

PRIORITIES OF PUBLIC DEBT MANAGEMENT IN THE REPUBLIC OF UZBEKISTAN

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Abstract. Effective management of state debts is one of the important directions of states' economic policy. In recent years, the increase of the external and internal debts of the state in Uzbekistan requires the improvement of management policy in this area. It is of urgent importance to study the best practices of foreign countries in managing public debts and to effectively use these experiences in national practice.

Keywords: public debt, strategy, economic development, Eurobond, debt instruments, financial stability, foreign policy, economic reforms.

In the context of the implementation of international financial and economic relations and the organization of interaction processes, the state debt is considered one of the important instruments in the development of the economy. Most foreign countries, regardless of the level of economic development, have internal and external government debt. Public debt is a dynamic indicator that can increase or decrease over the years. With the reduction of the state debt, the debt burden will decrease, and the funds spent on servicing the state debt will be saved.

In such conditions, effective socio-economic and foreign policy management of the state with the effective use of internal and external debt funds directly depends on the level of development and use of scientific-fundamental, legislative and international practice experiences of debt funds management by the state. If we consider the etymology of the concept of "state debt policy" from a theoretical point of view, debt policy has its own characteristics as a separate structure of the economic and financial policy of the state. These characteristics are formed on the basis of external and internal threats arising as a result of the interaction of certain institutional units, namely: - international distribution of capital and labor resources;

- mutual interests of large corporate structures conflict;
- characteristics of the state management system and directions;
- state of development of the financial system and financial market;
- the share of the secret economy;
- development of foreign economic and financial relations;
- state intervention in the economy, etc.

In our opinion, the external debt of the state is understood as debt obligations in the form of various instruments to foreign organizations, financial institutions, and legal entities for the purpose of use by the state for specific purposes.

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The internal debt of the state is understood as the debt obligations attracted by the Ministry of Economy and Finance of the Republic of Uzbekistan and the Central Bank of the Republic of Uzbekistan on the basis of repayment for specific purposes and deadlines to be used by the government to non-residents, individuals and legal entities. In attracting external and internal debt of the state, it is necessary to develop a debt management policy by the state. Debt management policy should be distributed by the ministry designated as responsible by the government by developing a specific program of measures for the effective use of debt. Because foreign and domestic debt is directed to sectors and sectors that do not have an optimal project in the future, as a heavy "burden" for the economy, it may cause additional expenses by the state.

According to the sources of formation, the debt of the state can be divided into internal and external debt. However, each source is different in terms of specific characteristics, implications, and capabilities. According to the Budget Code of the Republic of Uzbekistan, "state debt - the obligations of the Republic of Uzbekistan arising as a result of attracting internal and external funds"¹ is cited. In our opinion, it is necessary to include in this Code or based on the development of the Law on State Debt in a separate order, the specific components of the state debt, the features of their formation, and the functions and tasks of the competent authorities for their management. Public debt can be used for the following purposes:

- ensuring macroeconomic stability and increasing the country's sovereign credit rating;
- implementation and financing of large investment projects;
- reconstruction and development of social infrastructure;
- to cover the budget deficit;
- to restore the economy in case of emergencies;
- ensuring the corporate sector of the economy's need for capital, etc. In our opinion, external debt has several positive features in the development of the country's economy, which can be explained by the following.

First of all, by attracting foreign debt by the state, it is possible to increase the reproduction processes in economic sectors and sectors that are difficult to finance through internal opportunities (in the context of insufficient budget revenues).

Secondly, by attracting additional financial resources to prevent the increase of social instability and reduce the level of poverty, it is possible to ensure the employment of the population and further increase targeted social protection measures.

Thirdly, by developing the infrastructure of the regions, equal distribution of the national income between the regions and economic entities is achieved;

Fourthly, by increasing the investment attractiveness of the country, it creates the ground for the inflow of foreign investments;

¹ O'zbekiston Respublikasining Byudjet Kodeksi 2013-yil 13-dekabr 52(I)-son

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Fifth, the development of production infrastructures in the economy ensures the introduction of modern innovative technologies;

Sixth, it stimulates international integration processes in the development of the national stock market through modern instruments.

There are different approaches to public debt management in foreign literature. Each of them is described based on the practice of countries where scientists have conducted research. This is not for nothing, because economists have proposed a separate management mechanism based on factors such as the internal capabilities of the state, the level of macroeconomic development, the development of the financial market, the influence of external economic factors, and the level of economic development of the state. Based on the research on these approaches, we will try to describe their general aspects. State debt management should be carried out based on the following criteria:

- timely fulfillment of all obligations regarding the principal debt and interest on the funds involved;
- the reasonableness of determining the amount of payments based on the current macroeconomic situation in the formation of the state debt;
- diversifying the structure of external and internal debt and ensuring financial independence;
- to provide open information about the distribution of the funds involved in the relevant sectors and sectors, the expected income from them and all the operations performed;
- Attached are separate functional tasks to study public opinion on debt use.

State debt management methods depend on the state's debt management policy, in which the implementation of agreements on debt obligations is carried out directly based on mutual agreements of the parties. In addition, regulatory and legal documents, which provide for international and national legal measures to be taken appropriately in case of non-fulfillment of debt obligations on time or unjustified delays, apply. In our opinion, the level of risk of the state's internal debt compared to external debt is low. The main factors for this are the fact that the foreign debt is usually drawn in "hard" currency units and the interest paid on them is also carried out in those currency units. In addition, it can be seen from the practice of some foreign countries that the foreign debt is tied to political conditions, and in the future, if the state is unable to pay the foreign debt on time, the creditor countries may impose political conditions on their national wealth. Another advantage of domestic debt is that it leads to a redistribution of income within the country as the government repays the debt and related interest. However, there are several disadvantages of attracting a large amount of internal debt of the state, in which the first aspect that should be paid attention to is the determination of specific limits for the internal debt and the amount of internal debt should be attracted by the government in such a way that it does not exceed the specified limits, with a deep forecast of the future. will do.

The increase in interest payments on the state's internal debt can affect the increase in the level of income inequality among the population. Because, at the expense of taxes and other payments paid by the poor part of the population, the rich part of the population, who bought large amounts of government bonds, may have to pay more interest.

Increasing tax rates or expanding the tax base as a means of paying or reducing the state's internal debt can weaken the effect of economic incentives for the development of production, reduce interest in investing in new projects, and also increase social instability in society. Therefore, it is advisable to take into account external and internal factors, correctly assess future financial and economic opportunities, and direct the government's policy of public debt management to areas where each unit of attracted capital will be productive.

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