Pedagogical Cluster- Journal of Pedagogical Developments
PCJPD: Volume 2 Issue 4, April 2024, online: ISSN 2956-896X

PEDAGOGICAL CLUSTER
JOURNAL OF PEDAGOGICAL DEVELOPMENTS

Website: https://euroasianjournals.org/index.php/pc/index

Role Of Financial Policy In The Economic Development Of The Republic Of Uzbekistan

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Abstract. Fiscal policy plays a critical role in promoting economic development, and this is true for the Republic of Uzbekistan. The government of Uzbekistan pursues various financial policies to stimulate economic growth, attract foreign investment and improve the living standards of its citizens. This article examines the significant role of financial policy in the economic development of Uzbekistan.
Key words: public finance, monetary policy, money circulation, Central Bank, money market, credit sector, banks, operational goal.

O‘ZBEKISTON RESPUBLIKASI IQTISODIYOTINI RIVOJLANISHDA MOLIYA SIYOSATINING O‘RNI

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Introduction

A financial policy clarifies the roles, authorities and responsibilities for major financial management activities and decisions. If the idea of developing financial policy seems daunting, this essential guide to policy development may be helpful

Developing and adopting a written financial policy is a valuable practice for any nonprofit organization, no matter how small or large it is. A financial policy clarifies the roles, authorities and responsibilities for major financial management activities and decisions.

In the absence of an established policy, employees and board members are likely to be guided by a set of assumptions that may or may not be accurate or productive. If the idea of developing financial policy seems daunting, these policy guidelines and this basic example may be helpful. While there may be shortfalls or periods of limited cash flow from time to time, the following characteristics are good signs that your organization will be financially healthy in the long term.

The entire financial management system is based on the financial policy of the state. That is why financial policy is the most important element in the financial management system. Financial policy is the independent activity of the state in the field of financial relations. This activity is aimed at providing the state with appropriate financial resources for the implementation of a particular program of economic and social development. Social development refers not only to the development of education, culture, health care and other social needs, but also to the social structure of society. This is why it is not advisable to link financial policy only to economic policy. Policy covers all areas of government activity. We are talking about economic or social, cultural or technical, budget or credit, domestic or foreign policy, depending on the spheres of social relations that are considered objects of political influence.

Methodology

Financial policy has its own independent significance, being at the same time an important tool for implementing state policy in any area of public activity. Here it is fundamentally not important whether it is the economy, the social sphere, military reform or international relations. Politics, political influence and political leadership consist of the following three elements:

* identification and setting of the main goal and specification of tasks for the future and the coming days that need to be solved to achieve the goals that are characteristic of a given period in the life of society;

* development of methods, means and specific forms of relationships with the help of which the set goals are achieved in the short term, and tasks for the coming days and the future are solved in a rational manner;

* selection and placement of personnel capable of solving assigned tasks, organizing their implementation.

Hence, the determination of the solution of goals and objectives aimed at the processes of formation, distribution and redistribution of social wealth to satisfy individual needs of reproduction and ensure the continuous reproduction process with financial resources is called financial policy. Financial policy can be given another definition as follows: the totality (set) of methods for using finance, practical forms of their organization and methodological principles is called financial policy. In some cases, financial policy is interpreted as a certain activity of public authorities associated with the use of financial relations for the state to perform its functions. This interpretation carries several dangers. This is due to the fact that, in accordance with the prevailing ideas in society about the role of the state in the development of the national economy, the tasks and functions of the state change and are transformed. For example, government intervention in the country's economy, equalization of socio-economic conditions of the population's standard of living and a number of other issues that determine the functions and tasks of a similar state remain debatable.

At the same time, the use of financial policy only as a means (tool) for performing the functions of the state gives rise to contradictions between state authorities, local government and the interests of other subjects of the financial system, that is, the population and economic entities of the country. For example, although many experts, including representatives of government bodies, scientifically and practically substantiate the fact that the current taxation mechanism is ineffective, and for some areas of business its consequences can lead to very bad results, financial policy remains unchanged for a long time , if the ongoing tax reforms do not change its essence, while the financial policy of the state becomes and remains the financial policy of a separate group of persons, actively implemented by the relevant government bodies.

The following three logical conclusions follow from the above:

* firstly, financial policy should be a tool for solving socio-economic problems of society, and not a tool for achieving certain goals by authorities that pursue only their own interests;

• secondly, the state’s financial policy must take into account the interests of all subjects of the financial system, and not just government bodies;

* thirdly, it is necessary to distinguish between state financial policy and the financial policy of government bodies.

Thus, the state's financial policy should be considered as part of the state socio-economic policy to ensure a balanced (proportionate) increase in financial resources in all parts of the country's financial system. Foreign experience shows that denial of the need for a balanced (proportionate) growth of financial resources leads to degradation of the country's financial system itself, to erosion and destruction of the economy.

Analysis

The most important feature inherent in financial policy is that this policy should be aimed at a continuous impact on the development of the country's productive forces and economic success. Such a policy can give the best results in relation to the financial economy, ensuring the well-being of the population and increasing the source of government revenue. Through the focus of financial policy on this, one can determine its following primary goal: creating financial conditions for the socio-economic development of society, increasing the level and quality of life of the population is the primary goal of financial policy. If we are talking about the financial policy of enterprises, then this refers to the purposeful activities of the financial managers of the enterprise to achieve business goals. The purpose of an enterprise's financial policy may be:

* achievement by the enterprise of a healthy lifestyle (functioning) in a competitive environment;
* avoid major financial failures and face bankruptcy (casod);
* achieving leadership (becoming a leader) in the fight against competitors;
* maximizing the market value of the enterprise;
* sustainable increase in the growth rate of the economic potential of the enterprise;
* increase in production and sales volumes;
* profit maximization;
• cost minimization;
* ensuring profitable activities

The priority for certain goals of the financial policy of an enterprise is determined, first of all, in accordance with the goals of doing business. To achieve the set goals, an appropriate financial mechanism is used.

Financial policy makes it possible to link into a single whole the potential management capabilities directly embodied in finance itself (objects of management) with specific methods of work and the organization of bodies of the financial system (subjects of management). In all countries of the world,

financial policy is carried out through the financial system, the functioning of which is based on the following principles:
* implementation of financial management taking into account the characteristics inherent in the links of the financial system;
* set of functions of all financial institutions;
* centralized general management with the active participation of all lower management bodies

The main methodological principles of implementation (conduct, implementation) of financial policy are:
* dependence on the final goal;
* macroeconomic balance (balance, proportionality) of all sectors of the economy;
* conformity (compliance) with the interests of all members of society;
• taking into account internal and external economic conditions based on real (real) opportunities.

The implementation of financial policy is ensured by a set of government measures aimed at mobilizing (attracting), distributing and redistributing financial resources by the state to perform its functions and programs (long-term, medium-term and short-term). Among these activities, an important place is occupied by the legal regulation (regulation) of the forms and norms of financial relations.

Financial policy in itself cannot be good or bad. Whether it is good or bad is determined by how much it corresponds to the interests of society (or a certain part of it) and how much it influences the achievement of set goals and the solution of specific problems.

To assess the government's financial policy and issue recommendations (recommendations) for its change (correction), it is necessary, first of all, to have a clear program for the development of society with the identification (distribution) of the interests of the entire society and the interests of individual groups of the population, a description of tasks for the future and the coming years with a definition timing and methods for resolving issues.

Only in such conditions it is possible to develop a specific mechanism for implementing financial policy and give it an objective (objective) assessment. The more (to a greater extent) financial policy takes into account the needs of social development, the interests of entire layers and individual groups of society, specific historical conditions and characteristics of life, the higher its effectiveness. At the same time, the success (success) of financial policy depends on the high-quality development of a mechanism for coordinating and realizing the interests of various sectors of society, as well as on the availability of objective opportunities available to the state, i.e., on the implementation of financial policy taking into account changes in the social structure of society , as well as in the state of public consciousness and psychology, in some cases, this is directly related to the development of a mechanism for the integrated use of the influence of opposing factors.

Results

Financial policy should be primarily aimed at generating the maximum amount of financial resources. Because it is financial resources that form the material basis of any changes. Accordingly, to determine and formulate financial policy, reliable information about the financial position of the state is necessary.

In a democratic state governed by the rule of law, financial statistics should also be relevant to the general public. On the other hand, financial reporting must be consistent, timely, accessible to everyone and, most importantly, reliable.

The content of financial policy is determined by the general set of directions for the development of financial relations that it can cover. These may include:

* development of a general concept of financial policy (its goals, principles, objectives, stages of implementation and the most effective methods);

• formation of a financial mechanism in a dynamic state, corresponding (adequate) to the development of a market economy, stimulating economic growth at the macro level and at the level of subjects of a market economy;

* development and implementation of a system of measures to improve the efficiency of management of centralized and decentralized resources and financial flows;

• organization of rational (optimal) distribution of financial resources across all levels and sectors of the socio-economic system in accordance with their role in social reproduction and long-term economic restructuring;

* formation of current and future financial potential for economic growth.

Also, the content of financial policy, its main directions depend on the level of development of science about the role of the state in the development of society and the corresponding theoretical concepts that determine the degree of state participation in economic management, manifested in the use of individual instruments for implementing financial policy, i.e. in specific forms of organizing financial relationships.

Based on this, it should be noted that the main directions of financial theory on the role of the state in the development of society in the twentieth century were formulated by the classical bourgeois political economists A. Smith (1723-1780) and D. Ricardo (1772-1823), as well as the English economist J. Identified by Keynes (1883-1946) and their followers

The founders of classical political economy were A. Smith and D. The essence of Ricardo's concepts is that the state should support free competition (competition) without interfering in the economy, and the main role in regulating the economic life of society should be assigned (assigned) to market mechanisms. Taking these principles into account, until the end of the 20s of the twentieth century, financial policy was aimed at limiting government spending and taxes, ensuring a balanced (balanced) state budget. In accordance with these goals, the organization of financial relations ensured the implementation of state functions, mainly through budgetary financing of expenses for the repayment of military, administrative and public debt and its servicing. On the other hand, budget revenues were generated mainly through (due to) indirect taxes.

Since the late 20s of the 20th century, the Keynesian theoretical concept began to prevail, according to which the need to strengthen the role of the state in economic development by intervening in the cyclical development of the reproduction process and regulating it was justified. The main instrument for implementing such a financial policy was government spending aimed at creating new jobs, which made it possible to solve several economic and social problems at once: the level of employment of the population increased and, conversely, unemployment decreased; business activity grew; additional demand was generated; MD increased (increased); funding for social needs increased. Great opportunities have appeared, etc.

Discussion

State intervention in the economy led to an increase in state budget expenditures, and, accordingly, financial measures were simultaneously taken to ensure an increase in state revenues. Income tax became the main source of increasing government revenue. The goal of the Concept of State Financial Policy, developed in modern conditions, is to ensure the level of well-being of members of society on the basis of sustainable economic development, increasing the efficiency of social production through whole measures. The social orientation of the financial strategy is manifested not only in the search for opportunities to increase financial resources aimed at improving the well-being of the people, but also in a completely new approach to the main goal of economic policy, which determines the directions for the effective use of financial resources now directed to improving the standard of living of the population and production.

Social protection implies, first of all, the social protection of low-income citizens, as well as employees of budgetary organizations. Social protection is provided, first of all, by means (using) income indexation, i.e., from budget funds, and sometimes by increasing compensation in accordance with the consumption index. The main methods of financial influence on the economic and social sphere of society are taxation, skillful and rational use of financial resources, financing, financial market, etc. Financial policy at the current stage of development of society is developed on the basis of the requirements of the financial strategy and taking into account the current economic conditions. The use of various forms of management creates conditions for better meeting the needs of society, saving resources, updating the range of products and technical base, developing competition, and showing initiative by work collectives in solving social problems. The increase in financial resources aimed at meeting social and other needs is achieved, first of all, through profitable activities. However, as political, economic and social conditions change, government spending is constantly increasing. In this regard, the current financial policy provides for measures aimed at ensuring a regular increase in the state's financial resources.

The need to increase the volume of payments received by the budget requires the implementation of a financial policy aimed at reviving the business activity of economic units. Of great importance is a radical change in the practice of redistributing financial resources in order to intensify financial policy. The "horizontal" redistribution of financial resources through the financial market, as opposed to the "vertical" method implemented through budgetary funds, as well as through higher organizations, is also increasingly developing. On the other hand, transfer of funds involves the use of financial resources based on supply and demand.

In connection with the development of the financial market, it is necessary to attract cash income and savings of the population, enterprises and organizations to develop the national economy and meet national needs. In this regard, the issuance of government bonds and treasury notes also increases the volume of

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government resources. Financial policies must be developed and implemented taking into account real financial capabilities. Expenses (costs) can only increase with an increase in financial resources. This means, first of all, production financing. All economic and financial policy measures should be aimed, on the one hand, at providing the population with the opportunity to increase their incomes, and on the other, at creating optimal conditions for the development of entrepreneurial activity.

In accordance with the fundamental change in financial policy, it is necessary to rebuild the financial mechanism. The purpose of restructuring the financial mechanism is to strengthen its influence on the efficiency of social production based on market relations, ensuring increased efficiency in the use of financial resources. Based on the restructuring of the financial mechanism, it is necessary to strengthen economic initiative and responsibility through whole measures to improve the final results of the enterprise and organizations. In a market economy, there is no need to use separate financial methods to increase the interest of enterprises in the maximum possible use of production factors. Market competition forces enterprises to constantly worry about production efficiency and deepening on-farm financial control over the use of financial resources.

At the same time, the importance of financial management of market relations by the state is increasing. Financial management is carried out through taxation of enterprises, the introduction of additional taxes (for example, taxes on exports and imports), taxation of employee income, and financing of targeted programs. Business contracts place increased demands on the system of financial fines for violation of product quality parameters, non-compliance with sanitary standards and environmental protection requirements. For untimely or incomplete fulfillment of financial obligations to the state budget and extra-budgetary funds, concealment of profits and other objects of taxation, the size and amount of penalties (sanctions) are increased. Audit financial control should be widely developed.

Conclusion

Financial policy played a decisive role in stimulating the economic development of the Republic of Uzbekistan. The government's focus on stimulating economic growth, attracting foreign investment and improving living standards has yielded positive results. However, continued efforts are needed to further strengthen the financial sector, ensure sustainable economic growth and create a prosperous future for the people of Uzbekistan.

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