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Paper Authors

Khotamkulova Madina Sanjar kizi, Zaynalov Jakhongir Rasulovich



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BUDGET OF THE GOVERNMENT OF THE REPUBLIC OF UZBEKISTAN

Student: Khotamkulova Madina Sanjar kizi-Samarkand Institute of Economics and Service

Scientific Supervisor: professor Zaynalov Jakhongir Rasulovich- Samarkand Institute of Economics and Service

Abstract: this article analyzes the financial definition of budget and quality assessment of budget status. Moreover, several proposals have been made based on the carried researches for developing this sector in Uzbekistan

Key words: budget, finance, tax, deficit, surplus, fund, quality of budget

Introduction: Government budget has vital role in the economical development of the state and rationally making it provides further improvements in the country. Clearly understanding the role of government budget, several improvements are being made in this sector. Exactly, according to the presidential decree of Uzbekistan in April, 2020 [1], further measures have been taken to ensure the stability of the state budget.

Materials and Methods

The word “Budget” is derived from [2] the old French “bougette” which means “little bag”.

According to the textbook of finance [3] government budget is a document prepared by the government or other political entity presenting its anticipated tax revenues and proposed expenditure for the coming financial year. Traditional functions of budget were not relatively close to the modern concept of BUDGET. Exactly, government budgetary institutions in the West grew up largely as a result of the struggle for power between the legislative and executive branches of government. With the decline of the feudal system, it became necessary kings and princes to obtain

resources for their ventures from taxation rather than dues and this processes helped to originate the concept of budget. However, in the 20th century a high proportions of economic activity is controlled, directly or indirectly, by various levels of government. Thus the budget has taken on a number of other functions as well as the simple monitoring of the overall revenue and expenditures of government.

According to R.Mark Musell [4] there are three types of Government budget and they are followings:

- balanced budget
- deficit budget
- surplus budget

Clearly, he notes that types of government budget are defined based on its expenditures and revenues in a financial year. In fact, it is said balanced government budget when forecasted expenditures are equal to revenues. A government budget is said surplus when forecasted revenues are more than expenditures, and it is said as deficit when expenditures are more than revenues.

It is said in the book “Public Finance” [5] Government Budget is concerned with how government raises money, how that

money is spent and the effects of these activities on the economy and society and it is widely discussed in the parliament and out sides. Moreover, it is noted in his book that if someone wants a peaceful government, he must reduce the government budget.

Methodology of the research

Methodology of the research covers logical analysis, systematic analysis, induction and graphic methods. Statistics have been made by the help of official sites of the world and the Republic of Uzbekistan

Results and analysis

Several researches and studies have been carried for defining current budget and budget policies in the Republic of Uzbekistan.

Studies showed that government Budget is an itemized accounting of the payments received by government (taxes and other fees) and the payments made by government (purchases and transfer payments).

A budget deficit occurs when a government than it takes in. The opposite of a budget deficit is a budget surplus. The following Table1 compares the budget deficit and surplus of Uzbekistan and some countries [6]:

Table 1

The budget deficit and surplus of Uzbekistan and some countries

| № | Countries | Previous (2018) | Last (2019) |
|---|--------------|-----------------|-------------|
| 1 | Afghanistan | -0.4 | -0.9 |
| 2 | Azerbaijan | -1.6 | -0.4 |
| 3 | Kazakhstan | -1.4 | -2.4 |
| 4 | Kyrgyzstan | -3.2 | -1.1 |
| 5 | Pakistan | -4.2 | -5.8 |
| 6 | Tajikistan | -1.7 | -0.3 |
| 7 | Turkmenistan | -2.8 | -0.9 |
| 8 | Uzbekistan | 0.7 | 0.5 |

It is clear from the above given Table1 that the neighboring countries of Uzbekistan

closed the financial budget of government with a budget deficit. However, both years were closed with surplus in Uzbekistan.

Carried researches showed that there are several principles of budget system of Uzbekistan and these systems can be seen in the following figure:

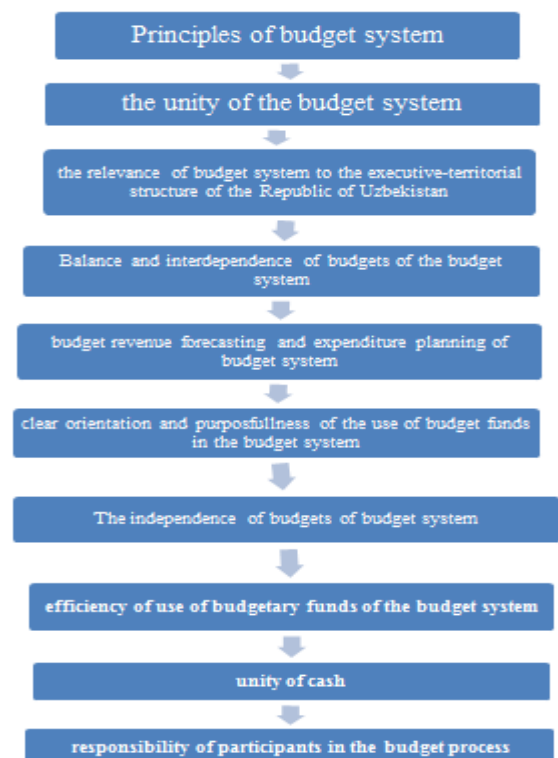


Fig. 1. Principles of budget system of Uzbekistan [7]

In fact, Article 7 of the Law of the Republic Uzbekistan "On the budget codex" (2013 y) contains 9 principles that should be rely on the budget system and the budget of any level. This allows to create the best, optimal budget, that is, the one that will be the maximum on serve the interests of the population living in the relevant territory. Just as any field of knowledge is improved, over time it is possible to changes in both the number of principles and their wording. But the goal remains the same -interests of

the people: military, economic, scientific, cultural, domestic, etc.

A research carried for revealing main parameters of Government budget of the Republic of Uzbekistan for 2018 and following results have been made and it can be seen in Table 2 [8]:

Table 2
Main parameters of Government budget of the Republic of Uzbekistan for 2018

| No | Indicators | Mld.soum |
|----|---|----------|
| 1 | Revenues, excluding state trust funds-total | 62 229,5 |
| 2 | Revenues of state trust funds(Extra-Budgetary Pension Fund, Republican Road Fund, Material and Technical base of educational and medical institutions development fund, reclamation of irrigated lands Status Improvement Fund, State Employment Promotion Fund, Privatization Assistance Fund) | 31 451,9 |
| 3 | Expenses(excluding target funds)-total | 62170,0 |
| 4 | Government target expenditures | 31 451,9 |
| 5 | Deficit(-) / surplus(+) of Government Budget | 59,5 |

According to Z. Ahrorov [9] "Tax payer potential" is in many ways, a reference to situations that are typical for the state, a separate local government (local budgets). At the same time, it is worth noting that in some ways it is possible to speak about the taxpayer's ability to operate, but it is very difficult to assess the taxpayer potential of the population. Within the framework of the local governance system, evaluation requires a unique approach. Unfortunately, the Ministry of Finance of the Republic of Uzbekistan, the State Tax Committee and the scientific centers under the Ministry of Economy have not developed concrete recommendations and guidelines on taxation and budgeting. This has further aggravated the problems of taxation.

Carried studies also showed that in the market economy there are various estimates of compiling budget. These include: firstly, the quality of verification in accordance with the implemented budget policy to the interests of the population through a survey public opinion. Through a survey,

researchers can get information about who is satisfied with high-quality budgeting at all levels (national and regional, local), whether funds are spent correctly. This method is although it is of great interest, but has the disadvantage low level of competence, awareness of ordinary citizens in the field of public Finance. Therefore, researches need to be very precise about the questions that most people will be able to answer. Not every expert knows exactly what level of the budget system is behind certain expenses are fixed.

However, some conclusions about quality budgeting does not allow researchers to identify social groups that are satisfied or dissatisfied with the budget policy. If it turns out that there are almost no satisfied people, this will clearly indicate that there are no goals or priorities in spending of funds and poor organization of the budget process, in which possible drawing up and approving a low-quality budget, and then uncontrolled it execution; secondly, the assessment of the quality of budgeting depends largely on experts., Participants ' awareness of the subject is defined more clearly with this method of assessment.

Furthermore, the average citizen first of all thinks about their current needs and may not take into account more general, strategically important aspects, such as which the specialist will always pay attention to. The expert's opinion is his own point of view on the question. But how to achieve that quality judgment budgeting was adequate for any person who would receive relevant data? This becomes possible if the legislative act on the budget initially the goals to be achieved during the year are defined. And goals researchers need to put them in numerical form so that at the end of

the year you can compare them actual result and planned value.

Clearly, each person wants to live in a stable state with a developed economy, in where there are all opportunities for personal material and spiritual development. Therefore, the correct assessment of the quality of budgeting depends on the degree of formation of budget policy, compliance with the principles of the budget system and ensuring the relationship between them. Additionally, a necessary condition for evaluation the quality of the state of the budget should serve as scientific developed software formation of the revenue part of budgets of different levels. The essence of this is that to secure stable tax sources for budgets of different levels. In other words, it is important to assess the quality of budgeting. Solving the question not only "how to evaluate", but also "what to evaluate". That is why in one of the main areas for evaluating the quality of budgeting. The goal is to increase the scientific validity of the assessment approach as a criterion for generating revenue and spending budget funds, by improving the method of distribution of tax revenues.

Conclusion

Summing up, it can be said that Government Budget of the Republic of Uzbekistan has been increasing its revenues and rationally spending its revenues for expenditures. Following proposals have been made for further improvements in this sector:

- reforming budget committees for expanding revenues
- improving fiscal projections
- reducing budget expenditures on various organizations

- planning for several scenarios for avoiding budget deficits

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