JOURNAL OF MULTIDISCIPLINARY SCIENCES AND INNOVATIONS

VOLUME 04, ISSUE 08
MOPNTHLY JOURNALS

ISSN NUMBER: 2751-4390
IMPACT FACTOR: 9,08

# STATE BUDGET EXPENDITURES

***Zayniddinova Ominaxon***
*Master's student at the Kimyo International University in Tashkent*

**Abstract:** This article discusses the state budget, state expenditures and methods of financing the state budget, as well as their application. The distribution of state budget expenditures is assessed in terms of their formation.
**Keywords:** State budget expenditures, state budget, budget efficiency.

## Introduction.

Budgetary expenditures are relevant when there is a current state structure. Therefore, it is necessary to answer the following questions: what are the budget deficits and how to finance them. For implementation, we will determine that there are only three states of the state budget - deficit, surplus and balanced, and they reflect different ratios of the revenue and expenditure parts of the budget. The state budget and the development trends of education are considered to be in surplus if its income exceeds its expenses. A balanced budget is considered to be in surplus if its income exceeds its income. A balanced budget is considered to be in deficit if its income and expenses are equal. A budget deficit is a negative budget balance, that is, a budget in which expenses exceed its income. A budget deficit is an objective economic category of monetary economics that expresses the relationship between participants in the reproductive process, which is the use of funds in excess of the available budget revenues by the state[1].

Expenditure budget policy, through the use of a set of financial instruments, allows the country to solve the problems facing it at a certain stage of social development, achieve the necessary macroeconomic ratios and accelerate economic growth. Changes in the economic context, important tasks of budget policy in the field of expenditures: increasing efficiency and effectiveness of the use of budget funds; optimization and concentration of priority budget funds in the areas of socio-economic development of the country; full implementation of the medium-term budget, which is one of the effective means of regulating socio-economic processes, is a prerequisite for the transparency and effectiveness of the budget process.[2

## Related literature.

The impact of government spending on economic growth and this is a topic that has been studied by many researchers, but the results are still controversial. Keynes (1936) argued that the government should regulate demand through fiscal policy and monetary policy to achieve a high level of employment. Keynes (1936) argues that the government should have a greater direct responsibility for organizing investment and targeted spending, especially debt-financed spending, so that economic growth is achieved by increasing aggregate demand [3].

Budget Structural deficit refers to the difference between the government deficit and the budget revenue in full conditions. The tax system provides resources for employment and cyclical fluctuations in total income act as economic stabilizers, as a result of which the budget deficit automatically arises or exceeds. Fiscal policy, which involves automatic changes in government spending, taxes, and the state budget balance, resulting in cyclical

JOURNAL OF MULTIDISCIPLINARY SCIENCES AND INNOVATIONS
VOLUME 04, ISSUE 08
MOPNTHLY JOURNALS
ISSN NUMBER: 2751-4390
IMPACT FACTOR: 9,08

fluctuations in total revenue, is called non-discretionary fiscal policy. This means that during periods of growth in net tax revenues, the state budget has a stabilizing effect on the economy, both during periods of growth in gross national product (GNP) and during periods of decline. Hence, cyclical budget revenues, resulting from automatic reductions in tax revenues and increases in state transfers, are more common against the backdrop of a decline in business activity [4].

Budget expenditures are relevant when there is a current state structure. Therefore, it is necessary to answer the following questions: what are the budget deficits and how to finance them? For implementation, we will determine that there are only three states of the state budget - deficit, surplus and balanced, and they reflect different ratios of the budget's revenue and expenditure. The state budget and development trends of education are considered surplus if its revenue exceeds its expenses. A balanced budget is considered to be when revenues and expenses are equal. A budget deficit is a negative budget balance, that is, the budget budget, the expenses of which exceed its income. A budget deficit is an objective economic category of monetary economics, which expresses the relationship between participants in the reproductive process, the use of funds in excess of the available budget revenues by the state[5].

State expenditures are financed by taxes, the ratio of which is set above the norm, the volume of which increases the negative impact of state expenditures on economic growth. Higher tax rates reduce economic growth, while increased government spending increases economic growth[6].

Nworji, I. D., Okwu, Obiwuru, A. T, et al. studied the impact of government spending on the Nigerian economy from 1970 to 2009. Expenditure is divided into six components: capital and current expenditure on economic services; capital and recurrent expenditure on social and public services; and capital and recurrent expenditure on transfers. The results showed that capital and recurrent expenditure on economic services negatively affected economic growth during the period under study, while capital and current expenditure on social and public services and capital and recurrent expenditure on transfers positively affected economic growth [7].

The Nigerian government is committed to a stable macroeconomic environment, with low and stable inflation and sound fiscal policies. Since the 1970s, the Nigerian government has maintained a very large, sustained and appropriate budget expenditure. . Regardless of all the socio-economic public policies implemented in recent times, this fiscal policy emphasizes the implementation of appropriate fiscal policy. The Nigerian economy is characterized by a budget deficit accompanied by slow economic growth. One of the main risks to the budget and economy is inflation, which is a persistent increase in the price level and can be reduced [8].

This increase in budget expenditure has led to a decrease in growth, a decrease in aggregate demand, a recession and increased unemployment. However, studies have shown that the national debt of developed and developing countries, an increase in the cost of servicing public debts and a potential increase in the rate of return on bonds are the result of government budget deficit policies. A large budget deficit can lead to a national debt and increase GDP by one percent. High budget deficits can lead to a proportional increase in national income through debt service payments. Countries with large budget deficits may struggle to attract enough investors to buy bonds. This increases bond yields and makes it more expensive to finance the deficit. [9]

Maji A, and Achegbulu JO, believe that the budget deficit is financed by the withdrawal of cash and the difference between budget revenues and budget expenditures, which is considered to be the balance and equalization. The concept is accepted as a sign of the financial health of the government, when its expenditures are less than its revenues over a certain period of time [10].

As a result of the development of market relations, there is an increasing transfer of certain expenses to the private sector. This is reflected in the widespread use of market economy principles in the implementation of budget expenditures. The introduction of market relations to budget expenditures can be explained by the emergence of the following elements;

Decentralization of budget policy;

Transfer of certain functions of the state to the private sector;

Liberalization of state budget planning;

In turn, the emergence of fundamental changes in budget policy creates the need to improve the methods of planning budget expenditures. Decentralization of budget policy means the transfer of many financial decisions to the competence of local authorities. In particular, it focuses on the financial independence of the budget. As a result of decentralization, it is assumed that public services will be organized and provided in such a way that they fully meet the needs of the local population [11].

Expenditure budget policy, through the use of a set of financial instruments, allows solving the problems facing the country at a certain stage of social development, achieving the necessary macroeconomic ratios and accelerating economic growth. In the context of changes in the economic context, the main tasks of budget policy in the field of expenditure are: increasing efficiency and effectiveness of the use of budget funds; optimizing and concentrating budget funds on priority areas of socio-economic development of the country; full implementation of the medium-term budget, which is one of the effective means of regulating socio-economic processes. Planning in the budget process is a prerequisite for the transparency and efficiency of the budget process [12].

Jumayev N.Kh. et al. in their collective monograph discuss three methods of financing from the budget. These are the following: 1. Budget-insurance model. Within the framework of this model, budget funds are financed by employers through targeted payments of employees. This model is widely used in Germany, France, Italy and Switzerland. 2. Budget model. Mainly financed at the expense of budget funds. This model is widely used in the UK and similar countries. 3. Enterprise model. In this model, medical services are mainly provided to the population by health care institutions at the expense of voluntary insurance funds or direct payments. This model is mainly widespread in the USA[13].

**Research methodology.**

The article uses the methods of scientific abstraction, data analysis and dynamics analysis.

Statistical analysis.

‘‘Reducing the state budget deficit and ensuring that it does not exceed 3 percent of GDP by 2023’’[14]. It is necessary to correctly distribute and direct state budget expenditures.

For example, we can see state expenditures for 2021 in this table. State budget expenditures for 2021 are shown in the following table[15].

| Indicators | | 2019 | 2020 | 2019-2020 % | 2021 | 2020-2021 % |
|---|---|---|---|---|---|---|
| **EXPENDITURE (EXCLUDING TARGETED FUNDS) - TOTAL** | | **118 008,7** | **144 142,7** | **122%** | **188 633,9** | **76.4%** |
| 1. | Social Costs (SPOILERS) | 63 542,4 | 74 231,8 | 85% | 92 613,5 | 80.2% |
| 2. | Economy costs | 18 485,2 | 16 692,8 | 90.3% | 21 669,2 | 77% |
| 3. | Financing of investment costs | 7 048,5 | 18 843,7 | 37.4% | 29 345,2 | 64.2% |
| 4. | Costs of public administration, justice and prosecution, and maintenance of judicial bodies | 5 315,0 | 7 826,4 | 67.9 % | 8 481,7 | 92.3% |
| 5. | Maintenance costs of self-governing bodies | 701,1 | 817,7 | 85.7 % | 1 037,1 | 78.8% |
| 6. | Reserve funds of the budgets of the Cabinet of Ministers of the Republic of Uzbekistan, the Republic of Karakalpakstan, regions, cities and districts | 985,4 | 1 506,2 | 65.4 % | 1 401,8 | 93.1% |

**Conclusion.**

State budget expenditures have common characteristics, that is, they are organized by the state in the form of monetary funds of a distributive nature, associated with the operation of specific monetary funds. The Budget Code of the Republic of Uzbekistan defines state expenditures as the following:

1. expenses for the social sphere and social support of the population;
2. expenses for state support of non-governmental non-profit organizations and other institutions of civil society;
3. expenses for the economy;
4. expenses for financing centralized investments;
5. expenses for maintaining state authorities and administration, justice and prosecutor's offices;

6. expenses for maintaining courts;
7. expenses for maintaining citizens' self-government bodies;
8. other expenses.

The state budget is a centralized monetary fund designed to financially support the state's tasks and functions. The use of appropriate distribution methods of directing state expenditures gives a good result for further development of the economy, and the size of budget revenues is determined by the economic capabilities of the state. Therefore, it is necessary to establish such a volume of budget expenditures and such terms of use of budget funds in the formation of monetary funds in the national economy that they ensure the successful implementation of the socio-economic tasks set before the state by achieving maximum efficiency with minimal costs. On the other hand, by positively influencing the growth of production, accelerating scientific and technical progress and optimizing the proportions in the national economy, the expenditures of the State Budget have an impact on increasing the level of its revenues.

**References:**

1. Сабанти Б.М. - Финансы. - Москва, 2014
2. Tatiana Kanyeva . Budget expenditure as a tool of social development. University Economic Bulletin (2020), 10.31470/2306-546x-2020-44-172-179
3. Keynes, J. M. (1936). The General Theory of Employment, Interest, and Money. London, United Kingdom: Macmillan .
4. Афанасьев М.П. – Бюджет и бюджетная система – М.: Юрайт, 2009
5. Сабанти Б.М. - Финансы. - Москва, 2014
6. Barro, R. J. (1990). Government Spending in a Simple Model of Endogeneous Growth. Journal of Political Economy, 98(S5), 103-125.
7. Nworji, I. D., Okwu, A. T., Obiwuru T. C., & Nworji, L. O. (2012). Effects of Public Expenditure on Economic
8. Oluwafadekemi A, Ogundipe AA. Fiscal Deficit and Economic Growth in Nigeria: Ascertaining a Feasible Threshold International Journal of Economics and Financial Issues. 2018; 8(3): 296-306
9. Vincent NE, Clem IN. Fiscal deficits and private investment: Econometric evidence from Nigeria. International Journal of Innovative Research in Management. 2013; 3(2): 1-18.
10. Maji A, Achegbulu JO. The impact of fiscal deficit on economic growth in Nigeria. International Journal of Business and Management. 2012; 4(2): 127- 132
11. Хайдаров М.Т. Маҳаллий бюджетлар мустақиллигини ошириш масалалари //Иқтисод ва молия. –Т., 2017. - №6. – Б.21-30.
12.Tatiana Kanyeva . Budget expenditure as a tool of social development. University Economic Bulletin (2020), 10.31470/2306-546x-2020-44-172-179
13. Гулямов С.С., Жумаев Н.Х., Рахмонов Д.А., Ташходжаев М.М. Ижтимоий соҳада инвестицияларнинг самарадорлиги. Монография. –Т.: IQTISODIYOT, 2019. – 342 б
14. O‘zbekiston Respublikasi Prezidenti Shavkat Mirziyoyevning , 28.01.2022 yildagi PF-60-sonli ‘’2022 — 2026-YILLARGA MO‘LJALLANGAN YANGI O‘ZBEKISTONNING TARAQQIYOT STRATEGIYASI TO‘G‘RISIDA’’gi farmoni https://lex.uz/uz/docs/-5841063#-5844066
15. https://openbudget.uz/