

Ensure the Efficient Use of Local Budgets: What is the Root Cause of the Problem?

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Abstract. In a market economy, everyone, as far as possible, tries to use the available funds efficiently. This is a separate derived individual, family, enterprise, etc. will be affected. However, despite this, life observations and scientific research have shown that this problem becomes more and more complex as it goes from bottom to top. In particular, one of such difficult problems is the issue of effective use of funds within the framework of local budgets. However, in our opinion, there is a certain paradox here. This is due to the fact that countries operating in market relations and in civilized countries of the world (USA, Canada, Germany, Great Britain, France, Austria, Holland, Italy, Japan, South Korea, etc.)).g.) this problem is already successfully resolved. Nobody doubts that the funds allocated from local budgets in these countries are spent efficiently. This is evidenced by the fact that the real situation exists there. But if we talk about the efficiency of spending funds in the accounts of local budgets in Uzbekistan, then, unfortunately, this cannot be said.

1 Introduction

True, in Uzbekistan, too, serious attention is paid to the issue of the effective use of local budget funds, especially in subsequent years [1]. The activities of the Ministry of Finance and its subordinate bodies, as well as other relevant competent authorities (in particular, the Accounts Chamber) are aimed at ensuring the efficient use of funds, including local budgets. Despite this, in our opinion, ensuring the effective use of local budget funds in the conditions of Uzbekistan cannot be called at the level of the requirements of a modern market economy.

For these purposes, control measures are carried out without fail, as a result of which numerous financial errors are revealed at the objects of control, the amount of the identified amounts of financial errors, a shortage of funds and material assets is allowed, as well as their assimilation, illegal expenses are made, etc. they allow inference to be drawn in the same way. Under these conditions, it is natural that an important question is put on the agenda: where is the fundamental denial of a solution to this problem. In this article, we will try to answer basically the same question.

2 Research Methodology

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First of all, it is worth noting that the use of expenditures of any budget, including local budgets, is also carried out at the expense of budget financing. In this regard, it should be noted that in the most general form, when it comes to budget financing, it is necessary to understand the system for providing funds from the budget to the subjects for the implementation of the activities provided for by the plan [2]. The same system is characterized by specific forms and methods of providing funds, as well as reliance on a certain set of seals. In turn, printouts, forms and methods of financing from the budget are considered as structural elements of this system and have an impact on the results of its implementation (in particular, on its effectiveness too). Entering a new stage of its strategic development, the importance of a rational and efficient system of budgetary financing increases even more in terms of ensuring efficiency at the present time, in which important socio-economic tasks are being solved in Uzbekistan.

3 Results and Discussions

Speaking about the basics of ensuring the effective use of local budget funds, it should be recognized that the principles of financing play an important role in this process, first of all. In this regard, it should be noted that the principles of financing from the local budget, applied in practice, can be divided into general and particular groups. Naturally, the general principles will apply to the activities of all entities that will receive funds from the local budget [3]. And private principles determine the procedure for providing local budget funds, depending on the organization of the activities of the subjects. Below we will focus, in particular, on the general principles of financing from the local budget, which play a fundamental (root) role in ensuring the effective use of local budget funds. International practice shows that the general principles of financing from the local budget can be as follows:

1. Get the maximum (high) effect by spending the Minimum (less). Local budget funds should be provided only when the maximum effect from their use is ensured. Such an effect can be expressed, on the one hand, in solving various problems of the country's socio-economic development, and on the other hand, in the redistribution of funds to the local budget due to the growth of incomes of recipients of local budgetary allocations [4]. Now, if those that are reflected in this paragraph 1 are taken into account, then it is natural that the following questions will be put on the agenda: a) are local budget funds provided in the practice of our country at the highest level of their use all the time? b) how is this aspect of the issue generally paid attention to when providing funds from local budgets? c) how are the various tasks of the socio-economic development of our country being solved as a result of the provision of funds from these budgets? d) what positive changes are taking place in this direction? d) Is there a redistribution of funds to the local budget due to the growth of incomes of recipients of local budgetary allocations? etc. Based on the actual situation in our country, we believe that it is inappropriate to give a positive answer to any of these questions (except in rare cases, if any). Therefore, the first logical conclusion that can be drawn here is that in the practice of financing from local budgets it is impossible to ensure the effective use of local budget funds in our country if they do not seek to obtain maximum (high) efficiency at the expense of minimum (low) costs;

2. Target characteristics of the use of local budget allocations. Legal entities can receive funds from the local budget based on a predetermined and approved budget. Strict adherence to this principle prevents the inefficient use of local budget allocations.

Now let's pay attention to how the requirements of this principle are observed in the conditions of our country, albeit insignificantly. Even the results of a superficial or superficial analysis may indicate insufficient compliance with the requirements of this principle in the process of using local budget funds. This is evidenced by the results of inspections carried out by special supervisory bodies of the financial department and the

Accounts Chamber, both full and continuous [5]. Therefore, the second logical conclusion that should be drawn here is the following: until the target characteristic of the use of local budget allocations is fully achieved in practice, ensuring the effective use of these budgets remains problematic;

3. Implementation of the envisaged plans and provision of budgetary funds, taking into account the use of previously provided appropriations. The dependence of budget financing on the performance of indicators allows financial authorities to exercise effective and efficient control over the activities of enterprises, organizations and institutions.

Despite this, there is ample evidence that it is not always possible to ensure the correct proportional relationship between the implementation of plans envisaged in practice and the allocation of funds from local budgets, as well as the use of previously provided allocations and the provision of funds from these budgets. This, in turn, indicates that this principle is not fully implemented (not implemented) in the practice of our country. Therefore, if the plans envisaged in practice are not carried out in a timely manner and are not used to the full extent from the previously provided appropriations, then it is necessary to strictly comply in order for there to be appropriate changes in this process [6]. The third logical conclusion that follows from this, in our opinion, can be formulated as follows: it is impossible to imagine without curves from the provision of budgetary funds, taking into account the implementation of plans that provide for the effective use of local budget funds, and how the allocated allocations were previously used;

4. Irrevocability of budget appropriations. Budget appropriations are provided to subjects on the condition that they are not subject to mandatory return to the budget. This, of course, has its reasons. After all, budgetary institutions, first of all (as a rule), do not engage in entrepreneurial activity (almost or literally). However, despite this, it should be noted that over the next few decades, both in our country and in a market economy, in terms of the content of this principle, albeit slightly, it is necessary to make changes.

In our opinion, one of the principles, which, despite the objective basis, cannot have a sufficient impact on ensuring the efficient use of local budget funds, is that budget allocations are not refundable [7]. In essence, this principle, in our opinion, represents calmness, apathy, irresponsibility, irresponsibility, irresponsibility in relation to one's own fate among the user of budgetary funds, and so on. such sentiments give rise to the fact that all of them, in a certain sense, contradict the nature of the market economy. Therefore, it is advisable to reconsider the issue of attitude to the essence and significance of this principle, taking into account the fact that a market economy has developed in our country and the opportunities for budgetary institutions to engage in entrepreneurial activities have expanded. The fourth logical conclusion that follows from this can be formulated as follows: the principle of non-refundability of budget allocations is a principle that has an inverse effect on ensuring the effective use of local budget funds [8]. Therefore, its content and form should be revised, at least taking into account the changes that have taken place in the socio-economic sphere of our country in subsequent periods;

5. Appointment of budget appropriations. Appropriations from the budget are allocated to subjects in the form of interest without paying any revenues to the state or other forms of payment for appropriations. As can be seen from this, this principle also has aspects that have a positive impact on ensuring the efficient use of local budget funds. Indeed, in our wise people, the words of the tribe "there will be no value for something unearthly" are not in vain pronounced and do not require proof [9]. Thus, within the framework of this article, we tried to analyze the general principles of budget financing, including those that ensure the effective use of local budget funds, based on the requirements of a modern market economy, and draw appropriate conclusions from them. Based on them, we can draw up the following general drawing, in our opinion:

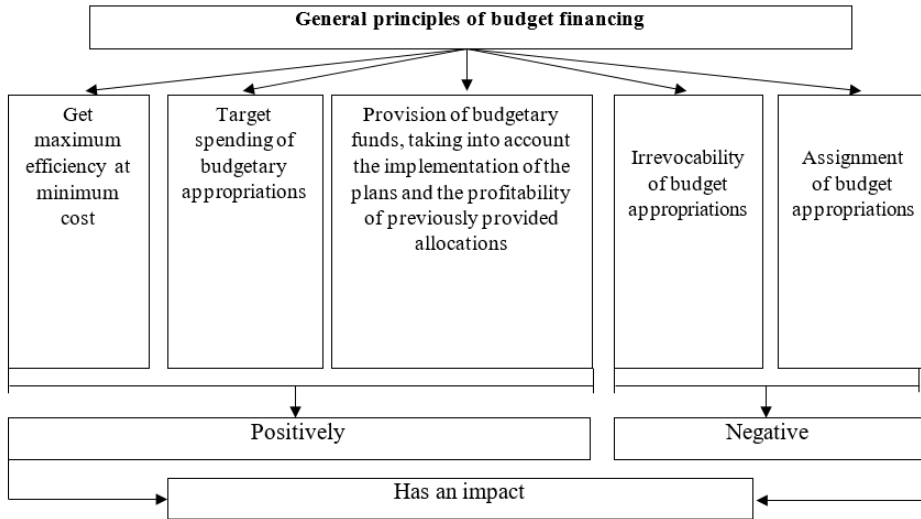


Fig. 1 Fundamentals of ensuring the effective use of local budget funds and its consequences

As can be seen from the position shown in Fig. 1, The general principles of financing from the budget, which are considered as the basis for ensuring the efficient use of local budget funds, are divided into two groups, the first three of which are (minimum) costs and obtaining maximum (high) efficiency; target characteristics of the use of budgetary appropriations.; it is obvious that the implementation of the plans and the provision of budgetary funds (taking into account the use of previously provided allocations) will have a positive impact on the achievement of the goal. However, compared with the last two of them (irrecoverability of budget allocations; fluidity of budget allocations), in our opinion, such an opinion cannot be expressed [9]. On the contrary, they create feelings of indifference, irresponsibility, irresponsibility among users of local budget funds and, accordingly, contrary to the nature of a market economy, which ensure the efficient use of these funds. In such a situation, the emphasis on them as on the general principles of budget financing, from our point of view, does not have its own sufficient basis.

4 Conclusions

In general, since the quality of the basis for ensuring the effective use of local budget funds is considered in the general principles of budget financing, based on the foregoing, here, in our opinion, several conclusions can be formulated. In our opinion, the most important of them are:

1. The basis for ensuring the effective use of local budget funds is the generally recognized (including in international practice) general principles of budget financing. It is impossible to solve the problem of ensuring the effective use of local budget funds without their strict observance and achievement;

2. The general principles of budgetary financing, such as obtaining maximum (high) efficiency with minimum (low) costs, the target characteristics of the use of budgetary allocations, as well as the implementation of the planned plans and the provision of budgetary funds, taking into account the use of previously provided allocations, have a positive impact on ensuring efficient use of local budget funds. Therefore, in practice, to the extent possible, full implementation of the requirements of these principles should be achieved;

3. The general principles of budgetary financing, such as the non-refundability of budget allocations and the fixation of budget allocations, have a negative impact on

ensuring the effective use of local budget funds, including. Therefore, it should be clarified that they are also recognized by the general principles of budgetary financing;

4. Since the general principles of budget financing, such as the gratuitous and non-refundable use of budget allocations, do not have a positive impact on ensuring the effective use of local budget funds, it is advisable to abandon their expression in this form and content;

5. Taking into account the requirements of a modern market economy, integrating new content into the principles of non-transparency of budget allocations and their irrevocable, it is necessary to formulate this principle in the form and content of “budget allocations, which are actually taxpayers’ funds, have the nature of repayment in the form of uncertainty and social efficiency” .

In our opinion, the conclusions formulated above are of fundamental importance, and taking them into account can make a worthy contribution to ensuring the effective use of local budget funds, including in the conditions of a modern market economy.

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