

International Conference on Research Paradigms Transformation in Social Sciences 2014

Improvement in implementation of fiscal policy of Russia

Dyrina E.N.* , Bannova K.A.

National Research Tomsk Polytechnic University, Tomsk Polytechnic University, Tomsk, Russia

Abstract

In this article, the authors consider the concepts of the budget consisting in public economic relations, and two main functions of the budget, such as distributive and control. The problem concerning the lack of legislative control of budget performance has been described through the analysis of the articles and appendices of the budgetary code of the Russian Federation. As a result, it has been revealed that the budgetary policy of the Russian Federation demands improvement and an individual approach to each element and direction of its formation at the present stage. The main aspects concerning the actions for the development of effective budgetary policy, increase of stability of the budget are presented in the work by means of the budgetary rules. These rules are directly related to a proper choice of the directions of fund expenditures and increase in the income of the budget due to improvement of tax administration regarding tax revenues.

© 2015 The Authors. Published by Elsevier Ltd. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/3.0/>).

Peer-review under responsibility of Tomsk Polytechnic University.

Keywords: fiscal policy, government programs, tax administration, intergovernmental relations, fiscal federalism.

1. Introduction

In the formation and development of the economic and social structure of society, the government regulation has always been playing an important role; it has been applied within the specific policy framework accepted at each historical stage. One of the mechanisms allowing the state to pursue economic and social policy is the financial system of society and the state budget, which is its part. The state budget influences directly the education and the use of centralized and decentralized funds of money. The budgetary system is of particular importance for Russia, and by virtue of the focused reflection on the principle of federalism of the state system we can distinguish the structure of the budget system, the fundamental principles of its construction, and the legal status of the budgets at each level of the system.

2. Definition and function of the budget

The budget is the public and economic relations mediating the process of formation, distribution and use of the centralized monetary fund by a certain state, territory or municipality. This fund is usually at the disposal of

* Dyrina E.N.. Tel.: +7-923-423-1024
E-mail address: zhenya_9309_93@mail.ru

public authorities or local government and intended for financing of the general problems solution of the territory. In addition, it represents the main financial plan approved by the appropriate representative body.

The state budget as a main element of the financial system has two main functions.

- A distributive function involves concentration of money within the state through various channels of receipt and its use to fulfil the purposes and functions of the state. This function is performed by the Treasury by means of the governing bodies.
- A control function consists in taking of control measures in the process of formation and use of money in various structural units of economy. As a rule, these kinds of measures are taken by tax inspections, tax police, the Treasuries, the Central bank and other bodies.

3. Problems of the budget of the Russian Federation

In the sphere of budgetary policy, the guidelines for state actions are fixed by the law. The budget of the next year is commonly planned by fixing of the income and expenses within the functional budgetary classification (further FBC). Its account indicators are approved by article 124 of the bill according to «sections and subsections» of FBC with reference to Appendix 11 of the law on the budget, as well as under the «target articles and types of expenses» with reference to Appendix 12. At the same time the income is considered solely by the bill «on the main sources» in article 24 without its obvious binding to the Budgetary classification. As a result, in the law on the budget the income is presented not in the format of expenses, and not in the system, in which it will be considered in the course of the budget execution. Thus, it provides the basis for arising of various ambiguities, various interpretation, incomparability of the data and other disagreements that complicate the possibility of control of performance of the law on the budget.

Meanwhile, the standards of the existing budgetary legislation allow the Government to spend the remains of budgetary funds formed at the beginning of year rather freely. It is connected with the illegibility of standards of the Budgetary code, in which there are no descriptions of the structure of the budget of the year and structure of laws on the budget of the year. In the text of the law on the annual budget (article 2), an additional degree of freedom in an expenditure of this rest without statement and even without notice of legislators is provided to the Government. As a result, the usefulness of reports on budget performance, if they also existed, is sharply depreciated, has a purely informative nature, instead of being of a supervisory character. Besides, as it was noted earlier, the Government has similar freedom when using up the extra-planned income. All this allows speaking about the absence of a due legislative supervision over the budget performance in Russia.

It is obvious that the budgetary policy in the Russian Federation demands improvement and an individual approach to each element and the direction of its formation at the present stage.

4. Ways of a solution

The required priority objectives of the planned expenditure commitments and, consequently, optimization, and a more effective use of financial resources - are one of the most important areas that should be covered in the budget policy and draw more attention. It is necessary to minimize the risks of unbalanced budget at the federal, regional and local levels with the direct implementation of the budget planning. Therefore, it should be based on real assessment of the draft budget and socio-economic development in the medium term. The introduction of the expert panel discussion will also serve as an additional safety net, since that will help to assess the draft budget for the planning period more accurately.

It is necessary to increase the level of resistance of the budget and dispose of its heavy dependence on the external market conditions. The fiscal rules that will ensure the reduction of non-oil budget deficit can serve as a main mechanism in this part.

4.1. Improvement of system of an expenditure

In the case of limited financial resources, an important rule consists in the fact that you must choose the most faithful direction of budget spending in order to achieve the required level of effectiveness of the implementation of fiscal policy in the long run. The implementation of the budget strategy of the Russian Federation in the long

Download English Version:

<https://daneshyari.com/en/article/1111882>

Download Persian Version:

<https://daneshyari.com/article/1111882>

[Daneshyari.com](https://daneshyari.com)