faculty members — as the primary actors in these activities — develop not only their pedagogical competencies, but specifically their economic, innovative, and business competencies as well.

According to data from the Organisation for Economic Co-operation and Development (OECD), global higher education coverage has increased sharply over the past 25 years, with nearly 48 percent of the population aged 25–34 holding a higher education degree. According to the World Bank, the education sector has in recent years been one of the fastest-growing fields, with education expenditures accounting for approximately 4.5–5 percent of global gross domestic product, while spending on research and experimental development comprises around 2.6–2.8 percent. The actual contribution of these sectors to economic development is expected to be several times higher in real terms.

Such a transformation in the mission of educational institutions at the global level requires the further development of the economic competencies of the core personnel of higher education institutions—namely, faculty members, functional managers, and researchers.

Results and Discussion. From a theoretical standpoint, competence refers to the degree and capacity of an individual to effectively apply existing existing competencies in real-world practice. From this perspective, the economic competence of faculty members refers not only to their ability to effectively organize educational and methodological activities, but also to their capacity to actively participate in enhancing the university’s competitiveness, in developing innovative and startup projects, in attracting investment, in creating commercially-based educational services, and in marketing and trade and in ensuring integration with the labor market. In general, the economic competence of faculty members is considered as a systemic model consisting of the following components:

analytical-economic competency, which requires employees to develop skills in analyzing market demand, determining the value of educational services, and evaluating economic efficiency;

innovative competency, which reflects engagement in introducing new pedagogical technologies, conducting research activities, participating in startup and spin-off projects, and commercializing research outcomes;

entrepreneurial competency, which reflects engagement in attracting grants and investment, project management, and the development of business plans and models;

economic communicative and collaborative competency, which develops connections with industry and other sectors, international collaboration, and participation in social projects;

Development Models Characteristic of Modern Universities:

The Entrepreneurial University Model. In the entrepreneurial university model, higher education institutions operate beyond their core function on the principles of “innovation creation – commercialization – economic value generation”. In this model, university faculty members are regarded as creators of innovations, initiators of startups, and participants in technology transfer. This concept was developed by American scholar B. Clark.

The Triple Helix Model. This model grounds the interaction among “university – business – government” Universities evolve from centers of knowledge production into drivers of economic development.

Under this model, the university conducts scientific research, trains personnel, and serves as a source of innovations and startups.

Industry (the business sector) introduces innovations into production, creates products and services, and provides investment and market access.

The government creates the legal and regulatory environment, supports innovations, and allocates grants and subsidies. A fitting example of the Triple Helix model is the “Stanford University – Silicon Valley Technopark – Government” partnership in the United States. This model was proposed by American scholar Henry Etzkowitz, building upon the concept of the “Entrepreneurial University” advanced by Burton R. Clark.

Given that the economic competencies of faculty members are of great importance in organizing their activities in line with modern demands, the KPI system for evaluating faculty performance requires the development of not only indicators related to pedagogical and research activities, but also indicators that measure participation in collaborative relationships with real industries, and effectiveness in social, economic, innovative, and business activities.

For example, a directly proportional relationship exists between the quality of education and research activities and economic performance at universities in developed countries such as the United States, Germany, Singapore, and Japan. That is, universities with high levels of educational quality and research activity have also been observed to have greater economic potential. This confirms the high level of integration of scientific activity into practice.

Observations indicate that the expansion of economic functions in the governance of higher education institutions worldwide, along with the development of faculty economic competence, has had a positive impact on the quality of education and research activities. This is further supported by the fact that the number of researchers engaged in scientific and innovative activities globally increased by approximately 50 percent between 2000 and 2023.

Within the national context and among CIS countries, a number of challenges are also evident in the process of developing the economic competence of faculty members, and these are related to structural, institutional, and infrastructural factors.

Conclusion. In Uzbekistan, systematic work has been carried out in recent years to transform the activities of higher education institutions and to activate the participation of academic staff in innovative, economic, and business processes alongside their educational roles. In particular, systematic efforts are being carried out to enhance the active participation of stakeholders. In this regard, important measures have been defined within the framework of improving the economic functionality of governance in higher education institutions, as outlined in Decree No. PF-58 of the President of the Republic of Uzbekistan, dated April 10, 2026, entitled “On Additional Measures to Improve the System of Higher Education, Science, and Innovation.”

This Decree identifies as a priority objective the development of the higher education, science, and innovation system based on the “5T” principle—education, upbringing, research, commercialization, and systemic improvement—along with the transformation of higher education institutions into internationally competitive scientific and intellectual centers for talented youth.

The large-scale reforms being implemented in the education system are transforming the economic competence of faculty members into a strategic resource for modern universities. It is considered a key factor determining not only the quality of education but also the national and global competitiveness of universities, as well as their innovative capacity and investment attractiveness.

Therefore, the development of economic competence should not be regarded as merely an individual task of higher education institutions; rather, it must be considered a systemic, institutional, and strategic priority.

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