

The Budget System of the Russian Federation: State, Problems and Prospects

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Abstract. This article provides a description of the budget system of the Russian Federation, as well as its development, which is important for socio-economic and political development in strengthening the independence of the state in solving all problems both within the country and problems arising in its external relationships with others states. The budget system, which is the main component of the country's financial system, has its own peculiarities of formation in countries with a federal state system. In the course of the analytical work, statistical data were considered, reflecting the bulk of the state budget of Russia, in order to determine the main sources of formation of the revenue base of the budget, as well as the main directions for spending the state budget of the Russian Federation. To overcome these problems, the article proposes a set of measures that contribute to improving the efficiency of the budget system as a whole.

1 Introduction

To a large extent, the efficiency with which the budget system functions depends on the availability of certain financial resources in the constituent entities of the Russian Federation. A very significant role in the country's financial system is occupied by the state budget, which is the country's financial document, designed to determine both the parameters and prospects for its development.

Speaking about the budget system of Russia, I would like to note that it has undergone many changes due to the volatility of both social and financial processes taking place in the country.

Considering the current situation in the country's budgetary sphere, it should be noted that there is a need for state regulation of budgetary relations between government bodies, whose competence includes the implementation of measures for the effective distribution of budgetary funds, increasing profits to the state budget, as well as the development of the relevant budgets of the country's budgetary system [1].

In general, over the period under review, the volume of federal budget revenues in 2020 increased by 10% due to proceeds from non-oil and gas revenues. Federal budget expenditures for the period 2019-2020 also increased by an average of 5%. In order to optimize spending, for the first time in 19 years, defense spending was reduced by 329.1 billion rubles. The federal budget deficit in 2020 amounted to 1.4% of GDP [6].

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The use of contingency funds helped mitigate the negative impact during the adjustment period and provided additional time for the development of a plan, according to which the volume and structure of expenditure commitments can be adjusted in accordance with the possibilities of the budget.

The following negative features of the federal budget can be distinguished [5]:

1. Russia’s high dependence on the export of a narrow group of fuel and raw materials and materials, which makes it vulnerable to the effects of cyclical fluctuations and volatility in world energy prices;

2. Emphasis on indirect forms of taxation;

3. Low efficiency of budget spending;

4. Weak level of administration of state (municipal) property;

5. Lack of a unified control policy.

Measures aimed at increasing federal budget revenues should be aimed at:

– improvement of the taxation system;

– improvement of the non-tax revenue management system [2].

In the field of optimizing federal budget spending obligations, it is worth improving the policy in the field of health care and education and paying more attention to the social aspects of the development of the state.

2 Research Methodology

To analyze the activities of the budget system of the Russian Federation, we present data on the formation and execution of the state budget of the Russian Federation in 2021 [5].

The main benchmark against which the assessment of the activities of the state budget is carried out is the country’s GDP [4]. In 2020, the volume of the RF GDP was 105,820.00 billion rubles. The inflation rate was set at 4.3%.

The volume of total revenues to the federal budget is 19.969 trillion. rub. The amount of income reflects income from the sale of hydrocarbons for the year [6]. This income is 3.369 trillion rub.

The volume of general expenses. included in the federal budget is 18.037 trillion. rub.

The size of the state internal debt of the Russian Federation in 2021 did not exceed 11.613 trillion rub [7].

The size of the external debt of the Russian Federation in 2021 did not go beyond 64.6 billion US dollars. In 2021, a budget surplus of 1.932 trillion was set. rub.

In order to analyze the budget process management system, it is necessary to provide data on the distribution of income and expenses of the budget system of the Russian Federation. These data are shown in Table 1 [4].

Table 1. Data regulating the norms for the distribution of funds of the state budget between the participants of the budget system of the Russian Federation in 2021

Indicators	Amount in thousand rubles
The amount of distribution of some budgetary appropriations in the Russian Federation	793 230980,0
Financing of the State program “Social support of citizens”	54 461964,0
Financing of the State Program “Development of physical culture and sports”	1 972 800,00
Financing of the State Program “Development of the military-industrial complex”	419750,00
Financing of the State Program “Scientific and technological development of the Russian Federation”	317100,00

The data in Table 1 make it possible to characterize the activities of the state budget in the field of interbudgetary relations, and show the financial support of state programs.

Of course, the data given in Table 1 are not the main ones in the income distribution system for the development of Russian society [8]. Table 2 shows these components of information about the distribution of financial resources of the federal budget between ministries, departments and various agencies. In terms of the amounts distributed, this is the largest group of participants in the budget process. Therefore, it occupies the largest part of the document. Thus, in the state budget, the largest allocations are provided for the Ministry of Finance and the Ministry of Defense.

Table 2 Data on the distribution of federal budget funds for Financing the activities of ministries and departments in 2021

Indicators	Amount in thousand rubles
Federal budget expenditures by ministries and departments	15025016113,0
Activity financing Ministry of Finance of the Russian Federation	5 858 554127,0
Activity financing Ministry of Defense of the Russian Federation	1 776 080136,0
Activity financing Ministry of Internal Affairs of the Russian Federation	970 172897,0
Activity financing Federal Road Agency of the Russian Federation	608290196,0

Table 2 shows that the table does not reflect a number of ministries, which are also financed from the federal budget [9]. However, we noted that Table 2 will reflect data on the largest ministries and departments or their group in terms of budget allocations.

Nevertheless, it should be noted that the financial resources invested in these organizations must be realized and the results of their activities must be made public. This makes it possible to increase the efficiency of these departments in subsequent years. In other words, these ministries and departments should be accountable for every penny, because, as practice shows, it is these structures that are the most corrupt in our country.

Consider how the financial resources of the federal budget are used in practice [10]. To do this, we present the data. characterizing the use of federal budget funds in 2021.

Before analyzing the data on the spending of federal budget funds in more specific areas of their spending, let us dwell on the priority areas for spending financial resources of the federal budget of the Russian Federation in 2021.

3 Results and Discussions

A special place in the legal justification of the budget process is occupied by the issues of sources of income, directions of expenditure, the process of discussing the content of these sections of the state budget publicly, which will finally include these articles in the budget plan for the next reporting year [11].

The main task of regulating the budget process, in our opinion, is the nature of the implementation of this regulation by state bodies, which allows responsible persons to identify shortcomings in the work and eliminate them. Such a study was carried out by us on the basis of the data given in Table 3 [5].

Table 3. Characteristics of achieving the intended purpose of sections of part 3 RF Budget Code

№ section of part 3 of the BC RF	Section name	Purpose of the section	Goal Achievement
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Chapter 5	Establishment of participants in the budget process.	Definition of participants in the budget process	+
Chapter 6	Determination of the procedure for drafting the budget.	Drafting a budget	+
Chapter 7	Development of regulations for the consideration and approval of budgets in the budget system of the Russian Federation	Regulations on the consideration and approval of budgets	+
Chapter 8	Determination of the procedure for the execution of budgets at all levels of the budgetary system of the Russian Federation.	Development of the budget execution procedure	+
Chapter 8.1	Establishing a procedure for carrying out an external audit of budget execution, establishing a procedure for reviewing and approving reports confirming budget execution.	Development of a procedure for external audit of budget execution	+, -
Chapter 9	Establishment of the procedure for exercising control on the part of state and municipal authorities of budget execution.	Development of the procedure for state control of budget execution	+,-

Table 3 indicates that all sections are being executed, with the exception of sections 8.1 and 9. This assessment is given due to the fact that the state budget system has its shortcomings. For example, the existence of a budget deficit, especially at the level of constituent entities of the Russian Federation and at the level of budgets of local governments. Thus, the budget process is a legislatively established procedure for the formation, discussion and execution of budgets at all levels of the budget system of the Russian Federation.

We have found that one of the most important elements of the budget process is the composition of the persons involved in this process. President of Russian Federation. The participation of the President of the country is mandatory, since the adoption of the state budget for the next financial year is of crucial importance for the whole country [12]. Therefore, the budget as the main financial plan should be, after careful analysis and consideration in society, approved by the President of the country.

Considering the budget process in Russia, I would like to note that after the establishment of the regulatory framework in the field of budget relations, the country's budget process, today, is quite well regulated [13]. In this regard, executive authorities at all levels perform their work much more efficiently, and legislative authorities have the opportunity to form a budget in advance.

The practice of the functioning of the budget process shows that at each stage of the passage of the state budget, from the draft to the final adoption of it for action, there are problems associated with shortcomings both at the level of the methodology for forming the country's budget system, and at the level of execution, at each specific level.

Solving the existing problems associated with the implementation of the budget process, in the context of improving the budget system, is an urgent task facing the Russian financial system, which indicates the need to develop evidence-based ways to solve these problems [14].

As a result of studies carried out in recent years, the following main tasks for the formation of an effective budgetary system of the country have been identified:

- implementation of a set of measures to ensure the balance of the relevant funds of the country's budget system;
- improving the structure of profit and cost items;
- implementation of a set of measures for the development and adoption of real, reliable, as well as transparent budgets and extra-budgetary funds;
- formation of a more efficient tax system of the country;
- implementation of measures to increase productivity, operation of both national property and property of subjects of the Federation and municipalities;
- formation of a mechanism that allows to switch from the costs of the higher budget to the lower ones, as well as the formation and improvement of the regulatory and legislative framework;
- ensuring the optimization of the budget concept in the practice of the country's budget process.[15]

To solve problems it is necessary:

1. Form a sufficiently effective system of regulation and management of state capital.
2. It is necessary to increase the productivity of fiscal policy in the field of revenue generation, this can be achieved by:

- A). formation of a high-quality functioning tax system.
- b). formation of a more effective system for managing the profitability of public finances.
- V). optimization of profit from foreign economic activity.

3. It is necessary to form a high-quality budget cost management system, the purpose of which is to form a rational method of using budget funds, as well as stimulating financial growth [16].

4. It is necessary to ensure more active management of public debt and liabilities, as well as to ensure effective management of Russia's assets and liabilities.

5. It is necessary to improve the budget process of the country by:

- a) streamlining budget operations;
- b) effective regulation of accounts payable and receivable of the budget;
- c) development of the public procurement system;
- d) ensuring transparency of budget operations and budgets.

At the heart of today's budget system in Russia is a budget reform that provides for:

- a) more efficient use of funds allocated to meet the needs of society;
- b) based on the principles of self-sufficiency and equality, the formation and development of the budget policy of the country as a whole;
- c) state stimulation of the economy, by providing preferential both credit and tax policies of the country;
- d) improvement of the system of interbudgetary relations;
- e) development of the revenue part of the budgets of subjects and municipalities.

4 Conclusions

According to the budget strategy of Russia, developed until 2023, there are the following tasks for the new stage of the country's budget policy:

- the priority of long-term and medium-term budgeting, which allows you to take into account all the strategic goals of the economy;
- ensuring a high level of availability of information on the expenditure part of the budgets of the country's budget system;
- implementation of effective social policy;
- involvement of non-state enterprises for the implementation of those services that are financed from the federal budget;
- efficient use of budgetary funds;
- allocation of budgetary funds based on competitive principles;
- ensuring the high quality and accessibility of healthcare and education in the country.

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