SOCIO-ECONOMIC IMPORTANCE OF THE FINANCIAL SYSTEM

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Abstract

In the article explores the concept of fiscal policy, the essence of Republic regulation of social and economic development as a process of inclusion of the Republic in the economic sphere of society through of fiscal policy. Defines types of fiscal policy.

Keywords: unemployment, economic growth, fiscal policy, government regulation of the economy, the decline in production.

Introduction

The fiscal policy of the Republic is the most important, if not the most important part of the general policy of the Republic. In fact, in the conditions of market relations, it is the fiscal policy that determines the direction and pace of development of the national economy. If the Republic economy is stalling, then first of all it is necessary to analyze the tax system as the basis of the fiscal policy of the Republic. The fiscal policy of the Republic is called upon not only to form the Republic budget necessary for the normal functioning of society as a whole, but also to be fair. The basic principle of fiscal policy should be as follows: the higher the income, the more payments to the budget, and not to impose exorbitant taxes on the poor and, at the same time, take the minimum from the rich. Unfortunately, such an approach often exists in the taxation system of Republics, including in Uzbekistan. And this, as a rule, in addition to the discontent of many citizens, causes both stagnation and stagnation in the economy.

Both in Uzbekistan and in recent years, the importance of the financial system and its importance in the economic and social development of the country are strengthened in law. As a clear proof of this, we can mention the decision of the Cabinet Ministers of the Republic of Uzbekistan dated August 24, 2020 “on approval of the strategy for improving the management system of Public Finance of the Republic of Uzbekistan in 2020-2024” No. 506. To take the public finance management system to a new level and further strengthen the budgetary discipline, increase the transparency of the tax-budget system, increase the efficiency and effectiveness of the use of state budget funds of the Republic of Uzbekistan, In order to introduce modern methods of planning the state budget for the medium-term period and to ensure the implementation of the decree of the president of the Republic of Uzbekistan “on measures to ensure the implementation of the law of the Republic of Uzbekistan “on the state budget for 2020”PQ-4555 of December 30, 2019, the Cabinet of Ministers.

By means of the Republic budget and fiscal policy, i.e. by means of various manipulations with Republic expenditures and taxation, the Republic is capable of changing a great deal in the economy. For example, it is possible to change the sectoral structure of the national economy, create better conditions for the development of production, employment of the population, reduce inflation and much more. But in Uzbekistan everything is different. Despite the understanding of many problems in the economy, the fiscal policy of the Uzbekistan Republic has not changed for a long time. It is clear to everyone that the current situation in the tax system does not contribute to the development of the economy, does not stimulate domestic demand, without which the national economy of Uzbekistan will not develop. Let us determine who benefits from such a situation with the application of fiscal policy in Uzbekistan in its current form: several mining corporations and banks. That is why new banks are created in Uzbekistan very often, with financial support from the Government. The situation in real production is decadent. At present, if you do not count a number of monopolistic industries, the economy of the real sector is hardly considered competitive in the market. The current fiscal policy in Uzbekistan is beneficial only to individual legal entities and individuals, but not to the economy as a whole and, even more so, not to the majority of Uzbekistan citizens. The economy is not the presence of money (money is just an intermediary that connects all producers when exchanging their labor), but the work of real production, which is the true wealth of the Republic. You can have a lot of money (especially paper) and be a beggar, and You can be rich without money, having your own production. You can't raise the economy by pouring large amounts of money into banks.

Financial policy is of self-sustaining importance and is at the same time an important means of implementing public policy in any area of social activity. It does not matter seriously whether it is an economy, social sphere, military reform or international relations. Politics, political influence and political leadership are composed of the following three elements: •identify and set the main goal and accurately determine the tasks in the future and in the near future, which are necessary to achieve the goals inherent in a certain period of society's life; •develop methods, tools and clear forms of relationships in which the goals set are achieved in short periods,; •able to solve the task assigned to select and place personnel, organize their implementation. Therefore, it is called financial policy to determine the solvency of goals and objectives aimed at the processes of formation, distribution and redistribution of social wealth in order to meet the individual needs of reproduction and provide the continuous reproduction process with financial resources. The entire system of financial management is based on state financial policy. Therefore, financial policy is the most fundamental element in the financial management system. Financial policy is an independent activity of the state in the field of financial relations. This activity is aimed at providing the state with financial resources for the implementation of one or another economic and Social Development Program.

Financial policy is a component of the economic policy of the state and is the sum of all measures directed through the state to attract financial resources (resources), their distribution, employment and use. An important function of financial policy is to provide the appropriate financial resources for the implementation of the state plan or measures of this or that economic and social development. But financial policy cannot be attributed to economic policy alone. Financial policy is the sphere of independent activity of the state in the field of financial relations. Financial policy is an important tool for the state to carry out any desired social activity, whether social or economic or international, while having an independent nature, in some cases financial policy is interpreted as a certain activity of state bodies associated with the use of financial relations for the state to fulfill its functions. Such an interpretation carries several risks in itself. This is due to the fact that in the society about the role of the state in the development of national economy, in accordance with the prevailing information, the functions and functions of the state also change, transformative. For example, several other issues that determine the state's intervention in the country's economy, the equalization of socio-economic conditions of the standard of living of the population and the functions and functions of a similar state still remain controversial. On top of that, the use of financial policy only as a means of fulfilling the functions of the state creates contradictions between state authorities, local self-government bodies and the interests of other subjects of the financial system, that is, precisely the inhabitants of the country and economic entities.

For example, if it is scientifically and practically justified by many specialists, including representatives of state authorities, that the current tax mechanism is ineffective, and for some areas of business its consequences can lead to very bad results, then the financial policy will remain unchanged for a long time, unless the tax reforms carried out change its essence, in this case, the financial policy of the state becomes the financial policy of a group of individual individuals, which is actively brought to life by the bodies of state power.

From the above follows the following three logical conclusions:

•firstly, financial policy should be a means of solving the socio-economic tasks of society, and not just a means of achieving one or another goals of the authorities that provide for their interests; •secondly, the financial policy of the state should take into account the interests of all subjects of the financial system, and not only of state authorities;

•thirdly, it is necessary to distinguish between state financial policy and financial policy of state authorities.

Thus, public financial policy should be viewed as part of the state socio - economic policy to ensure the growth of financial resources in a balanced way in all branches of the country's financial system. Foreign experiments have shown that denying the need for proportionate growth of financial resources leads to the degradation of the country's financial system, the decay and destruction of the economy.

The most fundamental characteristic of financial policy itself is that this policy should be aimed at continuously influencing the development of the country's productive forces and economic success. Such a policy can provide the highest results in relation to financial economy, ensuring the living well-being of the population and increasing the source of state income. Through the fact that financial policy is focused on this, it is possible to determine its following main goal: the socio-economic development of society, the creation of financial conditions for improving the standard of living and quality of the population is the main goal of financial policy. For the implementation of financial policy programs (long, medium and short-term), a set of state measures is provided, aimed at attracting financial resources, their distribution and redistribution. Among these measures, an important place is occupied by the legal regulation of forms and norms of financial relations. 0'z-by itself, financial policy can not be good or bad. Whether it is good or bad is determined by how well it is in the interests of society (or a certain part of it) and to what extent it has influenced the achievement of poured goals and the resolution of specific tasks. In order to evaluate the financial policy of the government and to make a recommendation for its transformation, it is necessary, first of all, to have a clear program of Community Development, a description of the tasks in the future and in the coming years, determining the deadlines and methods of issues to be solved, separating the interests of the whole society and individual groups of Only in such conditions can one develop a concrete mechanism for implementing financial policy and objectively evaluate it. If financial policy takes into account the needs of social progress, the interests of all layers and individual groups in society, certain historical conditions and the specifics of life at a high level, then the more effective its results will be.

The content of financial policy is determined by the general scope of the areas of development of financial relations that it covers. Their composition may refer to:

•development of a general concept of financial policy (goals, principles, tasks, stages of implementation and the most effective methods); •formation of a dynamically held financial mechanism corresponding to the development of a market economy that promotes economic growth at the level of macrodaraja and the subjects of the market economy;

•development and implementation of a system of measures to increase the effective management of centralized and decentralized resources and financial flows;

•Organization of rational distribution of financial resources at all levels and areas of the social economic system in accordance with the role of social reproduction and promising restructuring of the economy in winter; •formation of the current and future financial potential of economic growth.

In the development of financial policy, it is important that on the basis of the distribution and redistribution of financial resources lay the following:

•determination of the subjects of distribution relations, that is, the separation of owners and distributors of financial resources;

•determination of the degree of independence in the satisfaction of the needs of legal entities and the population and the degree of centralization of financial resources at the disposal of the state, depending on the functions of the state;

•selection of first-class social needs and measures to meet them, and setting priorities for the use of financial resources in accordance with them;

•selection of sources and methods for the formation of financial resources.

Financial policy is a multidimensional concept. If, in general, its sphere is determined by the parameters of the state's participation in the management of economic and social spheres, arising from theoretical concepts that dominated the individual stages of the development of society, its stratification by the elements of value relations will depend on the development of the financial system and the independence of certain branches of it.

In some cases, fiscal policy is interpreted as a specific activity of public authorities related to the use of financial relations by the state to perform its functions. Such an interpretation carries several risks. The reason for this is that the tasks and functions of the state will also change and transform in accordance with the prevailing perceptions of the role of the state in the development of the national economy. For example, government intervention in the country's economy, equalization of living standards, socio-economic conditions, and a number of other issues that define the functions and responsibilities of the state are still under discussion. Moreover, the use of fiscal policy only as a tool to perform the functions of the state creates a conflict between the interests of public authorities, local governments and other actors in the financial system, namely the population of the country and businesses. For example, many experts, including government officials, have argued scientifically and practically that the current tax mechanism is ineffective and that for some businesses it can have very bad consequences, but financial policy remains unchanged for a long time. if the tax reform does not change its essence, then the financial policy of the state becomes the financial policy of a group of individuals, which is actively implemented by the relevant bodies of state power. From the above, the following three logical conclusions can be drawn: first, fiscal policy should be not only an instrument for the achievement of certain goals by self-interested authorities, but also a means of solving the socio-economic problems of society; second, the financial policy of the state should take into account the interests not only of public authorities, but of all subjects of the financial system; third, it is necessary to distinguish between public fiscal policy and fiscal policy of public authorities. Thus, public fiscal policy should be considered as part of the public socio-economic policy to ensure the growth of financial resources in a balanced (proportionate) at all levels of the financial system of the country. Foreign experience shows that denying the need for a balanced growth of financial resources leads to the self-degradation of the country's financial system, the collapse and destruction of the economy. The most important feature of fiscal policy is that it should be aimed at continuously influencing the development of the country's productive forces and economic success. Such a policy can provide the highest results for the financial economy by ensuring the well-being of the population and increasing the source of government revenue. This is the main goal of fiscal policy: the creation of financial conditions for the socio economic development of society, improving the living standards and quality of life is the main goal of fiscal policy. If we are talking about the financial policy of enterprises, it means the goal-oriented activities of financial managers of the enterprise to achieve the goals of doing business. The purpose of the financial policy of the enterprise may be: to achieve a healthy lifestyle (operation) of the enterprise in a competitive environment; to avoid major financial failures and bankruptcy; to achieve leadership in the fight against competitors; maximizing the market value of the enterprise; sustainable growth of economic potential of the enterprise; increase production and sales; profit maximization; cost minimization; ensuring profitable activities and others.

Disadvantages of fiscal policy: when applying fiscal policy measures, the crowding-out effect is the first to manifest itself This term means that during a period of economic downturn, budget expenditure increases significantly. As a result, interest rates rise; internal lag. This term is similar to external lag and refers to a time delay between the moment at which Republic intervention in economic processes became necessary and the moment when the corresponding decision was made; difficulties in calculating the magnitude of changes in economic instruments. For adoption, an effective solution requires a balanced analysis of the situation and precise calculations, which are not always possible. In any case, at one of the stages of economic stabilization with the help of fiscal policy, a budget deficit arises. It may be expressed to a minimal degree, but it is definitely present. Thus, fiscal discretionary policy is a legislative regulation of economic fluctuations, which is aimed primarily at stabilization and, if possible, loss-free passage through crisis periods of the economy. And fiscal policy is understood as the use of government spending to influence macroeconomic conditions. Fiscal policy involves manipulating the revenue and expenditure parts of the Republic budget in order to ensure the stability of the economy. Effective methods of implementing fiscal policy are legislatively established norms aimed at creating conditions for the effective development of the economy.

Conclusion

From the point of view of the goals set by the state, it would be incorrect to say that the fiscal policy of the post-war period and the measures for its implementation are ineffective. The fact that government programs declare an increase in the living standards of the population is, of course, another matter. Nevertheless, the living standards of the population depend on the level of wages and the level of development of agriculture, food and light industry, civil engineering and consumer goods. If the military-industrial complex (a large part of the country's population was engaged in this field) had a relatively high level of wages, even the population engaged in it would not be able to meet their consumption needs. Therefore, the lag in the development of the consumer market is the reason for the negative assessment of the effectiveness of fiscal policy of the Soviet state in the postwar period.

Fiscal policy is a multidimensional concept. If, in general, its field is determined by the parameters of state participation in the management of economic and social spheres, based on the theoretical concepts that dominated the individual stages of development of society, its differentiation (stratification) by elements of value relations depends on the development of the financial system. depends on independence.

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