WAYS TO IMPROVE SOURCES OF COVERING THE STATE BUDGET DEFICIT IN THE REPUBLIC OF TAJIKISTAN

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Abstract

The article considers ways to improve the sources of the state budget deficit of the Republic of Tajikistan. The authors paid special attention to improving the results and improving the processes of covering the state budget deficit.

The purpose of the study is to determine the main directions of the state budget deficit and ways to improve the sources of the state budget deficit. Research methods include the collection of real data that ensure the reliability of conclusions, theoretical and quantitative processing of the results obtained, creation of tables, diagrams, figures, economic and statistical analysis, interpretation of data and drawing conclusions.

Keywords

budget, revenues, expenditures, state budget, budget deficit, sources of financing the budget deficit, public debt, budget revenues, budget expenditures.

Introduction

The balance of the state budget is one of the factors of sustainable economic development, the growth of real incomes and the quality of life of the population. The main goal of the mechanism for ensuring the balance of the state budget is the long-term balance and stability of both the republican budget and the state budget system as a whole. The implementation of this goal is based on the effective use of instruments to ensure obligations and the successful solution of social and economic tasks of the state.

This is associated with a high degree of dependence of state budget revenues on the foreign economic situation, a structural imbalance in the economy and a large amount of state obligations, which are indicated in strategic documents for the development of the national economy.

In the economic literature, the imbalance of the state budget is called the budget deficit or surplus. From the point of view of financial researchers, the budget deficit is divided into two sub-parts: random and real [3; 122]. Occasional

budget deficits are usually caused by temporary deficits and spending. Occasional deficits are characteristic mainly of local budgets, since they are more dependent on one source of funding. The real deficit is explained by the irreparable correlation between the increase in budget revenues and the growth of expenditures. The actual deficit is defined as the level in the budget law of the current fiscal year, but may increase or decrease during budget execution. Now in our study we look at the level of balance of the state budget of the Republic of Tajikistan.

Materials and methods

The analysis of the main state of the state budget is determined depending on macroeconomic indicators, since the effectiveness of the budget balance mechanism is closely dependent on the effectiveness of macroeconomic indicators. The structure (dynamics) of the main indicators of the state budget of the Republic of Tajikistan for 2018-2022 is presented in Table 1.

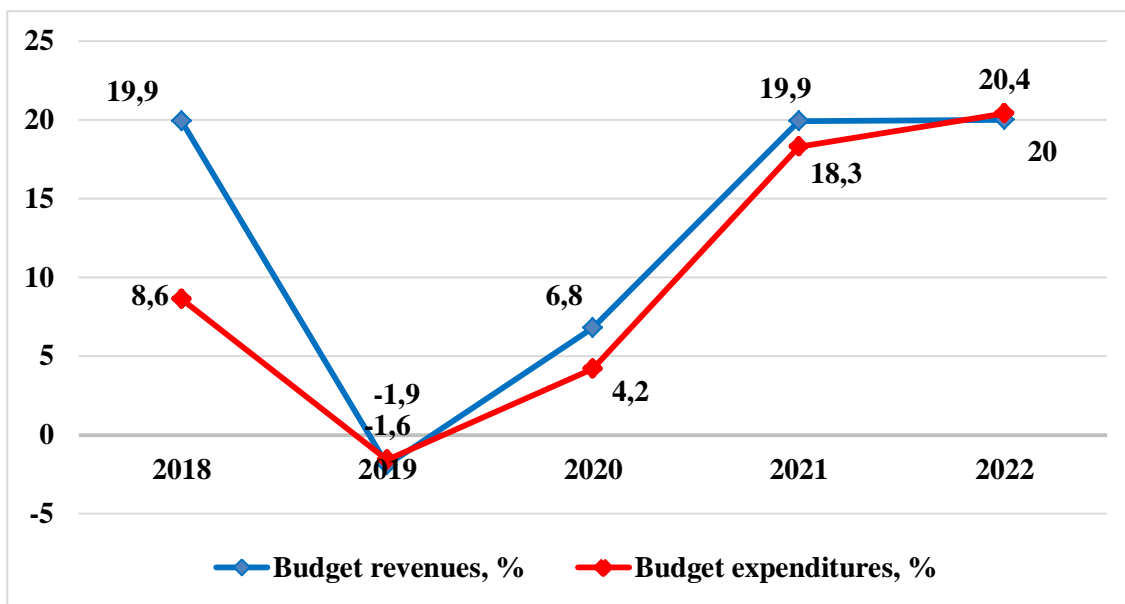**Table 1. The basis of the main indicators of the state budget of the Republic of Tajikistan in 2018-2022 ***

Indicators		2018	2019	2020	2021	2022	2022/18 (+/-, %)
Budget revenues	million somons	23925,5	23469,4	25065,0	30053,8	36056,8	**+50,7**
	growth rate,%	19,9	-1,9	6,8	19,9	20,0	**+0,1**
	in% of GDP	33,7	29,7	29,9	29,7	31,2	**-2,5**
Budget expenditures	million somons	24187,4	23806,6	24812,5	29342,7	35338,9	**+46,1**
	growth rate,%	8,6	-1,6	4,2	18,3	20,4	**+11,8**
	in% of GDP	34,0	30,1	29,6	29,0	30,5	**-3,5**
Budget deficit (surplus)	million somons	-261,9	-337,2	252,5	711,1	717,9	**-374,1**
	growth rate,%	-88,7	28,8	-174,9	181,6	1,0	**-87,7**
	in% of GDP	-0,4	-0,4	0,3	0,7	0,6	**-0,2**

* Source: Annual statistics, 2023. - S.363. Statistics Agency under the President of the Republic of Tajikistan, 2023.

From the indicators of Table 1 it follows that the funds of the state budget from year to year increase in arithmetic progression (or sequences), for example, the execution of state budget revenues in 2018 in the amount of 23925,5 million somons, in 2019 - 23469.4 million somons, in 2020 25065,0 million somons, in 2021 - 30053.8 million somons, in 2022 36,056,8 million somons or + 50.7% and state budget expenditures in 2018 in the amount of 24187,4 million somons, in 2019 - 23 806.6 million somons, 2020 million somoni in 24,812,5, 2021 million somoni in 29342.7, in 2022, 35338.9 million somoni, or 46.1% more than in 2018.

The growth rate of state budget revenues in 2018 is + 19.9%, in 2019 -1.9%, in 2020 + 6.8%, in 2021 - 19.9%, in 2022 - 20%. Part of the budget expenditures was carried out in a flexible proportion with state budget revenues. For example, the growth rate of state budget expenditures in 2018 amounted to + 8.6%, in 2019 - 1.6%, in 2020 + 4.2%, in 2021 + 18.3% and in 2022 + 20.4% (see Figure 1).

Figure 1. Growth rate of the state budget of the Republic of Tajikistan in 2018-2022*

* Source: Annual statistics, 2023. - S.363. Statistics Agency under the President of the Republic of Tajikistan, 2023.

Based on the results of the analysis of the main indicators of the state budget of the Republic of Tajikistan in 2018-2020, it became clear to us that the development rate of the state budget system of the country for this period averages 11.4%. (the rate of development of budget revenues is 12.9%, budget expenditures - 9.9%). We see the reason for the consistent development of incomes, expenditures and the state budget deficit in the influence of a series of global financial crises on the national economy, rising prices, inflation of the national currency, a decrease in the volume of remittances of immigrants to the country, as well as an increase in the volume of imports of products.

According to researchers, the raised funds of the state budget should be directed only to investment projects [10; 75] Unfortunately, most of the state budget deficit of the Republic of Tajikistan falls on social programs, that is, the funds raised are not spent efficiently depending on the direction of their use.

In recent years, the state budget deficit of the Republic of Tajikistan has been

covered by various sources. The main sources of covering the budget deficit in the Republic of Tajikistan are mainly due to the privatization of state property, the sale of state treasury bills, deposits of the republican budget, overfulfillment of the budget revenue plan, loans (grants) and financing of internal debt servicing of the Republic of Tajikistan.

According to the Law of the Republic of Tajikistan "On the State Budget for 2022," the final size of the state budget deficit of the Republic of Tajikistan in 2022 is 0.6% GDP or in the amount of 623904 thousand somoni became equal [4]. The state budget deficit for 2022 due to the privatization of state property is 32,000 somoni, the sale of state treasury bills is 100,000 thousand somoni, due to deposits of the republican budget, overfulfilling of the budget revenue plan, loans (grants) 361,904 thousand somoni, financing of servicing the internal debt of the Republic of Tajikistan 704242 thousand somoni (see Table 2).

Table 2. Sources of financing the state budget deficit in 2018-2022 (in thousands of somoni)*

Indicators	2018	2019	2020	2021	2022	2022/18 (+/-, %)
Income from privatization and use of state property	26000	25000	25000	24000	32000	**+23,1**
Revenue from sale of treasury bills	95000	100000	100000	100000	100000	**+5,3**
Due to deposits of the republican budget, overfulfillment of the budget revenue plan, debts (grants)	203181	154344	2966500	551454	361904	**+78,1**
Financing domestic debt servicing of the Republic of Tajikistan	384587	221992	846727	498820	704242	**+83,1**

* Source: Laws of the Republic of Tajikistan "On the State Budget for 2018-2022"*

To cover the existing deficit, some states resort to issuing money, but the result of this action is a devaluation of money and, ultimately, this leads to the development and recession of the economy. As a result, in most countries of the world, they faced public debt.

Today, there is no country that does not have debt, especially foreign debt, which has become the main source of basic spending in developing countries. Each

state is trying to effectively use the loan received. The effective use of guaranteed foreign loans makes it possible to repay them in the future. Public debt, along with solving a number of state problems, can also have a negative impact on the country's economy.

In the system of the state budget of the Republic of Tajikistan, along with an increase in the share of revenues and expenditures and the budget deficit, the attraction of external public debt has also increased. For example, in 2018, external public debt raising amounted to 2924.20 million US dollars or 37.7% of total GDP, then in 2022 it will reach 3228.30 million US dollars or 30.8% of GDP (110.4% more than in 2018) (see Figure 2).

Figure 2. The basis of the main indicators of public debt of the Republic of Tajikistan in 2018-2022 *
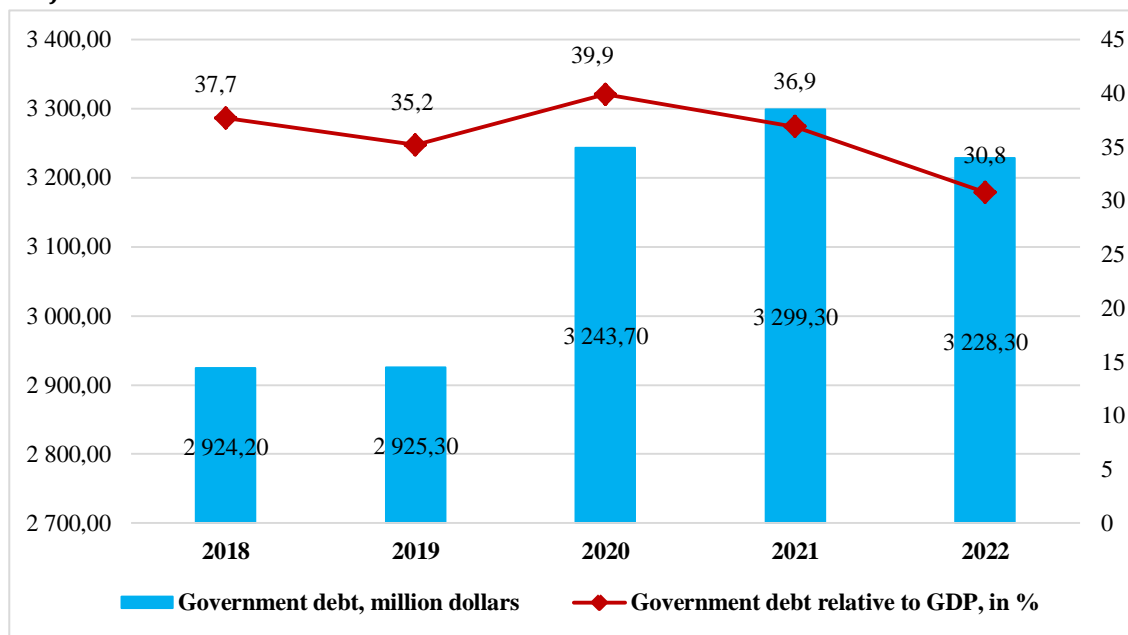
* **Source:** Annual Report of the Ministry of Finance of the Republic of Tajikistan for 2022.

As can be seen from the above analysis, one of the ways to correctly determine the size of the debt burden on the country's economy is the indicator of public debt in relation to the total domestic product. If the growth rate of debt is less than the growth rate of gross domestic product, then debt is not dangerous. In the case of low economic growth, public debt becomes an important macroeconomic problem.

Results

The risk of debt is not that the state can go bankrupt, this is impossible, since, as a rule, the state does not pay the debt, but in order to pay off existing debts, it

attracts new debts either by increasing the tax rate or by issuing additional money, it can pay off its debt obligations. However, as a result of refinancing of public debt, the interest rate on the loan increases, which in the short term leads to a decrease in investment, and in the long term - to a decrease in the capital of stocks and a decrease in the country's production capacity. On the other hand, refinancing is more often used in case of repayment of debt obligations to external creditors, however, a prerequisite and excessive attraction of new loans is the loss of the level of efficiency of the state budget system and stabilization of the situation, the level of the state budget deficit in relation to total GDP.

Conclusion

Thus, when balancing the state budget, it is important to take into account the impact of macroeconomic indicators, since they are used in calculating most revenues and coming from sources of financing the deficit.

In this regard, the following areas of improvement of the mechanism for ensuring the balance of the state budget can be distinguished from each other:

1. The stability of the revenue base of the state budget, which can only be ensured by increasing revenues, which should be greater than or equal to the expected expenditures. Ways to increase state budget revenues include:

1.1. development of state budget expenditure plans depending on state budget revenues;

1.2. improving the quality of forecasting future state budget revenues;

1.3. improving tax administration;

1.4. exclusion of unforeseen revenues of the state budget;

1,5. increase in income through the use of natural resources and the sale of state property;

1.6. increase in income due to the real sector of the economy of the regions of the republic (regions and subordinate regions of the republic);

2. Equalization of state budget expenditures to increase the level of efficient use of resources. To achieve this goal, it is necessary to regularly analyze and assess the value of new obligations that can be implemented through transparent financial government control in the sector of budgetary institutions.

In our opinion, one of the key directions for improving the balancing mechanism of the state budget of the Republic of Tajikistan is to reduce secondary expenses (expenses that do not give positive results to the development of the national economy [8]), due to which we can achieve real results in the development of the national economy.

3. The main aspects of improving the effectiveness of the public debt management policy of the Republic of Tajikistan include the solution of the following issues:

3.1. activation of the Central Asian Stock Exchange in the Republic of Tajikistan;

3.2. unification of the issue of government securities on the market of the Central Asian Stock Exchange;

3.3. establishment of the first T + 0 stock exchange operations on the Central Asian Stock Exchange;

3.4. transition to active operations with government securities in public debt management[8];

These proposals make it possible to improve the mechanism for balancing the state budget, the system for increasing the effectiveness of budgetary policy, ensuring long-term financial stability and balancing the budget, which will contribute to the trend and level of quality of economic development in the Republic of Tajikistan.

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