

Makedoshin, M. A. (2024). Analysis of the Leningrad region's budget execution for 2021. *Current Issues of Science: Student Thought. Tukulart Student Scientific*, 4, 55-58. Ostrava: Tukulart Edition, European Institute for Innovation Development.

DOI: 10.47451/tss2024-06-03

The paper will be published in Crossref, ICI Copernicus, BASE, Zenodo, OpenAIRE, LORY, Academic Resource Index ResearchBib, J-Gate, International Scientific Indexing (ISI), eLibrary, Google Scholar, and WebArchive databases.



Maksim A. Makedoshin, Bachelor Student, Faculty of Training Specialists for the Judicial System, Russian State University of Justice. St. Petersburg, Russia.

Scientific supervisor: Nina N. Gontar, Candidate of Science in Law (PhD), Associate Professor, Russian State University of Justice. St. Petersburg, Russia.

Analysis of the Leningrad region's budget execution for 2021

Abstract: It is generally believed that the key function of the Northwestern Federal District is to ensure Russia's foreign economic relations with the European Union and many other regions of the world. This primary task is primarily due to the geographical location of the Northwestern Federal District, which includes the Leningrad Region bordering Estonia and Finland. This study aimed to analyse the budget execution of the Leningrad Region for 2021. An analysis of the revenue and expenditure items of the budget was performed, like a summary analysis of the region's budget. To achieve this goal and solve problems, analytical, comparative, and deductive methods were used. The study used regulations and articles by economists in regional budgeting. The author concludes that the planned budget for 2021 is significantly different from what was implemented. Revenues are higher than planned, and expenses are lower. Nevertheless, it is impossible to exclude insurmountable circumstances by the type of external economic factors that could affect the level of embezzlement.

Keywords: Leningrad region, budget execution, expenditure budget items, revenue budget items.



Максим А. Македошин, студент бакалавриата, факультет подготовки специалистов для судебной системы, Российский государственный университет правосудия. Санкт-Петербург, Россия.

Научный руководитель: Нина Николаевна Гонтарь, кандидат юридических наук, доцент кафедры, Российский Государственный университет правосудия. Санкт-Петербург, Россия.

Анализ исполнения бюджета Ленинградской области за 2021 год

Аннотация: Принято считать, что ключевой функцией Северо-Западного федерального округа является обеспечение внешнеэкономических связей России с Европейским союзом и рядом других регионов мира. Такая основная задача обусловлена в первую очередь географическим положением СЗФО, в состав которого входит Ленинградская область, граничащая с Эстонией и Финляндией. Целью данного исследования было проанализировать исполнение бюджета Ленинградской области за 2021 год. Был проведён анализ доходной и расходной статей бюджета, а также сделан сводный анализ бюджета региона. Для достижения поставленной цели и решения задач были использованы такие методы как аналитический, сравнительный и дедуктивный. В ходе исследования были использованы нормативные акты и статьи экономистов в области регионального бюджетирования. Автор делает выводы, что запланированный бюджет на 2021 год

значительно отличается от того, что получилось реализовать в действительности. Доходы выше запланированного, а расходы меньше. Тем не менее, нельзя исключать непреодолимые обстоятельства по типу внешнеэкономических факторов, которые могли повлиять на уровень растрат.

Ключевые слова: Ленинградская область, исполнение бюджета, расходные статьи бюджета, доходные статьи бюджета.



Introduction

It is generally believed that the Northwestern Federal District's key function is to ensure Russia's foreign economic relations with the European Union and several other regions of the world (*Belchenko, 2019*). This primary task is primarily due to the district's geographical location, which includes the Leningrad Region bordering Estonia and Finland.

The development of the subject of the Russian Federation in question largely depends on geo-economic and geopolitical factors since the price of exports to non-CIS countries is 13 times higher than the cost of exports to CIS countries (*On the National Goals..., 2018*). It is worth focusing on the context of 2022, within which economic cooperation between the countries has undergone significant changes due to foreign policy differences and the growth of a militaristic agenda. Despite the above factors, it cannot be said that the region's fundamental development trend and key functions have changed significantly because the geographical location and hundreds of years of mutually beneficial cooperation cannot simply disappear without a trace.

The study aimed to analyse the budget execution of the Leningrad Region for 2021.

Based on the purpose, the following tasks were solved:

- analyse the revenue side of the budget;
- analyse the expenditure part of the budget;
- analyse summarily the budget of the subject of the Russian Federation;
- conclude on the Leningrad Region budget for 2021.

To achieve this goal and solve problems, such methods as analytical, comparative and deductive were used.

The study used regulations and articles by economists in regional budgeting.

Results

Analysis of the revenue side of the budget

The official website of the Committee for Economic Development and Investment Activities of the Leningrad Region provides statistical data on the subject's industry, which is of no minor importance in the study of budget policy.

Thus, the predominant industry in the Leningrad region is processing, which includes producing petroleum products, chemicals, food products, tobacco products, paper and much more related to consumer goods (*The official website..., 2023*).

Turning to the analysis of the Leningrad Region budget 2021, it is necessary to start with its revenue side, which is divided into tax, non-tax, and gratuitous receipts. The budget analysis was performed based on the Leningrad region's law.

The first income category includes taxes, which are divided into federal, regional, and local taxes according to the Russian Federation's Tax Code. These also include penalties and fines (*Tax Code...*, 1998). Cash flows are differentiated by tax categories using the standards of deductions fixed in the Russian Federation's Budget Code.

Non-tax revenues represent income from the sale of property owned by the State or municipality. This category also includes income from paid services provided by budgetary institutions and funds received as compensation for damage caused to the Russian Federation, its subjects, municipalities, etc.

The last category is gratuitous receipts, which refer to subsidies and transfers from Russia's other budgets. Although this is the primary source, receipts from individuals, legal entities, foreign governments, and international organisations are still worth considering.

According to the official report, the Leningrad region's budget received about 168.1 billion in 2021. Most of these were tax and non-tax revenues, namely 142 billion, and gratuitous revenues, only 26 billion.

The dominant sources of income generation were corporate income and property tax, personal income and excise taxes. Only four taxes generated 95.4% of revenues, indicating the subject's most substantial dependence on the economic well-being of its population. Suppose you do not create the appropriate conditions for developing small and medium-sized businesses. In that case, it not only starts the flow of money in the whole country's economy by itself but also creates additional jobs that reduce unemployment, affecting the purchasing power of the population and its financial well-being.

Analysis of the expenditure part of the budget

The expenditure part, executed for 174.4 billion rubles, consists of expenditures on education (40 billion), social policy (37 billion), the national economy (30 billion), healthcare (24 billion), inter-budgetary transfers to the budgets of the Russian Federation's budgetary system (6.6 billion), culture and cinematography (4 billion), and national security and law enforcement (2.5 billion).

The actual cost of the monetary maintenance of state civil servants of the Leningrad region amounted to 2,694,836 thousand rubles, the number of state civil servants of the Leningrad region 2,102; the actual cost of the monetary maintenance of employees of state institutions of the Leningrad region amounted to 15,529,707 thousand rubles, the number of employees of state institutions of the Leningrad region is 25,729.

Summary analysis of the budget of a constituent entity of the Russian Federation

Having analysed the key income and expense items of the regional budget of the Leningrad region, we can conclude that there is a deficit. In the Budget Code of the Russian Federation, paragraph 1 of Article 92.1 states that the budget deficit is established by law for the next financial year in compliance with the restrictions established by this article (*Budget Code...*, 1998).

Thus, it should be within 15% of the total annual budget income, excluding gratuitous receipts. The deficit can be viewed from several viewpoints, with both positive and negative sides. Everything depends mainly on the direction of spending and the deficit balance (Belous, 2021).

One of the key points is the spending on current expenses, on those that support the existence of the system itself, namely the payment of salaries to civil servants, maintenance of buildings and other costs (Belogortseva, 2022). If they make up the bulk of expenses, then such a budget cannot be considered adequate, which indicates an urgent need to perform reforms. In the case of the Leningrad Region, it is clear that the authorities of the subject direct funds to the development of social and economic spheres. However, support for small and medium-sized businesses can still be strengthened.

Conclusion

Based on the above, the planned budget for 2021 is significantly different from what was implemented. Revenues are higher than planned, and expenses are lower. Nevertheless, it is impossible to exclude insurmountable circumstances by the type of external economic factors that could affect the level of embezzlement. Modern conditions force the economy of an entire country to change its vector of development from the west to the east and the domestic market, which the Leningrad region can quickly transfer without critical losses.



References:

- Belchenko, M. A. (2019). Social and economic forecast of the Leningrad region development as a basis for the region's strategic planning. *Scientific Notes of the St. Petersburg V. B. Bobkov Branch of the Russian Customs Academy*, 1, p. 55. (In Russ.)
- Belogortseva, H. V. (2022). *Budget law of Russia: Textbook* (2nd ed.). Moscow: INFRA-M. (In Russ.)
- Belous, O. V., Gavrilova, D. A., & Morunova, G. V. (2021). Deficit and surplus: The impact of an unbalanced budget on the economy in the example of the Russian Federation. *StudNet*, 3. (In Russ.)
- Budget Code of the Russian Federation. (2023). Federal Law No. 145-FZ dated July 31, 1998. (In Russ.). https://www.consultant.ru/document/cons_doc_LAW_19702/
- On the National Goals and Strategic Objectives of Developing the Russian Federation for the Period up to 2024. (2018). Decree of the President of the Russian Federation No. 204, dated May 07, 2018 (In Russ.)
- Tax Code of the Russian Federation (Part 1). (2023). Federal Law No. 146-FZ, dated July 31, 1998. *Consultant*. (In Russ.). https://www.consultant.ru/document/cons_doc_LAW_19671/
- The official website of the Committee for Economic Development and Investment Activities of the Leningrad region. (2023). *Lenobl*. (In Russ.) <https://econ.lenobl.ru/ru/budget/company/>