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ANALYSIS OF SOME ISSUES OF THEORETICAL AND LEGAL FOUNDATIONS OF STATE FINANCIAL CONTROL

Asadov Eldorjon Nizomiddin o'g'li,
PhD student at the Tashkent State
University of Law, Uzbekistan
ORCID: 0009-0004-0443-0961
eldorasadov001@gmail.com

Abstract: In this article, the author analyzed the categories related to government functions and public finances. The purpose of this study is to develop proposals and conclusions aimed at improving the functioning of government functions and public finances as a result of the study.

Keywords. State function, state function, classification of state functions, economic function of the state, finance, public finance, state financial system, state financial system.

The concept of state emerged at a certain stage of human development, primarily driven by the pressing need for mutually beneficial governance. Initial elements of state are formed based on social protection and the distribution of labor. According to a contract between the governing and the governed, the people appoint (or elect) responsible individuals from among themselves to manage state and assign them specific tasks and obligations. These governing officials, in turn, impose certain duties and responsibilities on the governed individuals. Thus, state is established based on this contract, and subsequently, the functions and duties of state naturally emerge.

State governance functions are closely related to state functions and have a direct impact on them. While they share many similarities, they also have distinct characteristics. State functions are the specific areas of activity defined by its policies, goals, duties, and powers at a given stage. To carry out these functions, state engages in legislative, executive, and judicial activities. In performing its functions, state employs methods of persuasion, encouragement, and compulsion. The degree to which these forms and methods are applied depends on the scope, duration, system, and characteristics of state functions. Classifying state functions aids in a deeper understanding of state essence and more clearly demonstrates its role in societal development. Generally, state functions are divided into two categories: internal and external functions. Since state governance is a form of state activity, state functions are inherent to it. However, there are also functions that arise from the specific characteristics of governance itself. In many literatures, governance functions are often described as functions of the executive authority (state administration) organs [1, pp. 19-21].

According to M.Najimov and Sh.Saydullaev, the function of state is defined by the general socio-political essence, significance, and obligations of state at a particular stage of development, and represents the primary directions of its activities aimed at achieving specific goals and tasks [2, p. 10]. Therefore, while state engages in various areas of activity, only its core types of activity can be considered as state functions.

Furthermore, state functions are classified according to various criteria, and scholars approach this classification differently. Specifically, KH.T. Odilqoriev and I.T. Tultiyev argue that the classification method is effectively utilized in the study of state functions. The criteria for classification, which allow for the grouping of specific functions, include various characteristics. For instance, the objects and areas of state activity, territorial scope, methods of influencing social relations, and the content of tasks differ

from one another. State functions can be categorized based on their duration into permanent and temporary functions, as well as primary and secondary functions. The most common classification method is based on distinguishing between internal and external functions of state.

Internal Functions refer to the main directions of a state activity in managing its internal social life. Classification of internal functions is done according to the areas of state activity. Regardless of the form of governance or state structure, every state addresses a range of fundamental economic, social, protective, and regulatory tasks. Additionally, environmental protection has become a critical task for all modern states. Accordingly, internal functions are divided into economic, social, financial control, legal regulation, and environmental protection functions.

External Functions pertain to the primary directions of a state activity in the international arena. These functions include establishing and maintaining positive relations with other states and ensuring the defense of the country against potential external aggression. Therefore, external functions are divided into two main categories: fostering mutually beneficial cooperation with all member states of the international community and defending the country from external attacks [3, pp. 107-112].

In our view, when classifying state functions, it is essential to base the classification on state objectives and overarching tasks. For instance, the primary goal of state is to provide quality services to all citizens based on their interests in a given region. Additionally, one of the fundamental reasons for state existence is to address the needs for protection against external threats, ensuring safety, and securing property.

The scholar has accurately delineated the methods by which state exerts influence on the economic activities of its populace as an economic tool. State establishes its financial revenue through taxation on these economic activities, thereby shaping national income, or state budget. As evident, economic relations are fundamental, and the monetary, tax, and accounting dimensions of these relations are regulated through financial instruments.

According to Adik Lin, finance is a system of economic relations concerning the creation, allocation, and utilization of monetary resources essential for funding public needs. The financial system of the Republic of Uzbekistan comprises the following components: state budget; state-targeted funds and extrabudgetary reserves; the finances of economic entities and sectors of the economy; credit (including state and bank credit); and property and personal insurance [4, p. 6].

According to A.M. Hamidov, the financial system of the Republic of Uzbekistan encompasses the establishment, distribution, and utilization of monetary resources, as well as addressing the social and cultural needs of the population. It represents the financial (economic) relations that underpin the economic, socio-cultural, and administrative-political development of the republic [5, p. 8].

In our view, finance pertains to the relationships involving money and income. State finance, specifically, refers to the financial relationships related to the accumulation and allocation of funds based on state and societal needs.

Finance encompasses the creation, distribution, and utilization of resources by state, economic entities, and households to meet national needs, expand production, and satisfy the social requirements and demands of the population. These activities generate monetary and economic relations.

State finance represents a combination of central and local finances, designed to address both state and local needs. In state finance, expenditures are determined by revenues, with compulsory methods predominantly used for revenue generation, such as the imposition and collection of taxes and other mandatory payments.

Private finance refers to the funds owned by legal entities and individuals, with the primary aim of generating income (profit) and fulfilling personal needs. Within the realm of private finance, income dictates expenditures, and the principal methods for replenishing these funds are economic techniques [6, p. 25].

In understanding finance, distinguishing between public and private finance represents a highly accurate approach. This is because even before the advent of states, there was already commodity circulation among people, with financial transactions often conducted in kind. These processes are the roots of private finance. Subsequently, with the emergence of states, public finance evolved to meet the needs of governance.

Economic Function of state: this function involves managing and regulating the system of economic relations related to production, services, and labor based on free market principles. It includes creating a free environment where market rules apply, supporting economic activities, private property, and entrepreneurship.

The relationship between state economic functions and state finance can be summarized as follows: state finance derives from state economic function; specifically, the financial function of state emerges from its economic activities. Financial relations arise from economic activities, with financial outcomes such as money, income, prices, and calculations resulting from economic activities. Consequently, state develops financial policies, financial systems, and financial oversight functions to regulate these financial relations.

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