

The Balance of the Consolidated Budget of the Mari El Republic

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Abstract

The article is based on the experience of previous studies under the formation and execution of the regional budget. We consider the calculation and analysis of the overall values of the coefficients, the basic balance and private entities of the Russian Federation, the statistical analysis of assessing the quality and dynamics of indicators of the balance of the consolidated budget of the Republic of Mari El in the period of five years. It was mentioned the opportunities and threats in the socio-economic development of the Republic of Mari El, forecasts and strategic way of reduce the budget deficit of the Republic, direction of getting more revenue. This article presents the actual problem of finding additional reserves and sources of income by increasing the taxable base of the profit tax, the analysis of the reasons for the growth of debt at all levels of the budget system of the Republic of Mari El and presents ways to identify the reserves of the consolidated regional budget. It was examined the actual state budget of the Republic of Mari El, the prognosis for the transition of the Republic of program-target method of planning that will strengthen the role of financial control, including in the assessment of the efficiency of use of budgetary funds. It was proposed the solutions to optimize the expenses of the budget of the Republic of Mari El, which promotes the author's opinion, an increase in income and cost effective use of the Republic of Mari El.

Keywords: equation, consolidated budget, deficit

1. Introduction

The principle of the budget's balance is an obligatory requirement to which the budget of any level should be correspond.

The budgets' balance of the regional subjects as a condition is a result of the relations on budgeting, acceptance and budget performance and at the same time financial and legal compliance's form of such key economic concepts, as "the income of the budget", "receipts in the budget" and "budget expenses". Their size, dynamics, structure characterize the condition of the balance of state budget, which can be zero (by the balanced budget), positive (by the surplus budget) and negative (by the scarce budget). Thus, an unbalanced budget can be divided into two types: surplus and scarce (Zavyalova, 2012).

The analysis of the reporting data testifies that last time the number of scarce territorial subjects of the Russian Federation significantly increased: a recent report says, that according to the results of regional budgets' performance in the year 2007, there were 40 subjects, and in the year 2009 there were already 58. These regional budgets were balanced due to attraction of financial resources from financing sources of budgets' deficiency.

Respectively in the year 2007 the number of surplus territorial subjects of the Russian Federation was 43, and in the year 2009 there were 25 subjects. So, in the considered period of time, according to the results of its execution, no one regional budget was completely balanced, and it is practically impossible.

If expenses exceed the budgetary receipts, the budget isn't executable in principle and it is obviously unreal. Therefore while the adoption of the law on the budget of the Russian Federation's territorial subject for the next financial year with the primary deficiency it is necessary to define the sources of its financing.

The sources' structure of internal financing of a budget deficit of the Russian Federation's territorial subject is defined in the art. 95 of the Budgetary code of the RF (Smirnov, 2001). If the Russian Federation's territorial subject in a financial year repaid debt obligations in a bigger volume, than involved new loans, the financing sources of budget's deficiency will be reflected with the sign "minus". It means that the positive balance of the budget will be reduced by this sum, or increased the negative. So, the approach to definition of the concept "balance of the budget", which is recorded in normative legal acts, is represented not quite correct as it doesn't consider the problem of constant increase in volume of the public and municipal debt and, as a result, it doesn't consider the expenses on its service (Shlygina, 2010).

2. Methods and Materials

One of the fundamental principles of the formation and execution of any budget is its balance; it is quantitatively (equilibrium) of budget expenditures sources of their funding. The balance of the regional budgets can be seen, firstly, as the state budget of public legal education, and, secondly, as the principle of budgetary system.

Balance is a mandatory requirement in the preparation, approval and execution of the budget, which aims to create conditions for the full implementation of the bodies of state power of subjects of the Russian Federation their mandates, the efficient functioning of the economy and social sphere of the region. The imbalance even of a small part of the budget leads to a delay in the financing of public and municipal services, to failures in the system of budgetary financing, causing defaults in the economy (Smirnov, 2015).

As practice shows, the restrictions of a national debt's size of the Russian Federation's territorial subject set by the Budgetary code of the Russian Federation don't allow to avoid a risk of the region's insolvency and, as a result, the necessity of these problems' solution by the federal center due to providing additional financial aid.

That's why it would be expedient to assess the quality of budgets' balance of territorial subjects of the Russian Federation. For this purpose it is possible to allocate the following types of balance: 1) the general budget's balance (it is reached with attraction of the returnable financial resources); 2) the basic balance (it is provided at the expense of the income's total amount of the budget of the Russian Federation's territorial subject, including the interbudgetary transfers); 3) its own balance (it is estimated only on the basis of the budget's income indicator without gratuitous receipts).

For a quantitative quality's assessment can be calculated the coefficients, which characterize a ratio of financial security's sources of expenses and total amount of the regional budgets' expenses in a section of the allocated types of balance (Romanova, Smirnov, 2014). These coefficients can be also used for comparison of indicators of a financial condition of the Russian Federation's certain territorial subjects with a similar indicator of the other public law entities, identification of their development's dynamic and tendencies of a financial state's change.

That's why it is offered to use the following coefficients: 1) The coefficient of the budget's general balance, which is reflecting a ratio of the budget's expenses and all sources of their financing. According to the treatment in the Russian Federation's Budgetary code of the principle of the budget's balance, the coefficient of any budget's general balance is equal 1, however in a case, if during a long period of time the balance is reached considerably at the expense of a budget deficit's financing sources, there is a risk of the problems' emergence with a financial security of account obligations of the public legal education. According to this statement it is expedient to carry out the analysis of the quality of the budgets' balance of the Russian Federation's territorial subjects using the additional coefficients. 2) So, the coefficient of the budget's basic balance reflects a ratio of expenses and the income of the budget. It shows in what degree the total amount of the budget's expenses becomes covered at the expense of the income, thus the financing sources of a budget deficit are excluded from the calculation. It allows to estimate the budgetary balance, which is reached without attraction of loan tools. In this way, if this coefficient accepts the value close to 1, the budget can be considered balanced by a low risk level of the problems' emergence of the financial providing account obligations. 3) One more coefficient - coefficient of the budget's own balance - it reflects a ratio of the budget's expenses on realization of its own powers of the public legal education and the budget's income without gratuitous receipts.

It shows, in what degree the total amount of the budget's expenses on realization of its own powers of public legal education is covered at the expense of the income without gratuitous receipts, which volume, in fact, doesn't depend on the authorities' activity of public legal education, has a changeable character and at any time can be reduced.

3. Basic Results

So, in 2009, with a significant reduction of tax and non-tax revenues of the consolidated budget of the ITRs (7.3% in 2008) by providing additional subsidies to support measures to balance regional budgets (corresponding budgetary allocations from the federal budget were increased by 470 mn . rub.) was able to maintain its position. In 2009, for the first time it was developed by a formalized method of allocation of these grants, allowing more efficient use of this tool to balance the budget in times of crisis.

Having considered the factors in the dynamics of balance, we can say that over the period as a whole, they are permanent and changing only slightly. The calculation and analysis of the coefficient values common, base and private balance in the context of the subjects of the Russian Federation increases the objectivity of the assessment of the regional budgets, helps to identify the factors influencing this state.

We shall assess the quality of the balance of the consolidated budget of the Mari El Republic for 2009-2013. Facts for the assessment are presented in Table 1.

Table 1 - Facts to assess the quality of the balance of the consolidated budget of the Mari EI Republic in 2009 - 2013., mln. rub.

Activities	2009 year	2010 year	2011 year	2012 year	2013 year
Finances (F)	17100,7	19156,4	21560,7	22704,2	24952,9
Spending (S)	17670,9	20660,9	22853,7	24526,5	26701,9
The sources of financing the budget deficit	2593,3	3355	3196,5	3540,9	2168,13
Uncompensated receipts (UR)	8324,2	8783,1	9893,7	9445,5	11102,9
Governmental grant (GG)	1168,9	2761	1901,7	1315	2710

Based on the facts presented in Table 1, we will assess the quality of the balance of the consolidated budget of the Mari EI Republic for 2009-2013.

Table 2 - Evaluation of the quality of the balance of the consolidated budget of the Mari EI Republic for 2009-2013.

Activities	2009 year	2010 year	2011 year	2012 year	2013 year
Generals	1,11	1,09	1,08	1,07	1,02
Bases	0,97	0,93	0,94	0,93	0,93
Privates	0,53	0,58	0,56	0,57	0,58

According to Table 2, the value of the coefficient of overall balance during the analyzed period is greater than 1. This indicates that in recent years the balance is achieved through deficit financing sources, which leads to an annual increase in the national debt, and as a consequence there is a risk of problems with the financial support of expenditure commitments. We shall assess the quality of the balance of the consolidated budget of the Mari EI Republic for 2009-2013. Facts for the assessment are presented in Table 1.

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Let's consider the main control indicators of social and economic development of the Mari EI Republic, which are presented in the table 3.

Table 3 - Opportunities and threats in social and economic development of the Mari El Republic

OPPORTUNITIES	THREATS
<ol style="list-style-type: none"> 1. Progressive development of a large agricultural business in the territory of the settlement, introduction at the enterprises of progressive technologies in grain, dairy, meat, productions, replication of the best practices on the republic's farms; 2. Development of a small business in the republic's territory; 3. Development of the republic's social infrastructure; 4. Development of a personal farmstead of citizens, as a source of the population' income, and development on this background of the mini enterprises of processing (a deep freezing, drying, preservation of vegetables, berries, mushrooms, packing of fresh vegetables. 5. Development of the credit and marketing cooperation. 	<ol style="list-style-type: none"> 1. The absence of motivation to work, the unemployment growth, low level of the population' income, degradation, alcoholism, theft, drug addiction. 2. Decrease in qualification, aging and elimination of qualified personnel. 3. The demographic problems, which are connected with aging of the population and an amplifying financial load of the economically active population; 4. A high share of the population which doesn't have any special skills and abilities, that are demanded in a local labor market, a low share of people with a higher education and, as a result, a common fault in the qualified labor; 5. Outflow of the young economically active population out of area limits (graduates of schools); 6. Deterioration of children's and maternal health, decrease in birth rate; 7. Decrease in tax potential, insufficient budgetary security because of the republic's weak economic base; 8. A lack of investment appeal of the enterprises. 9. Increase of accident rate in the housing-and-municipal sphere. 10. Low specific weight of its own the profitable budget's sources, dependence on transfers from budgets of the other levels. 11. Reduction of the sum of the collected taxes.

4. Discussion

At many enterprises of the republic there is no real program of recovery from the crisis, the work on restructuring of the enterprises isn't enough active, including the restructuring of accounts payable, transfer to a stock of not used property, there are no worked investment projects of the enterprises' development. Not completed the work on the inventory of companies' property and the property which citizens have, not solved the issues of sale or transfer to rent of free rooms, the equipment, free lands to the interested subjects of a small business. Not executed according to arguments the republican budget of the Mari El Republic, increase of the accounts payable of municipal budgets.

The budget of the Mari El Republic, not only during the analyzed period, and for many decades, is scarce and in the long term as the tendency of the budget deficit of the consolidated budget of the Republic. So in 2014 is expected a consolidated budget deficit of \$ 1,737,200,000 mln. rub. In 2015 and 2016 according to the data compiled by the deficit forecast to fall to 941.2 and 940.4 million respectively.

At the moment, in the Republic is performed a passage to program-target method of planning. In order of the Government of the Mari El Republic on 09.20.2013, № 548 - r approved a list of 23 state programs of the Mari El Republic in the following areas: "A new quality of life" - 12 state programs; "Innovative development and modernization of the economy" - 7 state programs; "Effective State" - 4 of the state program.

Within the solution of a problem's changing of the current proportion of the income's distribution between the budgets of different levels of the Russian Federation's budgetary system it is necessary to allocate the problem of the income's reserves of the Russian Federation's consolidated subjects' budgets.

In this regard the possibility of obtaining additional income's volumes can be considered in the following directions.

First, increase of administration's debt efficiency on taxes and fees, a penalty fee and tax sanctions in the budgetary system of the Russian Federation. So, in the year 2013 growth of debt on taxes and fees, a penalty fee and tax sanctions in the budgetary system of both the Russian Federation, and the republic caused by consequences of an economic crisis, and also additional charges by results of control actions of tax authorities proceeded.

As of January 1, 2014 there was increased the debt volume in all levels of the republic's budgetary system on taxes and fees, a penalty fee and tax sanctions. In a total amount of debt, there are about 83% of debt on federal taxes and fees.

There are some reasons of the debt's growth: increase in charges according to the results of the tax authorities' checks, the reception of personal accounts on the organizations migrating from the other regions, failure to pay the current and advance payments, lack of current assets, financial difficulties and bankruptcy of the enterprises.

Secondly, granting of the tax privileges established by the federal and regional legislation on regional taxes and fees, leads to increase in volume of the dropping-out income and, as a result, to decrease in the income consolidated of

the republic's budget.

It should be noted that the dropping-out income on the volumes is comparable to volumes of the provided financial aid to regions.

Thirdly, the non-tax income has no considerable impact on growth of the regions' profitable base, at the same time it is an additional source of their formation and strengthening of financial independence, especially the budgets of municipalities. On the one hand, the problems of the non-tax income's collecting are caused by unevenness and difficult predictability, as their some sources have single character (the income from realization of the state and municipal property, sale of material and intangible assets, administrative payments and charges, penalties, sanctions and compensation of damage), on the other hand, it is observed, though the insignificant, but annual growth of the non-tax income.

Thus, the results of the control and expert and analytical actions of external financial control of the Mari El Republic can be used by the problems' solution of identification of the consolidated budget income's reserves, and also in general by the analysis of the region's profitable capacity.

5. Conclusions

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Overall, the transition to the formation of the program budget at the federal and at the regional level will allow: to increase the validity of the strategic decisions in terms of required budget and other related resources; to compare accurately the planned budget expenditures with achieved performance indicators; to strengthen the role of financial control, including in the assessment of efficiency of use of budgetary funds, the analysis results.

To optimize budget expenditure should also: to increase a priority in the selection of areas and objects of funding from the state budget, prioritize in expenditures must be ensured by means of preferential financing conditions in the efficient use of public funds; to restructure budget spending in the sectors of the economy on the basis of an inventory of its own income sectors, to strengthen the role of its own sources to ensure the ongoing activities of enterprises and organizations; to develop a mechanism for the transfer of loss-making sectors to self-sufficiency and self-financing; enshrined in law the share of budgetary resources allocated to the social and cultural sphere in the total expenditures of the state budget; forecasting proportions, providing an optimum combination of funding sources unproductive; the degree of own incomes of regional budgets must be necessary and sufficient.

Thus, the proposed optimization direction of fiscal policy in the future contribute to the increase of budget revenues and expenditures of the efficient use of Mari El Republic.

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