



PARTICIPATION OF STATE AND NON-STATE BODIES IN THE BUDGET PROCESS

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Abstract

This article covers the issues of improving the mechanism of use of budgetary funds and analyzes the factors that are important in the effective management of the state economy and in improving social well-being. In particular, the participation of non-governmental bodies in the budget process, the rational and effective expenditure of budgetary funds, provides not only economic stability. And is also a decisive factor in reducing corruption and strengthening the social responsibility of the state. The article analyzes the importance of measures such as increasing transparency in improving mechanisms for the use of budgetary funds, the implementation of Public Procurement on a fair and competitive basis, the development of a tender system, the implementation of a result-oriented budgeting system, and the role of state and non-governmental organizations in this. In particular, issues of strengthening public control have been outlined by monitoring public spending through open platforms, involving citizens and NGOs in these processes.

Keywords: Budget process, revenues, expenses, budget system, government agency, non-governmental organization, Platform, Public control.

Introduction

The economic stability and social development of any state are intrinsically linked to the implementation of an effective fiscal policy. The budgetary process constitutes a structured system for the formation, allocation, and rational utilization of public financial resources. Within this framework, not only public



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authorities and administrative bodies, but also non-governmental non-profit organizations, play an active and meaningful role.

State institutions ensure financial stability through drafting, approving, executing, and supervising the budget. At the same time, the non-governmental sector contributes by exercising public oversight, participating in social initiatives, and representing the interests of the population. Consequently, cooperation between governmental and non-governmental actors within the budgetary process enhances transparency, openness, and institutional efficiency. The State Budget serves as the principal financial instrument underpinning a country's economic and social development. The appropriate allocation of budgetary funds facilitates improvements in public welfare, supports the advancement of social sectors, and strengthens the effectiveness of public administration.

Main Body

It is widely acknowledged that no economically developed country operates without state financial control institutions. International practice identifies legality, impartiality, independence, and transparency as the fundamental principles of public financial oversight.

Scholarly discourse offers diverse interpretations regarding the functions and mechanisms of budgetary control. Parliamentary oversight is regarded as one of the most significant forms of supervision. According to Academician A. Saidov, parliamentary control represents a system of continuous monitoring conducted by the legislative branch to ensure the effective implementation of laws, verify the compliance of executive authorities with legislative norms, and adopt comprehensive measures aimed at preventing and eliminating identified violations [1].

Sh. Zulfiqarov characterizes parliamentary oversight as an independent and lawful activity of a representative body, including its chambers, committees, commissions, and members, directed toward ensuring adherence to the Constitution and current legislation, as well as safeguarding human and civil rights and freedoms [2]. Russian legal scholar T. Khabrieva emphasizes that budgetary control, first, constitutes a legal mechanism for implementing



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regulatory norms and, second, that its grounds, procedures, and forms are strictly determined by law [3]. A.D. Kerimov argues that parliamentary oversight is essential to prevent the concentration of unlimited power within the executive branch and to preserve democratic institutions [4].

Accordingly, control over budget execution may be defined as a process of verifying the conformity of public expenditure with legislation, regulatory acts, and designated objectives, as well as evaluating efficiency, transparency, and economic effectiveness, and addressing identified deficiencies and violations.

The budgetary process involves not only public authorities but also non-governmental entities, each performing specific functions and responsibilities.

Pursuant to Article 69 of the Budget Code of the Republic of Uzbekistan, the expenditure component of the State Budget includes:

- expenditures for the social sphere and social support of the population;
- expenditures aimed at state support of non-governmental non-profit organizations and other civil society institutions;
- economic expenditures;
- financing of centralized investments;
- maintenance of public authorities and administrative bodies, justice and prosecutorial institutions;
- maintenance of courts;
- maintenance of citizens' self-governing bodies;
- other expenditures.

The expenditure structure also encompasses reserve funds of the Cabinet of Ministers of the Republic of Uzbekistan, the Republican Budget of the Republic of Karakalpakstan, regional budgets, the Tashkent city budget, as well as district and municipal budgets [5].

The budgetary process comprises the formation, drafting, consideration, adoption, approval, and execution of budgets within the budgetary system; supervision over their preparation and implementation; preparation and approval of execution reports; and regulation of inter-budgetary relations [6]. This process extends beyond mere allocation of funds or expenditure planning. It serves as a mechanism for defining national economic priorities, financing social sectors, and implementing key public policy objectives.



The structural stages of the budgetary process include:

- preparation and formulation of draft budgets;
- review and approval by competent state authorities;
- organization and control of budget execution;
- preparation, analysis, and approval of budget execution reports.

Additionally, financial relations are established among budgets at various levels—republican, the Republic of Karakalpakstan, regional, district, and municipal budgets.

In essence, the budgetary process represents a complex yet vital mechanism through which the state operationalizes its economic policy and ensures effective management of national resources.

Analysis of Research Findings

In developed countries, the necessity for budgetary reforms is driven by several interrelated factors. On the one hand, increased societal influence over fiscal authorities compels governments to negotiate with stakeholders during budget formation. On the other hand, members of parliament seek greater clarity and accessibility in budget structures, as well as a more active role in drafting, approving, and overseeing their execution. Ordinary citizens expect transparent and comprehensive information regarding the utilization of tax revenues. Meanwhile, executive authorities require clear policy guidance from legislators and advocate for broader discretion and autonomy in managing public expenditures [5].

Over the past decade, extensive budgetary reforms have been undertaken in countries such as the United Kingdom, New Zealand, Canada, and Sweden. The positive outcomes of these reforms have influenced further improvements in public financial management in France and other jurisdictions [6].

Recent reforms in developed countries have focused on enhancing the public financial management system, increasing efficiency, and ensuring transparency before society. These measures aim to strengthen the balance of financial relations among society, government, and parliament, while fostering a results-oriented governance culture.



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First, a central objective of reform is to present fiscal policy in a clear and accessible manner for all citizens. This has involved the introduction of simplified and transparent budget structures, accompanied by regular and detailed reporting to taxpayers regarding the allocation and use of public funds. Such an approach reinforces public oversight and strengthens trust in governmental institutions.

Second, reforms are oriented toward establishing a performance-based management system. This involves enhancing the efficiency of public spending, increasing accountability for expenditures, and implementing mechanisms for evaluating outcomes. Consequently, the budgetary process is increasingly viewed not merely as a system of financial allocation, but also as an instrument for measuring the economic effectiveness of state activity.

Thirdly, within the framework of budgetary reforms, particular emphasis is placed on enhancing financial transparency through the modernization of the public accounting system. This approach facilitates the alignment of public financial reporting with international standards, the expansion of open data systems, and the strengthening of accountability mechanisms [7].

Public authorities participate directly at all stages of the budgetary process. Their primary responsibilities include the following:

- The Legislative Chamber examines, deliberates upon, and approves the draft State Budget, and exercises parliamentary oversight over its execution.
- The Cabinet of Ministers is responsible for drafting the budget proposal, submitting it to parliament, and ensuring its implementation.
- The Ministry of Finance functions as the central body for budget formulation, allocation of funds, organization of execution, and financial supervision.
- The Accounts Chamber conducts external audit and oversight to ensure the targeted and efficient use of budgetary resources and compliance with financial discipline.
- Local public authorities prepare, approve, and execute regional and local budgets, while shaping financial policy in accordance with the needs of the population.

Article 10 of the Constitutional Law “On the Legislative Chamber of the Oliy Majlis of the Republic of Uzbekistan” provides that representatives of state



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bodies, non-governmental non-profit organizations, research institutions, experts, scholars, and mass media may be invited to sessions of the Legislative Chamber. The expansion of civil society participation in social policy, actively promoted within ongoing national reforms, reflects the strategic importance attributed to non-governmental actors in governance processes.

Non-governmental non-profit organizations (NGOs) and other civil society institutions also play a substantive role in the budgetary process, particularly in ensuring transparency and facilitating public oversight [8]. NGOs participate in public discussions of draft budgets, articulate societal interests, and submit proposals for consideration [9].

Mass media outlets contribute by disseminating information concerning the budgetary process, thereby reinforcing openness and transparency. Academic institutions and experts provide analytical support through economic research, policy evaluation, and the preparation of expert conclusions aimed at improving fiscal policy [10]. Civil society institutions further strengthen accountability by monitoring the targeted use of budgetary funds and assessing the effectiveness of social programs [11].

International practice likewise recognizes the efficiency of public expenditures as a subject of both parliamentary and public oversight [12]. In the United States, for instance, a new mechanism for evaluating government programs—the Program Assessment Rating Tool (PART)—was introduced in 2003. Under this system, the U.S. Congress evaluates federally funded programs and projects using specialized questionnaires and assigns one of five performance ratings: “effective,” “moderately effective,” “adequate,” “ineffective,” or “results not demonstrated.” Budgetary allocations are subsequently determined in accordance with these performance assessments. Comparable mechanisms have been implemented in Canada (Expenditure Management System – EMS) [13], the United Kingdom (Comprehensive Spending Review – CSR) [14], and France [15].

At present, information concerning the execution of the State Budget in Uzbekistan is primarily published on the official websites of the Legislative Chamber and the Senate of the Oliy Majlis [16]. However, access to such



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information remains limited, particularly for residents of regions with restricted internet connectivity.

Furthermore, the data published on parliamentary websites are often incomplete and do not disclose all budgetary parameters, including expenditures in the fields of defense and security or the allocation of revenues derived from natural resources.

In addition, national legislation does not clearly establish mandatory requirements regarding the specific sources through which information on budget execution must be disseminated for public access.

To address these shortcomings, it is proposed to amend the Laws “On the Rules of Procedure of the Legislative Chamber of the Oliy Majlis of the Republic of Uzbekistan” (Articles 20 and 31) and “On the Rules of Procedure of the Senate of the Oliy Majlis of the Republic of Uzbekistan” (Articles 16 and 32) by incorporating provisions requiring the publication in open sources of all materials related to the draft State Budget and its execution that are submitted to parliament and prepared for discussion in responsible committees.

Conclusion

The interaction between state and non-state actors in the budgetary process contributes to balanced financial governance, increased transparency, and the reduction of corruption risks. Through structured dialogue, public hearings, and open reporting systems, public trust in governmental financial activities is strengthened.

Active participation of both governmental and non-governmental institutions in the budgetary process constitutes a fundamental guarantee of effective financial management and the realization of the principles of open and accountable governance. Therefore, the formulation and implementation of budgetary policy require sustained cooperation among public authorities, non-governmental organizations, academic institutions, and broader civil society.



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