

The System of State Trust Funds Abroad

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Abstract

This article examines the activities of state funds, methods of mobilizing national income in the process of redistribution during the formation of funds and the duration of trust funds. The article also provides the essence and significance of the activities of state, local and interstate foundations abroad.

Keywords: *target extra-budgetary funds, target budget funds, national income, formation of funds, permanent funds, and temporary funds.*

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For a correct understanding of the issues of the activities of target budget and state extra-budgetary funds, it is necessary first of all to define the concept and types of these funds. Very often there is confusion between the concepts of state trust funds of cash and funds, as non-profit organizations. The activities of foundations as a variety of non-profit organizations are regulated by civil law. The property of these non-profit organizations is in their ownership and they have the right to independently determine the direction and purpose of spending the financial resources at their disposal (of course, within the framework of the law).

The activities of state funds are regulated by budgetary legislation and civil legislation refers to trust funds only insofar as it generally regulates the activities of legal entities.

Most state and municipal trust funds are not legal entities. Despite the above differences, many authors, including educational literature, often do not distinguish between state trust funds of funds and non-profit organizations - funds.

Thus, a state institution is included in the target funds of funds, the source of the formation of property of which is, among other things, budgetary appropriations. Fund resources are not included in the federal budget. There is also no budget for the fund, adopted by the representative body of state power. The Fund, of course, has the right to carry out entrepreneurial activities; however, it has no sources of income for the target area, such as extra-budgetary and budgetary funds. In this case, we have a non-profit organization, the founder of which is the state, which has a very remote relation to state and municipal trust funds. For example, such a fund is the Fund for Assistance to the Development of Small Forms of Enterprises in the Scientific and Technical Sphere.

In accordance with its regulations, the foundation is a state non-profit organization, the sources of funding for which are budgetary appropriations in the amount of 1.5 percent of the funds provided annually in the federal budget for financing science; voluntary contributions from enterprises, institutions, organizations and citizens, including foreign legal entities and individuals, as well as other income from the activities of the Fund.

The above example shows how important it is to initially correctly define the concept of state and municipal trust funds, which are the subject of this study. The problem of accurately defining the characteristics of state and municipal trust funds is extremely important for rule-making and law enforcement. Without this, many questions about the attribution of various trust funds to state or municipal funds, and therefore questions about the application to such funds of the rules on regulating the activities of state and municipal trust funds, become intractable. Another example is the problem of so-called "off-budget R&D funds", which will be discussed below.

Without a doubt, the issue of the status of state trust funds from a civil law point of view is interesting. And although the study of this problem is beyond the scope of the subject of this work, it should be noted that it would significantly enrich our understanding of trust funds and would allow us to remove many controversial issues that arise when referring various entities to state and municipal trust funds.

The main methods of mobilizing national income in the process of redistribution in the formation of funds are:

- special taxes and fees;
- funds from the budget;

➤ Loans.

Each fund has fixed income and expenses and an appropriate management system. Funds have a strictly designated purpose and are not spent for other purposes.

Trust funds are divided into permanent and temporary funds according to their duration.

Permanent funds are funds, the creation of which is associated with the performance of certain functions of the state. Permanent funds include: Pension Fund, Social Insurance Fund for Temporary Disability, Unemployment Insurance Fund, and Social Insurance Fund for Industrial Accidents and Occupational Diseases.

Temporary funds are funds that are formed to accelerate the resolution of urgent problems. For example, temporary funds include: the Fund for the Social Protection of the Disabled, the Fund for Environmental Protection.

According to the legal status, special funds are divided into state, local and interstate.

State trust funds are at the disposal of the central government.

Local governments have a large number of local funds, among which the largest are loan funds.

One of the forms of multilateral cooperation between states are international organizations and foundations. They unite states, national institutions, societies, non-governmental associations to achieve a common goal in the field of politics, economics, social, scientific and technical fields, as well as culture, etc. Interstate trust funds of funds are being created on the basis of interstate agreements for the implementation of a single monetary, financial and credit policy of the participating countries. Among interstate funds, the most important are the International Monetary Fund, whose task is to regulate international liquidity in order to balance the balance of payments and the International Bank for Reconstruction and Development (IBRD), which provides long-term loans to expand production capacities for a period of time, all foreign exchange transactions are carried out through authorized banks.

Depending on the purpose of use, special funds are divided into military-political, social, research and economic.

Social funds are resources that are intended to provide social services to the population. In Ukraine, social funds include:

- Pension Fund;
- Social insurance fund for temporary disability;
- Unemployment Insurance Fund;
- Social insurance fund against accidents at work and occupational diseases.

Research funds are used to finance the support of scientific research in industry, construction, as well as the maintenance of state research centers that carry out the development of fundamental research

Economic funds are designed to regulate economic life. Economic funds include the following funds:

- investment;
- credit;

- reserve;
- Opportunistic, etc.

State and municipal trust funds of funds differ depending on whether they are included in the state or municipal budget or not. Thus, trust funds of funds can be either budgetary or extrabudgetary. The meaning of the words "budgetary fund" or "off-budget fund" is different. This largely depends on the position from which trust funds are considered - as funds management bodies or as funds of funds at the disposal of authorities.

It should be noted that in the legal literature, the terms "off-budget fund" or "budget fund" have not been considered in various aspects, as is done with respect to the concept of "budget". Although, without a doubt, extra-budgetary and budgetary funds, as a kind of cash funds, can also be considered as different categories.

Thus, the budget is usually considered as an economic category, a legal category and in a material aspect. In the economic aspect, the budget is understood as a system of economic (monetary) relations that arise in connection with the formation, distribution and use of centralized monetary funds intended for the implementation of general state and municipal tasks and the performance of the functions of the relevant state authorities and local self-government. However, the budget, as an economic category, is often given very different definitions, which, however, do not deny the view of the budget as a system of economic relations regarding the formation and use of monetary funds: "the budget is economic monetary relations that mediate the process of formation and use of a centralized fund of monetary means of the state, approved as a law"; "The budget is a form of formation and expenditure of a fund of funds intended for financial support of the tasks and functions of the state and local government."

Trust funds of cash are not a product of only the domestic economy. In many countries they arose much earlier than in our country. It is most interesting to consider examples of the activities of extra-budgetary funds of foreign countries, as the most indicative for understanding the purpose of trust funds in the structure of public finances.

One of the first began to create economic off-budget funds. So, for example, the amount of reparations to France paid in 1926-27 by Germany under the so-called Dawers plan and amounting to a total of 4 billion francs were not included in the state budget of France and were directed to cover the losses caused to the economy of World War I war199.

In 1948, in Germany, to restore the economic potential destroyed by the war, the European Recovery Program Fund was established, and in 1949, the Immediate Assistance Fund, reorganized in 1952 into the War Burden Equalization Fund. In general, Germany is the country most widely among the "seven" developed countries using extra-budgetary funds to solve economic problems. Until 1974, the Social Insurance and Social Security Fund also existed in Germany. The fund was liquidated after the transition to the new principles of building the social insurance system in Germany.

The European Recovery Program Fund was formed from proceeds from the sale of goods supplied under the Marshall Plan.

Later, the fund began to receive deductions from the federal budget and profits from loans provided by the fund. The fund issued gratuitous loans, medium-term and short-term loans at the rate of 4-7 percent per year, and also provided guarantees for private loans to finance the mining and manufacturing industries. To carry out these operations, the Recovery Bank was established

in 1948. The fund's budget was annually reviewed and approved by Parliament.

The funds of the War Burden Equalization Fund were formed from the contributions of entrepreneurs in the amount of 2-3 percent of the assessed value of property attributable to the cost of manufactured products, subsidies from the federal and local budgets, as well as from proceeds from the issuance of loans issued by the fund. Most of the fund's resources were used to finance capital investments. Investment loans were issued from the fund at a preferential rate of 3 percent per annum. Calculations for the fund were entrusted to the War Burden Equalization Bank, specially created in 1954.

Many problems arose in the FRG in the early 1990s in connection with the process of German unification. Since the scale of the funds required for reforming the socio-economic system of the new lands far exceeded the possibilities of the FRG budget, their mobilization went beyond its borders. For the period from 1990 to the end of 1994, the German Unity Foundation, established in May 1990, provided large financial flows to the new lands. Until 1995, the new lands were not included in the inter-land financial equalization, as this could not lead to undermining the budget system of the western lands nor did they receive federal subsidies as part of the financial equalization. Instead, they received transfers from the German Unity fund.

The fund's initial capital was set at 115 billion marks, of which 95 billion marks were received as loans from the federation, lands and communes at 10 percent per annum; the rest of the money was transferred from the federal budget. Initially, it was supposed to transfer 85 percent of the fund's resources to the "new" lands (of which 40 percent were to go directly to the communes), and 15 percent to be left at the disposal of the federation. In 1991, a share of the federation's funds began to be transferred to the "new" lands (an additional 5 billion marks annually).

The growing financial needs of the new Länder led to repeated increases in the funds of the fund at the expense of the federation and the old Länder. During the period from 1990 to 1994, the fund was replenished at the expense of additional federal appropriations (1992-1994 - 7.9 billion marks), by increasing the value added tax rate from 14 to 15 percent (1993-1994 - 22 billion marks). Marks) and as part of the assistance of the federation and the "old" Länder through the introduction of a 7.5 percent surcharge on income tax (1993-1994 - 15 billion marks).

In total for 1990-94. 160.7 billion marks were paid out of the fund in transfers. They were distributed in proportion to the number of inhabitants, 60 percent of the funds went to the lands, and the rest went to the communities. Since its inception, the fund has received 49.6 billion marks in federal subsidies, 95 billion marks in loans and 16.1 billion marks in subsidies from the western states. The fund's debts of 95 billion marks are supposed to be repaid within 20 years from the federal budget and the budgets of the old states.

Economic off-budget funds in Japan have become widespread. The specifics of Japan's financial system are investment off-budget funds, which, due to their enormous size (about 50 percent of the central budget), form, as it were, a "second budget" in the form of investment programs and loans. These programs, since 1953, are annually developed and approved by Parliament simultaneously with the general budget. They are a system of appropriations and loans to various state enterprises and institutions, including financial institutions, as well as to local governments and their enterprises.

The main sources of funding for the programs are the funds of the Bureau of Trust Funds, formed, in particular, from the postal savings of the population and state pension reserves, and the funds of the postal life insurance system. A fairly small share is made up of private funds in

the form of government-guaranteed loans, as well as loans. A significant part of the public investment and loan programs are provided by two forms of small savings of the population, mobilized by the two largest public financial institutions: the postal savings system (in the mid-80s, the balance of postal savings exceeded about four times the amount of deposits of the largest bank in Japan, "Daiichi Kange" and 3.7 times the Bank of America, the world's largest private financial institution) and the Postal "simple" insurance system (in the mid-80s, the reserves of this system, which provides life insurance through mail premiums without prior medical examination, exceeded by 2.4 times the reserves of all private life insurance companies in Japan). In 1990, the reserves of the "Second Budget" amounted to 36,572.4 billion yen, of which the funds of the Bureau of Trust Funds accounted for 77.8 percent.

If in the above two countries the majority of trust funds carry out economic functions, then in France the bulk of extrabudgetary funds are social. The funds are combined into the so-called "Social Budget", which includes the Sickness, Disability and Maternity Insurance Fund, the Pension Fund, the Family Assistance Fund, and the National Unemployment Fund. The sources of the formation of the social budget are the mandatory contributions of entrepreneurs (60 percent), the insured (about 18 percent), revenues from the budget (20 percent) and some other income. The most significant place in the structure of social budget expenditures (40 percent) is occupied by the Pension Fund, intended for the payment of old-age pensions.

The social budget accumulates a significant part of the financial resources of the state. A significant improvement in pension legislation and the expansion of the scope of social protection for new categories of citizens, implemented during the period of social reforms in 1981-82. led to an increase in the share of social insurance funds in total government spending. Thus, the share of contributions to the social budget in the total amount of mandatory contributions increased from 42.7 percent in 1980 to 44.5 percent in 1990. The size of the "social budget" reached by 1990 a huge amount of 1.6 trillion. Francs. The growth of social contributions in recent decades was primarily due to an increase in social contributions of wage laborers. The share of deductions from entrepreneurs, which formed more than 3/4 of the social budget in the 1950s-1960s, decreased in the 1970s due to an increase in the rates of social contributions of wage earners and, as mentioned above, currently stands at about 60 percent.

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