



## CHARACTERISTICS OF PUBLIC SECTOR EXPENDITURES

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**Abstract:** *In this article, the characteristics of expenses in the public sector, determination of their efficiency and improvement of characteristics are covered by the author. In addition, there are ways to effectively use foreign experience in the assessment of efficiency. In addition, the possibilities of improving the performance evaluation procedure are presented.*

**Key words:** *public sector, costs, features, benefits, cost efficiency.*

In the current period of economic reforms, financial control is becoming increasingly important in the management of public finances, including the state budget.

Also in the Decree of the President of the Republic of Uzbekistan dated February 14, 2022 “On further increasing the efficiency of state budget expenditures of the Republic of Uzbekistan and improving the activities of state financial control bodies” PQ-128 to increase the efficiency of state budget expenditures of the Republic of Uzbekistan, in order to enhance the prevention of violations of budget legislation and expand remote financial control, as well as improving the activities of state financial control bodies:

- correct calculation of wages and equivalent payments in budgetary organizations;
- monitoring the progress of construction work at sites included in the program for the development of social and industrial infrastructure, and carrying out control measures on them;
- assessment of the targeting and effectiveness of subsidies paid from the budgets of the budget system;
- monitoring compliance with the requirements established by legislation in the field of public procurement;
- study the effectiveness of projects implemented through public debt and grants.

The definition of such tasks also plays an important role in the formation of the country's budget. Government expenditures are expenditures aimed at financially supporting the tasks and functions of the state. Considered within the framework of public administration and fiscal policy.

Among the theories that explain the dynamics (growth) of government spending, including state budget expenditures, a special place is occupied by the theory of internal economic factors, the theory of internal political factors and the theory of external factors. In addition, it is worth saying that accounting for the execution of the state budget by the Treasury, as well as by state tax and customs authorities, budgetary organizations, and bodies distributing state trust funds is the only accounting. Execution of the state budget by the treasury is organized and carried out on the basis of a plan and budget classification.

In the context of reforms in public finance management, the main link of the state financial system is the management of the state budget; reforming the system of organizing



the budget process, in particular, the budget, has been tested in the experience of world practice. From the cash system of budget execution and was able to show its positive results. The transition to a cash system of budget execution is one of the economic achievements of every country in the world. It is gratifying that Uzbekistan is also in this row. To introduce and further develop the treasury system of the state budget in the economic practice of developed countries of the Republic of Uzbekistan, to lay the foundation of an information system for managing public financial resources, to open the doors of opportunities for obtaining quick and reliable information on the state of public finances, which is a guarantee of effective management of public finances. It should also be said that the introduction of the treasury system for the purpose of effective and targeted use of state budget funds, the creation of this system was the reason for the implementation of serious changes in improving the current and final process of control over the economic sector. This is one of the country's greatest economic achievements.

The implementation of the principle of efficiency in the field of budget expenditures involves the implementation of a set of measures. Currently, researchers highlight the program-target method of cost planning as a priority means of increasing the efficiency of budget expenditures. This method is fundamental to the implementation of performance-based budgeting. Performance budgeting is part of a broader and more general performance management model, which assumes that the allocation of budgetary resources must necessarily imply the achievement of certain objectives.

The distribution of budget funds according to the program-target method is carried out systematically, on the basis of approved target programs, is strictly targeted and is ensured by financial control over the use of funds.

The implementation of the principle of efficiency of budget expenditures largely depends on the processes of formation, provision and distribution. The current situation in this area can be characterized by the relative success of the regions in terms of increasing the efficiency of the distribution of interbudgetary transfers, as well as macroeconomic changes, as well as the presence of many problems associated with these changes.

Demands for privatization, as a rule, appear during periods when the situation in the country's economy is relatively favorable. In crisis situations, it is preferable for the state to buy private enterprises or even the entire industry, since private capital is not interested in these objects.

Conclusions. Thus, the boundary between the expansion of the public sector and privatization depends on the state of the country's economy, the profitability of public sector enterprises and the interest of private capital in acquiring certain objects or, conversely, in selling them to the state. Based on the experience of privatization in countries with market economies and countries of the former socialist camp, a number of principles of privatization can be formulated:

□ privatization is not mandatory and should not prevent the public sector from fulfilling its functions in the national economy;

□ the need to restructure and eliminate unjustified monopolies that impede competition;



- new investments, improvement of the management system, maintaining an optimal level of employment and social security, formation and support of the middle class of the population should be necessary conditions for government spending;
- government spending should be carried out taking into account national security;
- every step in the process of improving the efficiency and effectiveness of public expenditure must be reasonable, transparent and open to public scrutiny.

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