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**PROBLEMS OF BUDGET PLANNING
IN THE REPUBLIC OF KAZAKHSTAN**

Abstract. This article provides an analysis of the data of higher education sphere on the example of Akmola region, estimated the dynamics of the number of universities, admission, graduation and number of students of higher education of Akmola region, as well as the distribution of received higher education institutions of the region by the type of reimbursement of costs for education. The qualitative and quantitative structure of the faculty of higher education institutions of the region, preparation scientific and research and educational personnel of the top skills in higher education institutions of the Akmola region was investigated; the analysis of the condition of material and technical resources of educational institutions was carried out. One of the key priorities of Kazakhstan's development strategy is the development of modern education and advanced science as the level of education and the development of human capital. The experience and practice of developed countries show that the effective functioning and development of this sphere, in the context of globalization and openness of the world economic space becomes determining factor for the successful development of the state. It should be noted that the process of providing educational services is taking place in the regional context. This fact makes it necessary to consider higher vocational education as the regional phenomenon. It is necessary to note the insufficient efficiency of higher education in Akmola region, which manifests the mismatch of the quantitative and qualitative composition of the produced specialists with the needs of the labor market.

Keywords: education, human capital, higher education, science, higher education institutions, investment, competitiveness, education system, educational programs, educational services.

Introduction. Need of improvement of budget planning is connected, first of all, with the direction it on ensuring efficiency, effectiveness, accountability and transparency, at the same time the assessment of activity of public authorities has to be carried out taking into account efficiency and quality of the services provided to citizens, results of implementation of the state, industry, regional and budgetary programs [1, P.53].

Materials and methods of research. Materials and methods of research. In the process of collection, study, accumulation, processing, analysis and synthesis of the obtained information, the following scientific methods of economic research were used in the work: monographic, economic-statistical, abstract-logical, comparative and system analysis. The information base was compiled by the data of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan, as well as the works of scientists-economists published in periodicals and posted on websites, legislative and program documents.

The process of forming of the national budget consists from the following main stages, which are inherent in the procedure and time frame regulated by the budget legislation: the development of the forecast of the social and economic development of the country and the approval of its Government; Identification and reporting of spending limits for budget program administrators; Presentation of draft strategic plans, budget programs, budget applications and their consideration at the Republican Budget Commission; Drafting the National Budget Bill and submitting it to the Parliament; Consideration of the draft law on the republican budget in Parliament; Approval of the Republican Budget Act by Parliament.

Taking into account the current regulation for the development of the forecast; it is possible to define the following key characteristics:

- Messages of the President of the Republic of Kazakhstan and the documents of the state planning system;
- Changes in external and internal development factors in the medium term;
- Goal-setting and defines the forecast parameters of the development to be achieved by social and economic policy.

At the same time, the forecast of budget parameters for the second and third years of the planning period of the forecast is indicative and can be clarified in the following years.

According to the state planning system, the forecast is not monitored and evaluated. As a result, the lack of work on errors generates planning of the republican budget with low forecast parameters of macroeconomic indicators, which eventually leads to divergence of planned and actual parameters of the budget. The materials submitted together with the draft national budget to Parliament do not contain information on the reasons for the revision of the approved budget parameters in the medium-term budget, which have often undergone serious changes.

Moreover, such situation does not stimulate collecting of taxes due to efficiency of tax administration. At the same time essential miscalculations in forecasting of tax revenues on the deviation from the plan is quite different: from -28% to 21% are observed.

It is necessary to pay attention, that budget rules on restriction of budget deficit are applied to control the growth of public debt in Kazakhstan.

In the Message of the Head of State to the People of Kazakhstan in December 14, 2012 Strategy "Kazakhstan – 2050": a new political policy of the state" the task of decrease in budget deficit, concerning GDP from (-) 2,1% in 2013 to (-) 1,5% in 2015, in the Concept of new budget policy - on decrease in budget deficit by 2020 to (-) 1.4% to GDP is set [2].

However, according to the results of 2014, the budget deficit amounted to (-) 2,8% to GDP, 2015 - (-) 2,2% to GDP, 2016 - (-) 1.6% to GDP, 2017 - (-) 3,1% to GDP, 2018 (-) 1% to GDP.

There is no fiscal risk management from the perspective of the Long-Term Sustainability of Public Finances Document, which identifies measures to enable the Government to finance current expenditures, as well as to finance long-term expenditures, without resorting to major adjustments in future revenue and budget balances.

In accordance with the Rules for Determining Spending Limits of Budget Program Administrators, Limits on New Initiatives, approved by Order of the Minister of National Economy, No. 59 of 27 October 2014, the approved expenditure plan for the corresponding fiscal year was used as the basis for calculating spending limits [3].

Compared to the approved plan for 2018-2019 years, the limits of basic expenditures have been increased by 222,5 billion tenge (From 8,366,3 billion tenge to 8,588,8 billion tenge) and 193,8 billion tenge (From 8,744, 9 billion tenge to 8,938,7 billion tenge). Thus, indicating an increase in the scope of public functions, powers and services provided within the framework of existing budgetary programs.

Meanwhile the Head of the State has been instructed to review the system of planning public expenditures, with a focus on improving their efficiency and transferring non-governmental functions to a competitive environment.

There are no clear approaches to assigning expenses to the group of lower priority and optimized based on the results of budget execution, reports on the implementation of documents of the state planning system. Software-targeted planning tools are not used.

It is not possible to assess the implementation of new initiatives on the basis of previous commitments and the validity of their priority over current commitments.

For example, according to the Ministry of Agriculture, while calculating limits, basic expenditures were reduced by 20,9 billion tenge, at the same time as expenditures on new initiatives increased by 21,9 billion tenge. The materials of the Republican Budget Commission do not disclose the situation.

According to the results of the analysis of the limits for new initiatives the basic expenses of the approved budget for 2017 due to the special transfer from the National Fund within the framework of the State Program of Infrastructure Development NurlyZhol and anti-crisis measures of the Government are assigned to new initiatives.

At the same time, no information is provided on the commitments made by the budget on new initiatives in terms of State and Government programs. For example, in 2018 the new initiatives of the real

sector showed the amount of 164,9 billion tenge ongoing projects at the expense of the National Fund amounted to 72,1 billion tenge or 43.7%.

According to the international practice, the establishment of budget, spending limits at the national level and the level of line ministries implies strengthening the financial discipline and efficiency of public expenditures, improving the strategic allocation of public resources and creating conditions for the implementation of future commitments [4].

The current procedure does not regulate the development of manual on the definition of the budget, spending limits for line ministries, taking into account the priorities of budget policy and their activities.

According to the approaches of OECD countries (Organization for Economic Cooperation and Development) to ensure transparency of the state budget, the budget and all additional materials should include detailed commentary on each program of financial revenues and expenditures [5].

Most OECD countries are developing a budget preparation manual for line ministries. Documents (call circular, handbooks, budget guidance) provide government authorities with guide to the preparation of the budget application, explaining the priorities of the budget and the brought limits, including the assumptions used in the calculation of the basic indicators [6].

Establishment of budget limits takes place in the conditions of full interaction of the authorized body responsible for budget, planning with line ministries [7].

Strategic planning, despite its priority, is implemented in parallel with budgetary planning. Strategic plans, budget programs and budget applications are developed and submitted by administrators of national budget programs at the same time, within the same period (until May 15 of the current fiscal year), which creates a risk of poor quality of budget applications for compliance of the declared budget funds with the goals of their strategic plans and indicators of budget programs.

In addition, only 56% strategic objectives relate to well-implemented budget programs (100% achievement of planned targets), 16% targets show a low level of budgetary program effectiveness (achievement from 40 to 70% targets). On the 2 objectives of State bodies (Ministries of Justice, Defense and Aerospace), there is complete lack of budgetary programs to implement the objectives.

A formal approach to determining the relationship between budget programs and the objectives of strategic plans has been adopted by individual State bodies. Due to the immeasurability of such indicators, 5 per cent of the budget programs of central State bodies and 32% budget programs of local executive bodies cannot be estimated during the reporting period.

This shows that the budget process does not take place in full conditions and the provisions of the budget legislation to consider budget applications for compliance with the objectives of strategic plans and indicators of budget programs.

Transparency of information on public financial management is one of the mechanisms for limiting corruption and reducing violations of budget legislation. Accessibility of information for the citizens creates the necessary conditions for accountability of public sector bodies for the policy measures implemented by them, efficiency of use of budgetary funds, achievement of direct and final results.

In the National Plan “100 steps”, the Head of the State defined one of the directions of development of the country as “the creation of transparent and accountable state, through the expansion of the opportunities of the citizens to participate in the budget process” [8].

According to the Law “On Access to Information”, adopted on November 16, 2015, on the Internet portal of open budgets, as well as official Internet resources, state bodies must post budget reports, consolidated financial reports, results of state audit and reports on the implementation of budget programs [9].

At the same time, information on the draft national budget and related materials to it are placed separately on the websites of various state bodies, fragmented, untimely, which makes it difficult to understand the draft national budget in comprehensive manner.

There is no public feedback to express an opinion on the draft republican budget and posted materials. Thus, according to the Budget Code (art. 61) the forecast is subject to publication in the media. However, the timing of publication is not regulated [10]. As a result, the forecast is posted on the website of the Ministry of National Economy on the deadline for the submission of the republican budget to the Parliament (1 September); and often later.

There is lack of transparency in methodological and mathematical calculations of the formation of the socio-economic development forecast. A corresponding lack of openness was noted by OECD, which recommended preliminary budget report, containing the medium-term economic and fiscal objectives of public administration, the Government's political intentions in the economic and budgetary areas for the medium term and the overall budget parameters should be submitted no later, than one month before the budget was submitted for discussion by the legislative authorities[11, P.11].

Transparency in the calculations and approaches to the forecast should facilitate discussion in Parliament and among the general public of the main directions of fiscal policy before the executive body completes the budget and submits proposals for revenues and expenditures to the legislative bodies.

Despite the extensive functionality of the republican budget commission on the website of the Ministry of Finance, the working body of the commission, only schedules of consideration of draft strategic plans, budget programs and budget applications of administrators are published.

The general public does not have access to information on the budget planning issues, considered and the decisions taken at the meetings of the Republican Budget Commission[12, P.25].

When placing the draft national budget, materials revealing the characteristic features of the project on macroeconomic conditions, revenues and expenditure directions for the planned period are not included in the open access. Information is not targeted at wide range of people, who do not have budgetary knowledge.

Conclusions.

1. The process of forming the national budget is not aimed at the implementation of long-term program documents and does not provide principles of results-oriented budget programming. The inconsistency of the time frame for consideration of budget applications, draft strategic plans of state bodies and budget programmes with the results of the annual efficiency assessment is not consistent with the principle of continuity. Insufficient development of economic growth factors, lack of comprehensive assessment of budget vulnerability depending on development scenarios create risks of failure to achieve macroeconomic parameters and inefficient budget implementation in the planned period. In order to offset these shortcomings, it is necessary to implement budget risk management and to assess the long-term sustainability of public finances, aimed at improving the efficiency and effectiveness of budgetary decisions.

2. Transparency in the formulation of the socio-economic development forecast, as well as the economic and fiscal objectives of the public administration, as laid down in the draft relevant budget, is not ensured.

The population is not informed of the intentions of the executive power to implement socially important projects, which excludes the possibility to form civil opinion on their priority for the region with further public monitoring of their implementation.

In order to create transparent and accountable state, it is necessary to introduce effective and transparent mechanisms for the timely receipt of consolidated information and consultations at each stage of planning, providing feedback for the involvement of the citizens and experts in the process of forming the national budget.

3. There is no systematic approach to setting budget limits and new initiatives, taking into account the specific tasks assigned to the administrator in the short term.

Such shortcomings predetermination non-compliance with the brought limits when forming budget applications and, as a result, lead to significant adjustments of the decisions taken at the first stage of the republican budget commission and violation of the terms of determination of the draft republican budget.

It seems that administrators focus on maintaining the increased limit over three-year period, to the detriment of the objective formation of funding needs, which leads to unwarranted costs and reduced their socio-economic impact. So it is really necessary to ensure transparency of limits distribution, taking into account their priority in the conditions of full interaction with administrators of budget programs.

4. The practice of implementing the preliminary assessment shows that there are significant risks of late preparation of the conclusion on the draft republican budget and failure to achieve the main goal of improving the quality of planning and optimizing inefficient expenditure directions.

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**ҚАЗАҚСТАН РЕСПУБЛИКАСЫНДАҒЫ
БЮДЖЕТТІК ЖОСПАРЛАУ МӘСЕЛЕЛЕРІ**

Аннотация. Мақалада Қазақстан Республикасындағы бюджеттік жоспарлау жүйесі талданды, бюджеттік жоспарлау кезеңдері қарастырылды және бюджеттік процестің көрсетілген кезеңдеріндегі проблемалар анықталды. Ұлттық деңгейде және салалық министрліктер деңгейінде бюджет шығыстарының лимиттерін белгілеудің халықаралық практикасы зерттелді. Жұмыста бюджеттік жоспарлаудың стратегиялық жоспарларға сәйкес келмеуі, мемлекеттік қаржыны басқару туралы ақпараттың ашықтығы сияқты өзекті мәселелер қаралды, сондай-ақ елімізде бюджеттік жоспарлауды жетілдіру бойынша шаралар ұсынылды. Бюджеттік жоспарлау елдің мемлекеттік жоспарлау жүйесіндегі маңызды процесс болып табылады. Бюджеттік жоспарлаудың экономикалық мәні мемлекеттік бюджет пен әртүрлі деңгейдегі бюджеттен тыс қорлар бюджеттерін қалыптастыру және атқару процесінде елді дамытудың мемлекеттік әлеуметтік-экономикалық бағдарламасы негізінде қаржы жүйесінің буындары арасында қоғамдық өнім мен ұлттық табыстың құнын орталықтандырылған бөлу және қайта бөлу болып табылады.

Түйін сөздер: мемлекеттік қаржы, мемлекеттік жоспарлау, бюджет, бюджеттік жоспарлау, бюджеттік процесс, бюджеттік бағдарламалар, талдау, ұлттық экономика, болжам, ақпараттық база.

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**ПРОБЛЕМЫ БЮДЖЕТНОГО ПЛАНИРОВАНИЯ
В РЕСПУБЛИКЕ КАЗАХСТАН**

Аннотация. В статье проанализирована система бюджетного планирования в Республике Казахстан, рассмотрены этапы бюджетного планирования и выявлены проблемы на указанных этапах бюджетного процесса. Исследована международная практика установления лимитов бюджетных расходов на национальном уровне и на уровне отраслевых министерств. В работе рассмотрены такие актуальные проблемы как несоответствие бюджетного планирования к стратегическим планам, открытость информации об управлении государственными финансами, а также предложены меры по совершенствованию бюджетного планирования в нашей стране. Бюджетное планирование является важным процессом в системе государственного планирования страны. Экономическая сущность бюджетного планирования заключается в централизованном распределении и перераспределении стоимости общественного продукта и национального дохода между звеньями финансовой системы на основе государственной социально-экономической программы развития страны в процессе формирования и исполнения государственного бюджета и бюджетов внебюджетных фондов разного уровня.

Ключевые слова: государственные финансы, государственное планирование, бюджет, бюджетное планирование, бюджетный процесс, бюджетные программы, анализ, национальная экономика, прогноз, информационная база.

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