

REFORMS IN THE BUDGET SYSTEM OF UZBEKISTAN AND THEIR RESULTS

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Abstract: This article analyzes the processes of reforming the budget system in the Republic of Uzbekistan, their main directions, and the achieved results. In addition, measures aimed at increasing the transparency of the budget process, strengthening fiscal discipline, and expanding the financial independence of regions are discussed.

Introduction

In recent years, large-scale reforms aimed at modernizing the public finance management system, increasing the transparency of the budget process, and improving efficiency have been implemented in Uzbekistan. The budget system is the main instrument of state economic policy, and its effective functioning is an important factor in socio-economic development.

Main Directions of Reforms in the Budget System

In recent years, a system of publicly disclosing budget information has been introduced. Citizens and the general public gained the opportunity to monitor how state funds are being spent. The launch of the “Open Budget” platform became an important step in this direction.

Previously, short-term approaches dominated budget planning; however, a 3–5 year medium-term budget planning system has now been introduced. This made it possible to link government expenditures with strategic development goals.

More tax revenues have been retained in regions, and the authority of local governments to make financial decisions has been expanded. This contributes to reducing disparities in regional development.

Digital technologies have been widely introduced into public finance management. The electronic budget system, electronic procurement, and automated accounting systems have strengthened financial discipline.

The reforms implemented in Uzbekistan’s budget system are improving the quality of public finance management, strengthening economic stability, and accelerating regional development. As a result of these reforms, several important positive changes have occurred.

One of the most significant achievements has been the substantial increase in the transparency of the state budget.

- information on budget revenues and expenditures has become publicly accessible;
- citizens gained the opportunity to monitor the budget process;
- accountability in the use of public funds has strengthened.

These changes contribute to reducing corruption risks and increasing public trust.

As a result of the reforms, discipline in public finance management has improved.

- mechanisms for controlling the budget deficit have been enhanced;
- the public debt management system has improved;
- financial discipline in expenditure planning has strengthened.

This helps ensure macroeconomic stability.

With the introduction of a performance-oriented budgeting system, the efficiency of public spending has significantly improved.

- inefficient expenditures have been reduced;
- funds have been directed toward priority sectors;
- the effectiveness of social and infrastructure projects has increased.

The growing independence of local budgets has positively affected regional economic development.

- provinces and districts have begun financing their own projects independently;
- regional investment activity has increased;
- the resolution of local problems has accelerated.

Through mechanisms such as the “Citizens’ Budget,” public participation in the budget process has significantly increased.

- citizens gained the opportunity to propose projects for their regions;
- social infrastructure such as roads, schools, and medical institutions improved;
- cooperation between the state and society strengthened.

The digitalization of the budget system is another important result.

- an electronic budget system has been introduced;
- public procurement has been transferred to electronic platforms;
- opportunities for real-time monitoring of financial operations have emerged.

These processes have increased speed, accuracy, and transparency.

Reforms in the financial system have created favorable conditions for both foreign and domestic investors.

- the stability of public finance has improved;
- confidence in investment projects has increased;
- the volume of investments entering the economy has grown.

Although the reforms implemented in Uzbekistan's budget system have produced important positive results, several systemic problems and urgent issues still remain in practice. These problems directly affect budget efficiency, regional development, and financial stability.

Despite the reforms, several challenges remain:

- financial disparities among regions;
- insufficient efficiency of budget expenditures in some sectors;
- limited independence of local budgets;
- problems related to the effectiveness of budget spending;
- incomplete digitalization processes.

Although reforms in Uzbekistan's budget system have yielded positive results, there are still several areas for further improvement in order to make the system more efficient, transparent, and sustainable. These directions will help align public finance management with modern standards and accelerate economic development.

The following areas are particularly important:

- expanding the tax base;
- fully digitalizing the budget process;
- further increasing the authority of local government bodies;
- strengthening the financial control system;
- expanding the implementation of performance-oriented budgeting.

Conclusion

The reform of the budget system in the Republic of Uzbekistan demonstrates that public finance management has entered a qualitatively new stage in recent years. As a result of the implemented reforms, the transparency of the budget process has increased, financial discipline has strengthened, and the efficiency of using public funds has significantly improved. In particular, the introduction of performance-oriented budgeting principles has played an important role in increasing the effectiveness and targeted nature of public expenditures.

In addition, the development of a medium-term budget planning system contributes to ensuring the stability and consistency of state financial policy. Expanding the independence of local budgets has increased the economic activity of regions and strengthened their responsibility in socio-economic development processes.

The introduction of digitalization processes has improved speed, accuracy, and transparency within the budget system while reducing the influence of the human factor.

At the same time, several systemic problems still remain during the reform process. In particular, economic disparities among regions, limited financial independence in some areas, an insufficiently broad tax base, and incomplete digitalization processes continue to be urgent issues. This creates the need for further improvement of the budget system.

In the future, expanding the tax base, fully integrating digital technologies, deepening performance-oriented management systems, and further increasing the financial independence of



regions will be important directions for making budget policy more effective. In addition, developing human capital and strengthening the financial control system will play a decisive role in ensuring the sustainable results of reforms.

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