

The Budget Provides a Mechanism for Effective Management of Social Sector Expenditures

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Abstract: The article examines the mechanism of effective management of budget expenditures in the social sphere, conducts a comparative analysis of the effectiveness of budget expenditure management, and formulates conclusions.

Keywords: social sphere, education, healthcare, human capital, economic growth.



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Introduction

In budget practice, when we talk about the social sphere, we first of all think of public education, healthcare, culture and sports, and science. These spheres play an important role in the socio-economic life of any country, in its national economy. It can be said without a doubt that the growth and development of this sphere is of decisive importance in ensuring the development of countries, the standard of living and standard of living of their population. Depending on the level of growth of the social sphere, the overall development of the country can be assessed.

Since there is a direct proportional relationship between the level of development of the social sphere and other aspects of the country's development, it is impossible to act contrary to the interests of the development of the social sphere. This can never be ignored. Therefore, this topic is relevant.

The overall goal of effective management of the processes of planning and financing of expenditures of educational and healthcare institutions of the social sphere is to fully ensure the well-being of the population not only today, but also in the future.

It goes without saying that in such conditions, planning and financing by streamlining the structure of social expenditures of the state budget, increasing the efficiency of budgetary and extra-budgetary funds allocated for these expenditures, and managing organizations of the social sphere are of urgent importance.

Social expenditures are an important component of the state budget and are of great importance in increasing the well-being of the population and ensuring social stability. Effective management of these funds is necessary for the targeted use of state resources and improving the quality of social services.

Social expenditures of the state budget are distributed in the following areas

| Direction Share of Expenditures (%) | Direction Share of Expenditures (%) |
|--|--|
| Education 35% | Education 35% |
| Health 25% | Health 25% |
| Social Protection 20% | Social Protection 20% |
| Employment and Vocational Training 10% | Employment and Vocational Training 10% |
| Housing and Utilities 10% | Housing and Utilities 10% |

In particular, the education sector finances preschool, general secondary, higher education and scientific research. Healthcare finances hospitals, clinics, drug supply and healthcare infrastructure. Social protection provides financial resources for benefits, child support, unemployment compensation. Employment and vocational training finances the costs of creating new jobs and developing the vocational education system. Housing and communal services finances affordable housing programs and improving infrastructure.

As can be seen from the table above, social sector expenditures are distributed as follows:

1. Education sector – 35%

- o The largest amount is allocated to the education system.
- o This is a strategic decision aimed at increasing the level of knowledge of the future generation and improving the quality of education.
- o It includes the construction of new schools, increasing teacher salaries and developing educational infrastructure.

2. Healthcare – 25%

- o The healthcare sector also occupies a large share, which is aimed at improving the general health of the population.
- o It is used to finance hospitals, clinics, pharmacies and emergency medical services.
- o It is important to introduce new technologies and improve the supply of medicines.

3. Social protection – 20%

- o The funds allocated to the social protection sector are directed to support the most vulnerable segments of the population.
- o Benefits and assistance are provided to the disabled, pensioners, the unemployed and low-income families.
- o The effective distribution of these funds requires protection from corruption and bureaucratic problems.

4. Employment and vocational training – 10%

- o It is allocated to develop the labor market and create new jobs.
- o Vocational training programs play an important role in ensuring the competitiveness of the population in the labor market.
- o These expenses have a positive impact on increasing the employment rate.

5. Housing and communal services – 10%

- o It is allocated to provide the population with affordable housing and improve the quality of communal services.
- o Modernization of electricity, gas, and water supply is also carried out at the expense of these funds.

The following are the directions for effective management of social sector expenditures:

- determination of priority areas;

Due to the limited budget funds, the most important and urgent areas should be clearly identified. Expenditures should be directed to the most needy segments of the population and allocated based on efficiency criteria.

- strengthening the digitalization and monitoring system;

With the help of digital technologies, it is possible to monitor and control the effective use of funds. It is important to prevent misuse of funds through the "e-budget" system and ensure transparency.

- developing a targeted assistance system;

Subsidies and compensations should be distributed differentially to segments in need of social assistance. This ensures the effective use of funds and prevents misallocation.

- development of public-private partnerships;

Through cooperation with the private sector, it is possible to finance social programs and reduce the budget burden. For example, by supporting private schools and hospitals, the state budget is effectively managed.

- assessment of the effectiveness of spending;

The impact of funds on actual results in each area should be assessed. For example, the impact of funds allocated to education on the level of knowledge of students should be analyzed.

If the budget system is not managed effectively, the following negative consequences can be cited:

- as a result of improper distribution of funds, the needs of the population are not met.
- corruption and ineffective projects lead to the purposeless spending of budget funds.
- the quality of health care and education decreases, which negatively affects economic development in the long term.

From this situation, we can conclude:

- budget funds should be allocated in a targeted and transparent manner.
- it is important to introduce electronic monitoring systems.
- partnership with the private sector reduces the budget burden.
- the effectiveness of spending should be constantly assessed.
- effective distribution: Funds should be distributed in accordance with the current needs of the population.
- monitoring and control: It is important to constantly monitor the targeted use of funds.
- innovative solutions: It is necessary to increase the effectiveness of funds through digital technologies.
- public-private partnership: Cooperation with the private sector can reduce the budget burden in some areas.

Effective management of social spending is a priority area of state economic policy and is necessary to improve the living standards of the population and ensure economic stability.

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