

## INFLUENCE OF LOCAL BUDGETS ON SOCIO-ECONOMIC DEVELOPMENT OF REGIONS

N. R. Murtazayev

Senior Teacher, Karshi Institute of Engineering and Economics, Karshi

### Abstract:

In this article, we discussed the medium-term development strategy of Uzbekistan on increasing the base of local budget revenues, ensuring their financial independence, and creating a competitive environment between regions. It is known that the development of the country's economic and social processes is reflected in the expenditure of local budgets.

**Keywords :** tax-budget-policy, income, expenses, social security, local budget, financial analysis.

### INTRODUCTION

Today, it is important to implement reforms aimed at socio-economic development and liberalization of our country, sustainable development of the economy using effective tax-budget policy, macroeconomic stability and competitiveness of the national economy. To continue the process of decentralization of state administration, to increase the responsibility of local and regional authorities in the implementation of state policy, to gradually transfer the powers of republican state authorities to local state authorities, as well as the powers of regional state authorities to district and city authorities.

In the medium-term development strategy of Uzbekistan, important tasks such as increasing the base of local budget revenues, ensuring their financial independence, and creating a competitive environment between regions are defined. It is important to study and apply their positive results in our republic. While thinking about the development of the regions, the President of the Republic of Uzbekistan Sh.M. Mirziyoyev says: "the funds of the local budgets are not enough to finance the sustainable socio-economic development of the regions"<sup>1</sup>. It is known that the development of the country's economic and social processes is reflected in the expenditure of local budgets. The main task of local authorities is to develop and implement economic and social development plans in this region. Basically, the growth of the population in new districts, the implementation of measures for the development of residential and communal economy require an increase in the costs of local budgets. The increase in local budget expenses will be related to the construction of new buildings and the increase in maintenance costs of residential and cultural and household objects.

Another of the available opportunities for increasing the income of local budgets is related to creating opportunities to increase the economic activity of the population in these places, as well as improving the mechanism of taxing the income of individuals from business activities. Rates of taxation of income from business activities of individuals are set independently by local

<sup>1</sup>Mirziyoyev Sh.M. Tanqidiy tahlil, qat'iy tartib-intizom va shaxsiy javobgarlik –har bir rahbar faoliyatining kundalik qoidasi bo'lishi kerak. Mamlakatimizni 2016-yilda ijtimoiy-iqtisodiy rivojlantirishning asosiy yakunlariva 2017-yilga mo'ljallangan iqtisodiy dasturning eng muhim ustuvor yo'nalishlariga bag'ishlangan Vazirlar Mahkamasining kengaytirilgan majlisidagi ma'ruza. 2017-yil 15-yanvar./ <http://old.president.uz/uz/news/5451>



authorities. First of all, when setting the rate, it is necessary to create equal conditions for all self-employed people, to ensure full taxation of income. It should be noted that the structure of expenses of individual local budgets will not be the same and will depend on the size of farms and offices at different levels in the same region. That is why local industry, residential and commercial institutions subordinated to regional, city, and district administrative bodies have a considerable weight in local budget expenditures. Socio-cultural institutions are mainly subordinated to regional, city and district management bodies, based on this, 50% of local budget expenditures are directed to financing of social and cultural events.

The budget of the Republic of Karakalpakstan and local budgets shall finance the following expenses in accordance with the procedure established by law:

- ❖ science, education, culture, healthcare, physical education and sports;
- ❖ social security;
- ❖ social protection of population;
- ❖ Ensuring the activities of state power and management bodies of the Republic of Karakalpakstan and local state power bodies;
- ❖ the Republic of Karakalpakstan of economic sectors,
- ❖ maintenance of budget organizations of regions and Tashkent city;
- ❖ implementation of targeted programs and activities for the development of economic sectors in accordance with legal documents;
- ❖ other purposes stipulated by law.

As part of local budgets, the costs of social and cultural activities are increasing rapidly due to the increase in the costs of science, education, and health care, which is due to the increase of social sector institutions financed from this budget and the expansion of scientific and research activities. The development of the administrative-territorial complex will be related to the digitization of local economy management. The dynamics of changes in the expenses of the local budget of Kashkadarya region in 2019-2021 are as follows.

**Table-1 Implementation of local budget expenditures of Kashkadarya region in 2019-2021 (in millions of soums)<sup>2</sup>**

Name of expenses	2019 y	2020 y	2021 y
<b>Expenditures on the social sphere and social support of the population - total</b>	3517339,6	2383420,3	3065333,7
<b>Costs to the economy</b>	359396,0	1644867,4	2127280,0
<b>Centralized investment financing costs</b>	132994,1	91379,6	143377,5
<b>Maintenance of state authorities and management bodies</b>	256381,1	251531,8	517172,4
<b>Maintenance of self-government bodies of citizens</b>	54906,7	66866,0	83193,1
<b>Reserve fund</b>	34446,1	72508,8	40154,2
<b>Other expenses</b>	59764,0	92595,7	118910,4
<b>Total costs</b>	<b>4415227,7</b>	<b>4603169,5</b>	<b>6095421,3</b>

<sup>2</sup> Qashqadaryo viloyati Moliya boshqarmasi ma'lumotlari



It can be seen that in Kashkadarya region in 2019, the largest share of local budget expenditures was spent on social sphere and social support of the population. In particular, this indicator represents a significant part of the total expenses, i.e. 3517339.6 mln. it can be seen that it made up soums and retained a high share of the total local budget expenses in subsequent years. The lowest figure was shown in 2020, 2383420.3 mln. soums, i.e. 51.8% of the total local budget expenditures, and continued to grow in 2021, increased by 1.8% compared to the previous year and amounted to 3065333.7 mln. funds in the amount of soums were spent. Nevertheless, in 2021, there was a decrease in the composition of total expenses, which amounted to 50.2%.

The above analysis shows that today's spending authority methodology has an unsystematic form. Disagreements between the Ministry of Economy and Economy and Finance of the Republic of Uzbekistan and regional administrations become noticeable in the process of planning the costs of local budgets.

The transition to a market economy is first of all closely related to achieving stability in our life and economy. Therefore, stabilization of the financial situation of our economy is an important condition for the implementation of our economic reforms.

The level of income of members of society is considered an important indicator of their well-being, and at the same time, it determines the possibilities of individuals to relax, acquire knowledge, maintain their health, and satisfy their most basic needs. The monetary income of the population includes all cash receipts in the form of wages, income from business activities, allowances, pensions, scholarships, income from property in the form of interest, dividends, rent, securities, real estate, agricultural products, handicrafts. and includes income from the provision of various services.

The world experience shows that it was never easy to conquer one's statehood and achieve national and social freedom anywhere. Every country that has gained independence is looking for its own way of development, trying to develop its own model for building a new society. Uzbekistan will undoubtedly effectively use all the positive and acceptable experiences that have been collected in the course of the development of other countries and that can be applied to the conditions of the republic. It is the firm position of the republic to choose our own socio-economic and political-legal development path without rejecting all the fruitful experience gained from the world and our own practices.

#### LIST OF REFERENCES

1. Mirziyoyev Sh.M. Critical analysis, strict discipline and personal responsibility should be the daily rules of every leader's activity. - T.: "Uzbekistan", 2017. - 104 p.
2. Arbatskaya Y. Local self-management and territorial development: Russian and European opit / pod ed. YE. Gritsenko, E. Markvarta, V. Mokhova. - Perm: Izdatelstvo Permskogo natsionalno issledovatel'skogo polytekhnikheskogo universiteta, 2014. - 529 p.
3. Bejayev O. Mejbudjetniye atnoshenia: theory and practice of reforming. - M.: Exam, 2001. - 128 p.
4. Berzova N. Finance: uchebnik dlya bakalarovov / N.I. Berzova. - M.: Yurayt, 2014. - 590 p.
5. Bushmin YE. Gosudarstvenniye and municipal incomes are part of the regular budget system of the Russian Federation. - M.: REU im. G.V. Plekhanova, 2012. - 516 p.
6. Vahobov A., Jamolov Kh. Soglasovaniye mejbyudjetnih otnosheniy. - T.: Moliya, 2002. - 239



p.

7. Vrublevskaya O. Finance, denejnoye obrasheniye and credit. - M.: Yurayt, 2001. - 368 p.
8. Qabulov H. Directions of increasing the possibilities of regional economy and local budgets: I.f.n. science narrow take three. Summer. diss. - T.: 2006. - 129 p.
9. Kurbanov H. Improving inter-budget relations: I.f.n. science narrow take three. Summer. diss. - T.: 2010. - 146 p.
10. Haydarov M. Issues of increasing the independence of local budgets. // Journal of Economics and Finance. 2017 year. Number 6. - B. 22.

