

Ensuring Effective Use of Local Budget Funds in the Period of Digitalization

S. Ismoilova

*PhD, senior teacher, Fergana state university
sanobar-ismoilova@mail.ru*

Abstract: The article analyzes the problems of effective use of local budget funds and their causes on the example of the Ferghana region.

Keywords: local budget, revenues and expenditures, financing, deficit, appropriations, illegal expenditures.

It is certainly not a secret to experts that the issue of ensuring effective use of local budget funds is seriously lacking at the moment when Uzbekistan is moving towards a digital economy. In such a situation, it is natural that the question of what should be done to ensure the effective use of budget funds in the current conditions and in the near future is put on the agenda. In our opinion, the results of the performed analysis, the logical conclusions drawn based on them, the study of the best practices of developed foreign countries in this regard, etc., require the development of the following measures in this direction and their continuous implementation:

1. Strict adherence to the procedures or principles of using budget funds and achieving their full application in practice.

In our opinion, the biggest reserve for ensuring the effective use of budget funds, first of all, is located here. If, other conditions being equal, strict adherence to the procedures or principles of the use of budget funds in practice are ensured by 100.0%, the problem of ensuring the effective use of these funds would be eliminated. However, unfortunately, there are not so many people who believe that this is exactly the case in the practice of our country (both those who allocate funds from the budget and those who receive funds from the budget). That is why there is no practical implementation of theirs, and cases of their denial occur at every step. As a result of this, a certain part of the budget funds will be spent inefficiently (making financial mistakes, shortage of funds and material resources and embezzlement, as well as making illegal expenses and overpayments, etc.). Therefore, the first thing that needs to be done in this direction, in our opinion, should be a sharp change in the attitude towards the procedures or principles of using budget funds from both sides (budget allocators and budget recipients). Both parties must be convinced that any violation of those rules or principles will necessarily lead to an inefficient use of budget funds and therefore act against it. International experience also shows that if the procedures or principles established in practice are not strictly followed, the problem of ensuring the effective use of budget funds remains unsolved.

2. Sharply increase the responsibility and financial responsibility of allocators of funds from the budget and recipients of funds from the budget in the process of ensuring effective spending of budget funds.

A detailed study of several years of practical data, the situation in the practice of our country in this direction, etc. shows that the problem of ensuring the effective spending of budget funds is impossible without a sharp increase in the financial responsibility of the people directly participating in this process. After all, this is fully confirmed by the data related to this direction in our practice. The level of responsibility and accountability in this direction is such that it is impossible to identify any trend towards ensuring the effective use of budget funds, even after analyzing the data of the next few years. In addition, the total amount of financial mistakes detected in the Fergana region of our republic in some years exceeded about 10.0 billion Uzbek sums. In some years, the deficit of their funds and material resources and the part of appropriations amounted to 5.0 billion sums, also the amount of illegal expenses and overpayments was reached 10.0 billion sums.¹ In our opinion, it is impossible to imagine that such a situation occurs every year in the region and that it is almost constant, albeit in variable amounts, without the responsibility and financial accountability of the relevant people in this direction. The volume of ineffectively spent budget funds in different years is even so high that, considering them, it can be concluded that the personnel concerned hardly felt financial responsibility in this direction. Otherwise, it is impossible to conclude that the amount of budget funds spent by making financial mistakes during one year in some years is such a large amount. In this regard, in our opinion, it is appropriate to make appropriate changes to the legal and regulatory documents regulating this situation. Since this matter has acquired a more legal aspect, we will limit ourselves here to the following: The financial responsibility of the relevant specific persons for their mistakes in the effective use of budget funds should be in the amount that they feel significantly (for example, several times higher than the current level). Their amount should be so impressive that the relevant person does not try or try to spend the budget funds in an illegal, aimless and ineffective way next time.

3. To further strengthen control over targeted and rational spending of budget funds.

The objective reality of life and practice is that in the current conditions of Uzbekistan, unfortunately, it is impossible to solve the problem of ensuring effective spending of budget funds without further strengthening of control over targeted and rational spending of budget funds. That is why it is no coincidence that today the task is set in the form of "It is necessary to further strengthen the control over the purposeful and rational spending of budget funds". In our view, there are at least two main reasons why the national task is set in this way. The first one is that the procedures or principles of using budget funds are not sufficiently and strictly observed in the practice of our country, and the second one is that the personnel involved in this process do not feel the same level of responsibility for using these funds. In our opinion, the main reason for making financial mistakes in the spending of billions of budget funds per year is determined by the above two cases. Since this thing continues continuously from year to year (this is fully confirmed by practical data), in such conditions, as one of the main ways to solve the problem or prevent it, as the President noted, it remains only to strengthen the control over the purposeful and rational spending of budget funds. In fact, under such conditions, the participants of this process (budget allocators and budget recipients) do not naturally accept any control, including the strengthening of control over ensuring the purposeful and rational spending of budget funds. They may also have their own objections (interference with work, cases of interference, non-freedom, interference with independence, etc.). In this regard, we would like to note the following opinion: those who do not want further strengthening of control over the purposeful and rational spending of budget funds should achieve legal, purposeful,

¹ Information from the Finance Department of Fergana region

24	ISSN 2576-5973 (online), Published by "Global Research Network LLC" under Volume: 6 Issue: 3 in Mar-2023 https://globalresearchnetwork.us/index.php/ajebm
	Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY). To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

rational and effective spending of budget funds without financial mistakes. Then there is no need for increased control.

Адабиётлар рўйхати.

1. Исмоилова, С. Я. (2020). Бюджетдан Молиялаштириш Усуллари–Маҳаллий Бюджетлар Харажатлари Самарали Сарфланишини Таъминлаш Омили. In *Минтақа Иқтисодиётини Инвестициялашнинг Молиявий-Ҳуқуқий Ва Инновацион Жиҳатлари* (Pp. 551-553).
2. Исмоилова, С. Я. (2020). Теоретические Задачи Обеспечения Эффективного Использования Местных Бюджетных Средств. In *Минтақа Иқтисодиётини Инвестициялашнинг Молиявий-Ҳуқуқий Ва Инновацион Жиҳатлари* (Pp. 250-258).
3. Исмоилова, С. Я., & Юсупова, Д. И. (2020). Важный Фактор Обеспечения Эффективного Использования Расходов Местных Бюджетов. In *Минтақа Иқтисодиётини Инвестициялашнинг Молиявий-Ҳуқуқий Ва Инновацион Жиҳатлари* (Pp. 520-523).
4. Yakubovna, I. S. (2020). Ensuring Effective Use Of Local Budget Funds: What Is The Root Cause Of The Problem?. *Архивариус*, (7 (52)), 44-47.
5. Ismoilova, S. Y. (2019). Fiscal Advantages And Disadvantages of Local Government. *Образование И Наука В России И За Рубежом*, (16), 165-170.
6. Исмоилова, С. Я. (2022). Маҳаллий Бюджетлар Маблағларидан Самарали Фойдаланишни Таъминлашнинг Замонавий Йўналиши. *Scientific Progress*, 3(2), 645-650.