



STUDYING THE BUDGET FOR CITIZENS WITH THE PURPOSE OF INCREASING BUDGET LITERACY OF STUDENTS

Akhunova Elena

Associate Professor of the Department “Finance and Financial
Technologies”, Tashkent State University of Economics

<https://doi.org/10.5281/zenodo.11631834>

ARTICLE INFO

Received: 06th June 2024

Accepted: 12th June 2024

Online: 13th June 2024

KEYWORDS

*Finance, independent work,
analysis of practical data,
budget for citizens.*

ABSTRACT

The article discusses the concept of the state budget and the essence of budget policy, describes the need to prepare a budget for citizens and the main recommendations for its preparation, and considers an example of using a task to study “Budget for Citizens” as an effective type of task for self-study of students studying the discipline “Finance”, necessary to improve their budget literacy.

The state budget is the main centralized fund of funds of the state, ensuring that public authorities and management bodies carry out their functions and tasks. The formation and distribution of state budget funds is associated with financial policy, which is a special area of state activity aimed at mobilizing financial resources, their rational distribution and effective use for the state to carry out its functions. Budget policy is the purposeful activity of the state to determine the main tasks and qualitative parameters for the formation of budget revenues and expenditures, and management of public debt. Budget policy is one of the main directions of the state's economic policy and one of the most active tools for regulating macroeconomic proportions.

One of the areas for improving the development of budget policy and conducting a broad discussion of budget policy measures for the next financial year is drawing up a budget for citizens. With the introduction of the principle of openness into the activities of public authorities and management, the financial authorities of many countries are already disclosing data on planned, approved or actual income and expenses, publishing parameters of budget income and expenditure, as well as budget execution indicators, but such information, even when posted on the Internet is not always accessible and understandable to a wide range of readers. The explanation of open budget data from financial language into the language of everyday life of ordinary people is called the “citizen budget”, or “budget for citizens”. Budgeting for citizens is important for increasing the budget literacy of the population, which is an indicator of the cultural development of the subject (individual or collective) in the field of budgetary relations, the degree of proficiency in reading regulatory legal acts in the field of the budget, their interpretation, the practical implementation of competencies regulated by such acts, as well as the ability to apply their provisions to improve one's own financial well-being. Usually, this is a document or other information



resource that, in an understandable form, discloses to a citizen data on planned, approved or actual income and expenses in areas of interest to him. The main source of information on international practices for their publication is the Open Budget Survey, a study that, since 2006, has been conducted every two years as part of the global program to increase the accessibility and transparency of budget systems (“Open Budget Initiative”) [1].

A budget for citizens is an analytical document that should be developed by a financial authority in order to provide citizens with up-to-date information on the formation and execution of the budget in an objective and understandable form [2].

The developers of the Open Budget Review, based on a generalization of the experience of different countries of the world and an analysis of the opinions of a wide range of experts in the field of public financial management, compiled the following general recommendations that should be taken into account by national developers [1]:

1. Recommendations for drawing up a “budget for citizens”:

- compiled as a separate and self-sufficient document, understandable to the widest possible audience;
- provides the possibility of easy and quick access to additional information for interested users;
- in multinational states, it is published in different languages.

2. Recommendations for presenting a “budget for citizens”:

- represented by the department responsible for managing public finances and (or) the executive authority;
- focuses on the goals and content of the budget;
- reveals only essential issues;
- provides accurate, reliable and trustworthy data;
- presents information in understandable terms, using simple and effective graphs, charts, and comparative data from the previous budget year.

3. Recommendations for disseminating the “budget for citizens”:

- distributed simultaneously with the government's submission of the annual budget to the legislative branch, so that citizens can understand the government's plans, participate in their discussion and influence the consideration of the budget by legislators;
- different media are involved in dissemination, taking into account the specifics of their disclosure of information about the budget, their accessibility to different target groups and the level of financial literacy of the population;
- the number of distributors and commentators includes social services, independent experts, and non-governmental organizations.

One of the effective types of tasks for self-study is the task of analyzing practical data based on materials from ministries, departments, enterprises and organizations, as well as statistical collections, analytical reports, concepts, strategies and other documents [3]. As part of studying the topic “State Budget” of the academic discipline “Finance”, students must independently study the contents of the publication “Budget for Citizens for 2024” [4], which is of significant interest as practical material, let us consider the main types of student activities in studying this document:

- become familiar with the structure of the Budget for Citizens and its contents;



- read the basic concepts used in this document and make sure you understand their meaning;
- carefully read the introduction and contents of this publication;
- read the section “Forecast of macroeconomic indicators for 2024 and guidelines for 2025–2026”, remember the main terms, study the dynamics of the main indicators, compare the presented data with previously published data, financial and monetary policy priorities;
- study the composition and structure of revenues of the State Budget of the Republic of Uzbekistan for 2024, analyze changes in tax policy and expected results;
- consider the composition and structure of expenditures of the State budget for 2024, the volumes of financing of various areas, industries and activities, study the directions of budget policy and expected results;
- study information on local budget revenues and expenditures, as well as instruments of interbudgetary regulation;
- consider the forecast indicators of income and expenses of state trust funds and the Fund for Reconstruction and Development of the Republic of Uzbekistan;
- study the composition and structure of State budget expenditures for the implementation of the National Sustainable Development Goals;
- study the labeling of costs related to climate change;
- read information about the planned budget deficit and sources of covering it;
- study information describing the dynamics of public debt;
- in the process of studying, apply previously acquired knowledge in statistics, financial mathematics and econometrics in practice, using appropriate methods to confirm or refute hypotheses and check calculations;
- based on the results of studying the “Budget for Citizens”, draw conclusions about the planned indicators of the State Budget of the Republic of Uzbekistan for 2024, the directions of budget and tax policy and the planned results.

Students also need to determine [5]:

- which fragments of the text of the Budget for Citizens correspond to or complement the material you have previously studied;
- which fragments, on the contrary, contradict or are controversial;
- why the presented publication was useful for studying;
- what issues need to be discussed during the practical lesson;
- does the Budget for Citizens contain information that other students in the group or all citizens of the country should know;
- how can you use the information obtained in your further educational, scientific work or in making everyday financial decisions?

Studying the Budget for Citizens will allow students to better understand the basics of planning revenues and expenditures of the state budget, will serve to develop among the population the basic knowledge necessary to understand the main directions of activities of government bodies in the development and implementation of budget policy.



References:

1. Bogatyr, N. V. (2014). "Budget for Citizens": find a recipient. *Economic sociology*. V. 15, No. 5. P. 54-84.
2. Lukyanova, V. V. (2013). Budget for the population. *Fundamentals of economics, management, and law*. 5(11). P. 35-39.
3. Akhunova Y. (2021). The use of modern tasks in the organization of self-study in the discipline "Finance" // ISJ Theoretical & Applied Science. 06 (98), 410–413.
4. "Budget for Citizens. Project for 2024" [Electronic resource]. – Access mode: https://api.mf.uz/media/document_files/Budjet_P_24_ru.pdf.
5. Akhunova E.A. (2018). Reading scientific articles in a foreign language as a type of independent work in the discipline "Finance". *Scientific research and modern education. Collection of materials of the III International Scientific and Practical Conference*. Pp. 28–29.