

## TYPES OF BUDGET MODELS AND THEIR ROLE IN THE ECONOMIC DEVELOPMENT OF A COUNTRY

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### ABSTRACT

This article examines the types of budget models and their distinctive features. It also explores the impact of the application of budget models on the formation of budget expenditures.

**Keywords:** Budget, budget policy, budget revenue, budget expenditures, models of budget policy.

### INTRODUCTION

Up to today, a number of more Uzbek and foreign scientists have made their conclusions about some aspects of Budget Policy. It is envisaged to effectively use budget expenditures through the implementation of budgetary discipline.

### MATERIAL AND METHODS

Uzbek scientist B.Turabov's studies, the following conclusion was formulated: "The need to strengthen budgetary discipline in our country is associated, on the one hand, with issues of the formation of budget revenues, and on the other hand, the use of budget expenditures also necessitates this thing. The current circumstances associated with the financing of the social sphere, sectors of the economy, centralized investments, authorities and management agencies, the country's defense power and other expenses indicate the need to strengthen budgetary discipline"<sup>1</sup>.

The research carried out by Kh.Abdullayev also touched upon specific aspects of budget policy. Already, when thinking about the social function of finance, priority is given to spending budget expenses. In this regard, the following conclusion is made: "financing the activities of public organizations providing social services is carried out at the expense of budgetary funds and funds received from their entrepreneurial activities. Through entrepreneurial activity, income increases the services provided to the population, allowing the full implementation of the social functional tasks of budgetary organizations"<sup>2</sup>.

Although budget policy has not been studied directly as a category in the studies mentioned above, the special importance of budgetary discipline in the implementation of budget expenditures has been reflected. It seems to us that budget policy reflects not only the mobilization of its costs in priority areas, but also the targeted use in its implementation and strict adherence to the established rules. It is also known from research that budgetary policy plays an important role in the emergence of the social function of the financial category.

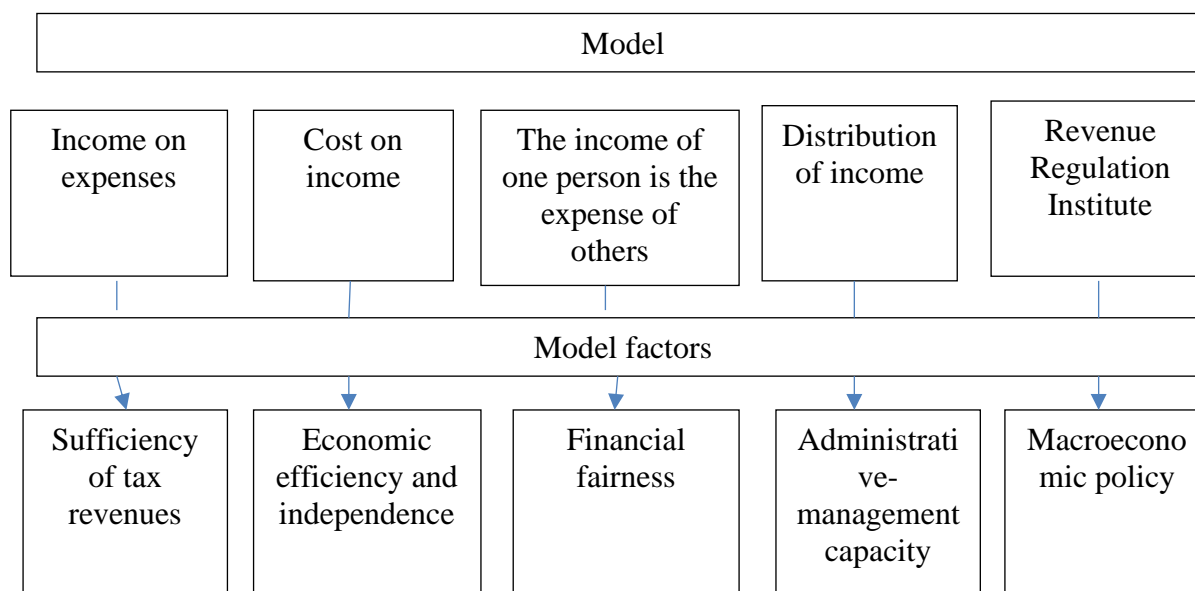
<sup>1</sup> Турабов Б.Т. Бюджетдан молиялаштириладиган муассасаларда бюджет интизомини мустаҳкамлаш масалалари: и.ф.н. ... автореферат. [Turabov B.T. Issues of strengthening budgetary discipline in budgetary funded institutions: PhD dissertation.]– Tashkent: 2007. – P.20

<sup>2</sup> Абдуллаев Х.А. Молиянинг ижтимоий функцияси ва уни амалга ошириш механизми: и.ф.н. ... автореферат. [Abdullaev X.A. The social function of Finance and the mechanism of its implementation: PhD dissertation]– Tashkent: 2007. – P.20

## RESEARCH RESULTS

It seems to us that the social function of finance is important not only through the expenditure of the budget in the social sphere, but also in the timeframe distribution of the gross domestic product. That is, it is manifested in the issue of reimbursement of pension expenses by establishing payments to the pension fund. At this point, the distribution (redistribution) functions of finance are reflected. Therefore, the functions of finance as a branch are reflected by the formation of budget expenditures and their implementation.

The directions for the implementation of budgetary policy have so far been ensured by the models of implementation based on the priority of income and expenses. For example, there is the practice of forming expenses based on the volume of income. This means that the fulfillment of the functions and tasks of the state is carried out not from their necessity, but from how much the income is.



**Figure 1. Budget regulation and factors characterizing it**

The formation of this trend arises in the cost model for more income, which does not allow the population to be provided with the necessary social services. This situation is explained by the fact that, along with an increase in demand for state budgetary services, the formation of tax revenues in sufficient quantities is not provided.

In this second model, we think that current modern trends will find their expression. In other words, it refers to the implementation of the tasks of the state at the expense of extra-budgetary funds. In this case, it is introduced following the rules that allowance of transferring budgetary services to a paid form, based on the principles of a market economy. In this case, the development of private practice is envisaged to reduce the financial burden on the budget. Nowadays, the use of this experience is becoming widespread in many countries of the world. In this regard, a number of reforms are being carried out in Uzbekistan. In particular, such examples as the provision of established categories of medical services by the private sphere or the introduction of a payment contract mechanism in the system of higher education are as relevant examples.

Subsequent models arose through the distribution (redistribution) function of finance, implying a balanced distribution of national income among the strata of the population. The state, using tax mechanisms, attracts a certain income part of the high-income population stratum to budget revenues for the provision of social services to the low-income stratum. As a result, everyone has the opportunity to use social services. Financial fairness is also ensured. It seems to us that achieving the provision of this financial fairness is characteristic of the relations of this socially oriented market economy. The reason is that the state does not allow to direct the functions and tasks it undertakes in a paid way through the private sector. Therefore, the level of tax burden in the country in which the characteristics of this model are valid will also be higher. At the same time, the state maintains all social obligations in a centralized manner.

Another model of the current models of budget policy is the use of macroeconomic regulatory capabilities through taxes. The state regulates the financial activities of economic entities through the implementation of tax policy and tries to ensure their stability.

### CONCLUSION

In our opinion, the main features of budget policy are manifested through:

- setting the direction of expenses based on the volume of income;
- ensuring a fixed volume of income based on the level of necessity of expenses;
- achieving the provision of passive financial interest in the low-income stratum of the population;
- being a means of creating a mechanism for macroeconomic regulation through the formation of budget revenues.

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