

Actuality of Public Finance Management System in The Republic of Uzbekistan: Main Directions, Stages, Prospects for Improvement

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Abstract

In this article, the priorities of the strategy for the management of public finances, the reforms implemented in Uzbekistan on the effective management of public finances, and the improvement of the public financial system are studied.

Keywords: finance, state finance, state finance management, development strategy, strategy for improving the state financial system.

INTRODUCTION

Today, all spheres of society and state life are rapidly developing, which requires the implementation of reforms based on the improvement of public finance management, which ensures rapid and high-quality progress of our country on the way to the ranks of the leaders of world civilization.

In the conditions of modernization of the economy, reforms aimed at ensuring the stability of state finances are being consistently implemented in our country. In this regard, it is permissible to cite the following comments of the Honorable President Sh.M. Mirziyoyev, "Further strengthening of macroeconomic stability and maintaining high rates of economic growth, including the State budget is balanced at all levels, the national currency and the price level in the domestic market are stable ensuring that it is our highest priority." [2]

MATERIALS AND METHODS

Concepts of long-term development of the country and priority state programs, in particular, the Development Strategy on the five priority directions of the development of the Republic of Uzbekistan in 2022-2026 [1], the annual address of the President of the Republic of Uzbekistan to the chambers of the Oliy Majlis, until 2030 the concept of socio-economic development and other similar state programs served as the basis for the development of the Strategy.



The main goal of the strategy is to conduct a well-thought-out budget policy, to increase the effectiveness of the use of budget funds directed to the social and economic development of the country, and to create an effective system of public finance management aimed at ensuring their transparency and openness.

To achieve the goals of the strategy, it is necessary to implement the following main tasks:

- conducting a tax-budget policy aimed at strategic goals and intended for the medium term;
- to strengthen fiscal control, to increase the responsibility and accountability of the participants of the budget process by determining the limited amounts of budget funds allocated to first-level budget allocators by the Oliy Majlis.

RESULTS AND DISCUSSION

The strategy identifies six main areas for further improvement of Uzbekistan's public financial management system in 2020-2024:

- Development of a medium-term budgeting framework and introduction of a new results-based annual budget system;
- Strengthening institutional capacity and accountability of budget stakeholders to ensure the reliability of macro-office forecasts;
- Increasing the authority and accountability of budget managers and local self-government bodies, strengthening their responsibility;
- Assessing fiscal risks, accounting for financial assets and liabilities, and implementation of an effective management system;
- Strengthening financial discipline through unifying budget reporting standards, improving internal controls and auditing, and strengthening parliamentary and public control of the budget process;
- Ensuring transparency, completeness of budget information and its compliance with international standards.

The implementation period of the strategy is designed until 2024 and includes the following six important goals:

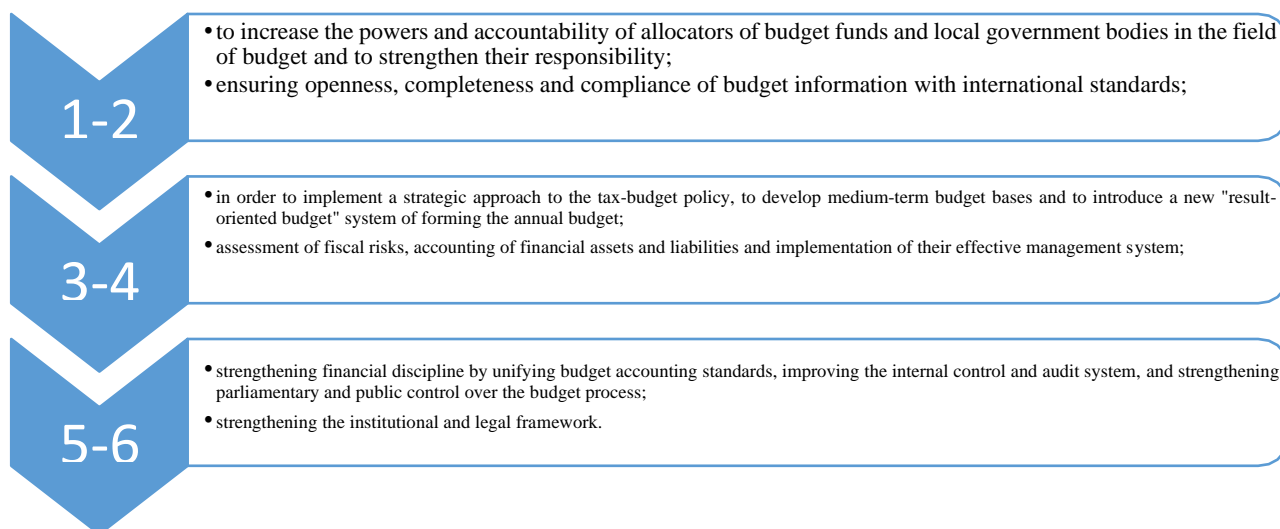


Figure 1. Important objectives in the implementation of the strategy [3]



The lack of a strategic approach in the current system of budget planning limits the allocation of funds allocated from the budget based on the priorities of fiscal policy and the financial capabilities of the State budget, which leads to an irrational increase in budget obligations and the lack of control over the effective use of allocated budget funds.

Based on this, the necessary reforms are as follows:

1. Improving the budget process
2. Development of medium-term budget bases
3. Increase the orientation of the budget according to efficiency and effectiveness
4. Increasing the efficiency of state investments

CONCLUSION

In the process of studying, analyzing and researching special literature and normative documents, as well as foreign experiences, we managed to make a number of scientifically based conclusions. The main ones are the following. In particular:

1. To increase the powers and accountability of allocators of budget funds and local government bodies in the budget sphere and to strengthen their responsibility.
2. Ensuring the openness, completeness and compliance of the budget information with international standards.
3. In order to implement a strategic approach to the tax-budget policy, develop medium-term budget bases and introduce a new "result-oriented budget" system of forming the annual budget.
4. Fiscal risk assessment, accounting of financial assets and liabilities and implementation of their effective management system.

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