



The Importance of the State Budget in the Development of the Country's Economy and Necessary Mechanisms

Turaev Alijon Akmal o'g'li

Teacher, Department of Investment and Innovation, Samarkand Institute of Economics and Service, Samarkand, Uzbekistan

Baxromov Asadbek Orifjon o'g'li

Student, Samarkand Institute of Economics and Service

Abstract: For the current period, the economy of the country cannot be imagined without the state budget. Because proper regulation of the country's economy performs important tasks for its development. This article shows its importance and necessary mechanisms.

Keywords: state budget, resource, economy, stability, infrastructure, investment, public services, tax, income, cost.

The state budget is very important for every country. Because its correct regulation is the basis for the implementation of plans for the coming period. Therefore, the importance of this concept is high. Now we will consider the content and essence of this concept.

"The state budget is a set of monetary incomes and expenditures of the state intended for a certain period of time (usually one year). The state budget indicates the distribution of the money funds at the disposal of the state, and it is the main link of state finances. The state budget is divided into the national (or central) budget (the sum of total revenues and expenses of the country) and the local (municipal) budget (income and expenses of regional structures - the country, region, district, etc.). The ratio of the two types of budgets will depend on the internal conditions of the country.

The state provides social services to the society (providing national security, maintaining public order, protecting the environment, helping the needy, providing free social services to the population, etc.) and all this requires costs. Budget revenues are formed from taxes, non-tax levies, money from government bonds, and funds from the sale or lease of state property. The amount of budget income per capita is called the country's budget potential (potential) and it depends on the total budget income and population.

In particular, if the budget expenses exceed its income, a budget deficit occurs. It is normal for the deficit to be 3-3.5% of the country's gross national product. Budget expenditures are reduced when the budget deficit becomes too large and cannot be financed with income. The sum of the central and local state budgets and extra-budgetary funds (special purpose funds of the state, special purpose taxes, bonds, special funds created at the expense of subsidies from the budget) constitutes the aggregate state budget. The state budget is usually drawn up in the current year for the next year. In the conditions of economic instability, it can be made for a quarter or half a year. The state budget is drawn up by the government and approved by the higher legislative body (parliament).¹

¹https://uz.wikipedia.org/wiki/State_budget



The state budget also represents socio-economic relations in a particular country. Depending on the economic structure of the society, the nature and activity of the state, the essence of the state budget, the nature and structure of its income and expenses will be different. In industrialized countries, the state's active intervention in the economy, production, distribution and redistribution of national income causes an increase in the position of the state budget, the national income is collected at the disposal of the state, and the part of it that is redistributed through the budget increases.

The state budget plays a decisive role in the development of the country's economy. It serves as a financial plan that shows how the government will raise and allocate funds to support public services, infrastructure development and various other initiatives. We present the following main points about the importance of the state budget in the development of the economy and the necessary mechanisms for its effective management:

First, through resource allocation, the state budget allocates funds to various sectors of the economy, including health, education, infrastructure, defense, and social welfare. Proper distribution is essential to stimulate economic growth and improve the overall quality of life of citizens.

Second, effective use of the budget to ensure economic stability. For example, countercyclical fiscal policy can help stabilize the economy during an economic downturn by increasing government spending and cutting taxes to stimulate demand.

Third, demonstrate that infrastructure development, such as roads, bridges and utilities, is critical to economic growth by attracting investment in infrastructure. Funds for these projects can be allocated from the state budget, which will not only create jobs, but also increase the long-term efficiency of the country.

Fourth, get education and training right. That is, investing in education and training at the expense of the state budget will help improve the quality of the workforce, make the country attractive to investors, and develop innovation.

Fifth, health: A healthy population is a more productive population. Adequate funding for health care in the public budget can lead to improved population health outcomes, reduce absenteeism, and contribute to overall economic development.

Sixth, public services: Public services such as law enforcement, sanitation, and public transportation are essential to economic development. A well-funded budget ensures adequate provision of these services.

Seventh, taxes and revenue collection: Taxation and revenue collection mechanisms are important in financing the state budget. This includes collecting income taxes, corporate taxes, sales taxes, and other forms of revenue.

Eighth, fiscal responsibility: Effective budget management and fiscal responsibility are important. Governments should strive to balance their budgets or maintain sustainable debt levels to prevent financial crises and ensure the long-term health of the economy.

Ninth, transparency and accountability: Transparency of the budget process, including public participation and accountability mechanisms, is essential to prevent misuse of funds, corruption and mismanagement.

Tenth, economic planning: The state budget serves as an economic planning tool. It allows the government to set economic goals, allocate resources to achieve those goals, and monitor progress.



We emphasize that governments should use various mechanisms to effectively manage the state budget in the country's economy, including:

Establish a clear and comprehensive budget process that includes budget preparation, approval, execution and monitoring.

Long-term planning: developing multi- year budget plans to ensure consistent, long-term economic growth.

Effective revenue collection: To ensure a sustainable source of revenue, put in place effective tax collection systems and eliminate tax evasion.

Expenditure Control: Control public expenditure through control and monitoring of results.

managing public debt levels to prevent over-borrowing and debt crises.

Accountability and transparency: ensuring the transparency of the budget process, ensuring citizens' access to budget information, increasing the accountability of officials for budget execution.

Coordinating economic and fiscal policies: Coordinating economic and fiscal policies to achieve macroeconomic stability and sustainable development.

Public Participation: Encouraging citizen participation in the budget process helps ensure that the budget is aligned with the needs and priorities of the public. Public consultations, feedback mechanisms and transparency in decision-making are important components of public participation.

Monitoring and Evaluation: It is essential to put in place a robust system of monitoring and evaluation of budget execution. A regular assessment of whether the allocated funds are achieving the set goals or not helps to identify areas for improvement and redistribution.

Contingency planning: Developing contingency plans within the budget can provide flexibility in responding to unexpected events such as natural disasters or economic crises without jeopardizing the overall budget system.

Efficiency and effectiveness: It is essential to constantly look for ways to improve the efficiency and effectiveness of public spending. This includes reducing waste, eliminating redundancies and optimizing the use of resources.

Investor Confidence: A well-managed government budget can instill confidence in domestic and foreign investors. A stable fiscal environment with clear policies and responsible budget management can attract investments that support economic growth.

and issues when developing their budgets . Factors such as international trade, exchange rates and global economic conditions can affect a country's economy and should be taken into account in budget planning.

Adaptability and Flexibility: Recognizing that budget priorities must change in response to evolving economic conditions, policymakers must build flexibility into the budget. This may include periodic budget reviews and mid-year adjustments.

Foreign Aid: In some cases, countries may rely on foreign aid or development aid to supplement their budgets. Proper coordination and management of such aid is essential to ensure that it complements national priorities and does not create dependency.

Research and data analysis: Governments should invest in research and data analysis to inform their budget decisions. This includes economic forecasting, demographic analysis and other relevant information.



In conclusion, it can be said that the state budget is considered very important in the country's economy, and it performs many tasks. We can say that the rational performance of these tasks paves the way for the growth and development of GDP in the country.

References

1. Khusainov R.R, Iskhakov A.K, Urmanova D.T, Djurayev X.Z Finance and taxes. Study guide. Tosh-DTU, "Voriz-Nashriyot", 2014-336 p.
2. Zaynalov J.R, Aliyeva S.S, Akhrorov Z.O Taxes and taxation . Textbook . - T .: " Economy-Finance" 2021.- 364 p.
3. www.stat.uz - Website of the State Statistics Committee of the Republic of Uzbekistan.