

SCIENTIFIC AND THEORETICAL BASIS OF THE INFLUENCE OF STATE  
BUDGET EXPENDITURE ON ECONOMIC GROWTH

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**Abstract.** *This article examines public spending in the Republic of Uzbekistan and its impact on economic growth. The article theoretically describes the state budget, the structure of income and expenses of the budget, and the impact of state expenses on economic growth. The methods used in the research and analysis of state budget expenditures are expressed.*

**Key words.** *Budget, income, expenditure, goods, gross domestic product, gross national product.*

One of the main directions of the economic reforms implemented in Uzbekistan is to ensure sustainable development of the state budget. In the conditions of ongoing complex processes and negative trends in the world economy, the state budget is one of the main financial instruments of the state regulation of the national economy, in the conditions of a number of measures aimed at stimulating domestic demand, increasing the competitiveness of the economy, modernization of the national economy, as an important factor of the country's stable economic growth. is considered

In the current conditions of reforms related to increasing the competitiveness of the national economy, modernization and diversification of production, the formation of stable mechanisms of flows of financial resources at the macro and micro level is of urgent importance. Improving the flow of financial resources ensures mutual relativity and equality of economic development, ensures the development and efficient operation of various sectors and areas of the economy. The centralized fund, which is of central importance in ensuring such a balance of financial flows, is of great importance to the state budget. This is confirmed by the following comments of President Sh. Mirziyoev, "It is necessary to further improve the system of effective use of budget funds. Any program or project for which funds are allocated from the budget should have result-oriented indicators consisting of qualitative and quantitative indicators.

In 2019, it is planned to absorb nearly 138 trillion soums of investments from all sources, or 16 percent more than in 2018. In this regard, the amount of foreign direct investments will be increased by almost 1.5 times compared to the current year and will reach 4.2 billion dollars. As a result, 142 modern enterprises will be launched.

As can be seen in the above comments of the President, the fact that our country has achieved balance in the economic and social spheres, developed at a high pace due to modernization and diversification, is directly related to the performance indicators of the state budget. Because the state budget is considered the main financial instrument of

the state's regulation of the economy, and it clearly expresses the effectiveness of the state policy in the national economy.

Through the state budget, the gross domestic product created in society is redistributed. The redistribution of GDP is caused by the general needs of society: education, health care, economic and political stability in the country, material support of the population in need of social protection, peace, maintaining the integrity of borders and the need for the availability of state reserves for emergency situations. . Also, through the state budget, the state will have the financial leverage to influence the process of social reproduction of society. The state budget, as the main financial plan of the state, creates the financial basis of the economic capabilities of the state government.

So, on the one hand, the emergence of the budget is directly related to the emergence of states, and on the other hand, in the conditions of the market economy, the quality marks of the budget as the main instrument for the implementation of state reforms in the socio-economic spheres of society are specified.

In the concept of the state budget, it is necessary to distinguish between its interpretations as an economic category and as the main financial plan of the country. As an economic category, the budget is considered as a system of monetary relations with an objective character.

In the material sense, the budget consists of a centralized fund of funds that ensures the activity of state and local authorities at the appropriate level and enables them to fulfill their political, economic, and social tasks. Financial provision of the activities planned by the state at the expense of the budget means exactly this material meaning of the budget.

In our opinion, in the new version of the concept of the state budget, some important aspects of it, like other special purpose funds, have been neglected. In particular, any fund or trust fund is formed for a certain period. Because, in order to quantitatively limit its sources of income and expenses, it is necessary to determine the period of its formation. In particular, if attention is paid to the budgeting process in this regard, the state budget is intended for the financial year.

In addition, when clarifying the state budget, it is appropriate to pay attention to its quality marks as a legal category and an economic category.

The budget is also an economic category. Because its material basis is monetary income obtained as a result of social production. That is why the interests of production should be taken into account in the process of organizing budget relations in any country.

Another feature of the state budget is explained in the above opinion. In particular, it highlights the importance of local budgets, which are considered to be a structural element of the state budget in territorial socio-economic reforms implemented in each region, in addition to being the financial source for the implementation of the



integrated state socio-economic policy. Also, the characteristics of the state budget as the main instrument of economy regulation by the state are highlighted.

It is carried out by state regulation, taxes, budget funds and financial assistance, social guarantees, special funds at the expense of budget funds, and the organization of reserves for the prevention of imbalances in the development of the economy.

Budget relations are financial relations that arise in the process of value distribution between the state and economic entities and the population. The peculiarity of such financial relations is that, firstly, as we mentioned above, it arises at the stage of distribution of social production, and secondly, it is directed to the formation of centralized financial resources and their use in the interests of the state.

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