

Ways to Increase the Efficiency of State Budget Expenditure to Ensure Sustainable Economic Growth

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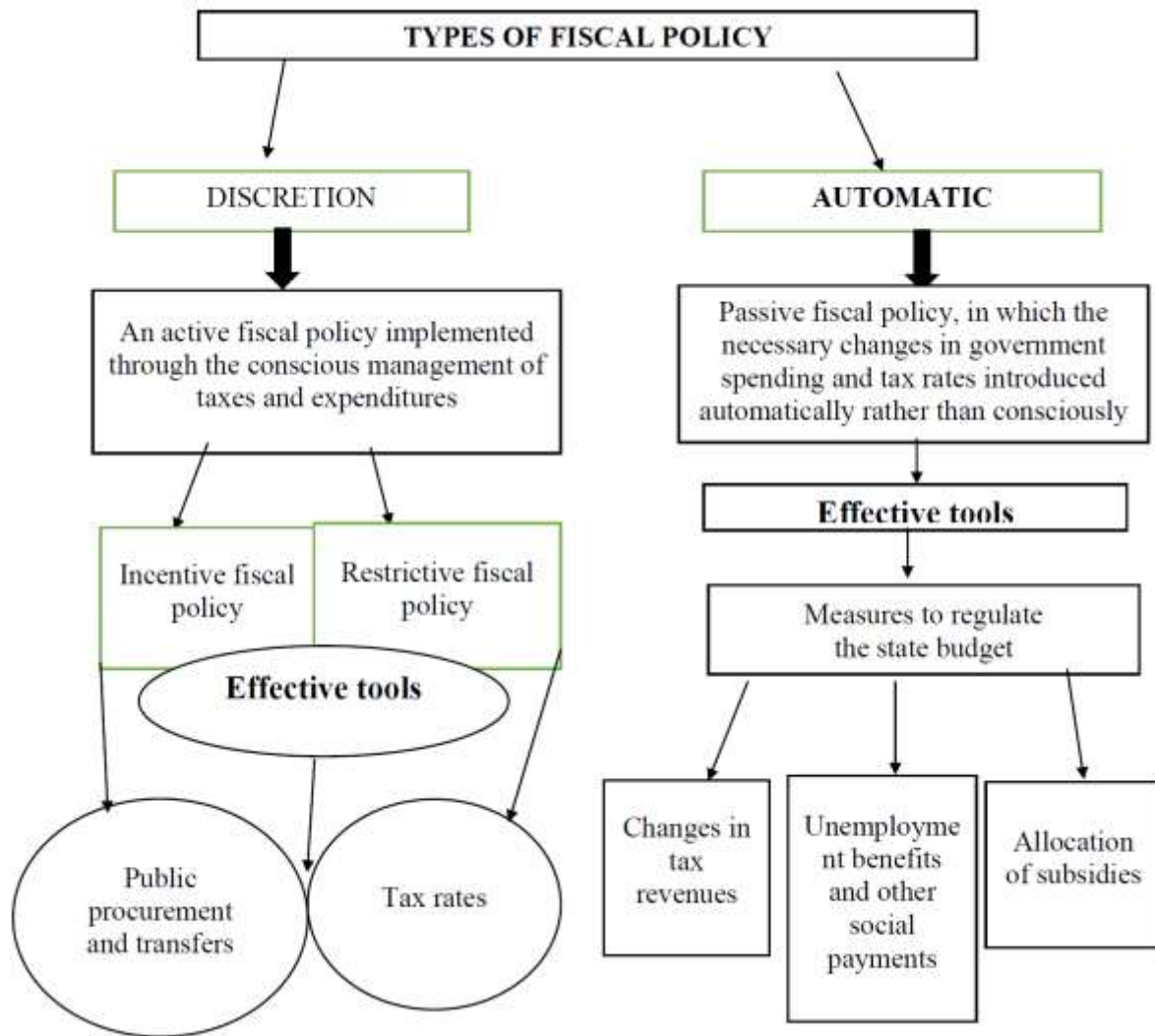
Abstract. The article discusses ways to increase the efficiency of state budget expenditure to ensure sustainable economic growth, as well as the theoretical foundations and causes of fundamental changes in the Republic of Uzbekistan and its main factors.

Key words: Economic growth, efficiency improvement, sustainability, costs, budget.

Today, the radical reforms being carried out in the economy of the Republic of Uzbekistan are increasing the importance of fiscal policy, including fiscal policy, in the sustainable development of the economy. This is because fiscal policy is one of the most important effective means of regulating the state economy and actively contributes to ensuring macroeconomic stability, comprehensive support for entrepreneurship and living standards of the country's population.

The Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 [1] states that strengthening macroeconomic stability and maintaining high economic growth rates is a necessary condition for the sustainable development of the country's economy in the medium term. "The latest decrees and resolutions adopted by President Sh.M. Mirziyoyev, aimed at liberalizing tax policy, developing entrepreneurship, stimulating the social sphere and improving tax administration, as well as ensuring the stability of budget revenues, aimed at implementing an optimized fiscal policy to stimulate economic growth" [2]. As part of the "On the development strategy of the New Uzbekistan for 2022 - 2026" [3], in order to determine priority areas for reforms aimed at further improving the welfare of the people, transforming sectors of the economy, and accelerating the development of entrepreneurship. In general, in stimulating economic growth in Uzbekistan.

Theoretical, methodological and practical aspects of optimized fiscal policy and effective management not been sufficiently studied as a specific, independent research object determines the relevance and scientific-practical significance of the topic. In our opinion, a new approach to the study of ways to implement optimized fiscal policy in stimulating economic growth in the Republic of Uzbekistan needed. A number of strong levers of fiscal policy used financially regulate the economy. Accordingly, two types of fiscal policy are distinguished: automatic and discretionary fiscal policy types (Figure 1).

Figure 1. Types of fiscal policy¹

The fundamental basis of the new approach to the study of ways to implement optimized fiscal policy to stimulate economic growth, taking into account modern requirements and real needs, should be based on the current tasks of socio-economic development in the new fiscal policy in the context of economic modernization and liberalization. The development of optimized fiscal policy and a systematic study of effective governance should be a key issue in stimulating economic growth. The development of an improved mechanism through coordination and harmonization. Foreign economists have also expressed their views on fiscal and monetary policy. In particular, Campbell Leiz, Iona Moldovan, Rafaele Rossi, in an article entitled "Monetary and fiscal policy in deep and complex conditions" focused on the important support of monetary policy in the economic development of the country [5]. A new interpretation of the concept of "optimized fiscal policy to stimulate economic growth" on the basis of a systematic approach, taking into account the priorities of

¹Allayarov, S. (2020) IMPLEMENTATION OF FINANCIAL POLICY OPTIMIZED IN THE CONDITIONS OF ECONOMIC GROWTH, International Finance and Accounting: Vol. 2020: Iss. 2, Article 7.

development, the conditions and economic base created for taxpayers on the basis of optimized fiscal policy based on the prospects of socio-economic development developed an advanced terminological apparatus covering both should be removed.

Based on the rules of socio-economic systematization, the socio-economic content of fiscal policy optimized to stimulate economic growth, the legal framework, goals, functions, principles and composition of its organization and effective management. Fiscal policy is the process of organizing and managing activities based on the optimization of the state fiscal base and risk minimization, aimed at promoting economic growth and efficiency in the country on an integrated organizational and legal basis, voluntary fulfillment of taxes and other obligations due to growth prospects for social development.

Optimized fiscal policy – the state should be responsible for the current state of the economy of the Republic of Uzbekistan, which upper and lower limits of the tax burden should be based on optimal regulation of taxation and income efficiency, taking into account the interests of the state and taxpayers. On the other hand, to create conditions for sustainable economic growth of the country, to increase budget revenues and living standards, to develop entrepreneurial activity, to eliminate the shadow economy, to return capital to the Republic of Uzbekistan, to attract large amounts of foreign investment should resolve positively [4].

Quantitative criteria of the system of economic growth factors as a result, the provision of stable GDP (Gross domestic product) growth rates can emerge. In the strategy of maintaining and improving the economic position of the world community, including the “Concept of socio-economic development of the Republic of Uzbekistan until 2030”, according to various development scenarios and forecasts of international rating agencies, the annual GDP growth rate in our country is 6% to 7-8%. It increased to percentage. The description of the qualitative criteria of the system of economic growth factors reflected in the growth of living conditions, reduction of stratification among the population, increase in life expectancy, improvement of the environment, and growth of economic competitiveness.

Fiscal policy – mandatory expenditures of the state in the form of public expenditures, payments, subsidies, transfers, subsidies, financing of targeted programs at all levels of government through the structure of sources of public revenue by changing the types and rates of taxes, levies, deductions and other mandatory payments to extra-budgetary funds is a set of measures aimed at increasing economic efficiency and stimulating economic growth by determining its size and composition.

In the future, fiscal and monetary policy in Uzbekistan it is advisable to take the following measures to improve coordination practices:

- development of joint actions of the Government and the Central Bank to reduce inflation and ensure stable prices, regular exchange of information between the Ministries and establishment of a system of joint development of macroeconomic policy measures;
- Establish fiscal limits to ensure the stability of the state budget, including: the introduction of rules for the use of funds raised by the Fund for Reconstruction and Development of Uzbekistan to mitigate the impact of fluctuations in commodity prices on the budget and the waiver of extra-budgetary expenditures;
- fiscal policy and budget practices are a full market implementation of the Government's expenditures on social spheres at the expense of taxes and mandatory

payments, and expenditures on the economy at the expense of long-term resources attracted from the financial markets;

- reducing the level of dependence of budget revenues and expenditures on external factors, taking into account seasonal and periodic factors in the formation of the state budget;

- reducing the impact of budget operations on the level of liquidity of the banking system, including: radical improvement of the practice of allocating soft bank loans from the state budget and the introduction of the practice of partial incentives to leading sectors of the economy;

- Reform of state-owned enterprises in the energy, oil and gas, chemical, airlines, railways, grain processing and cotton industries in order to eliminate competition regulations in the medium term;

- Introduce certain adjustments in the implementation of monetary and fiscal policy so that the maintenance of structural imbalances, such as a sharp increase in imports during the period of structural changes in the economy, does not lead to deterioration of the balance of payments and rising inflation and devaluation pressures [4].

Based on the rich positive experience of world practice, it is advisable to apply the model of "ensuring sustainable economic growth based on tax optimization and risk minimization", to effectively organize ways to implement an optimized fiscal policy to stimulate economic growth in our country. In this regard, the practice of fiscal devaluation of the tax revenue base on the value-added tax instrument in our country since 2022 is explained by this need. The current task is to develop important new criteria and indicators for the creation of a New Uzbekistan, ensuring economic growth. At the same time, based on the analysis of the current methodology for determining the directions and factors of the state economic policy to stimulate economic growth, the factors and results of the state policy to stimulate economic growth in order to determine the effective use of the determinable factors, it is necessary to develop an assessment methodology taking into account ways to increase the efficiency of state budget expenditure to ensure sustainable economic growth.

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