



REVISTA INCLUSIONES

HOMENAJE A NATALIA MILANESIO

Revista de Humanidades y Ciencias Sociales

Volumen 7 . Número 4

Octubre / Diciembre

2020

ISSN 0719-4706

CUERPO DIRECTIVO

Director

Dr. Juan Guillermo Mansilla Sepúlveda
Universidad Católica de Temuco, Chile

Editor

OBU - CHILE

Editor Científico

Dr. Luiz Alberto David Araujo
Pontificia Universidade Católica de Sao Paulo, Brasil

Editor Europa del Este

Dr. Aleksandar Ivanov Katrandzhiev
Universidad Suroeste "Neofit Rilski", Bulgaria

Cuerpo Asistente

Traductora: Inglés

Lic. Pauline Corthorn Escudero
Editorial Cuadernos de Sofía, Chile

Portada

Lic. Graciela Pantigoso de Los Santos
Editorial Cuadernos de Sofía, Chile

COMITÉ EDITORIAL

Dra. Carolina Aroca Toloza
Universidad de Chile, Chile

Dr. Jaime Bassa Mercado
Universidad de Valparaíso, Chile

Dra. Heloísa Bellotto
Universidad de Sao Paulo, Brasil

Dra. Nidia Burgos
Universidad Nacional del Sur, Argentina

Mg. María Eugenia Campos
Universidad Nacional Autónoma de México, México

Dr. Francisco José Francisco Carrera
Universidad de Valladolid, España

Mg. Keri González
Universidad Autónoma de la Ciudad de México, México

Dr. Pablo Guadarrama González
Universidad Central de Las Villas, Cuba

Mg. Amelia Herrera Lavanchy
Universidad de La Serena, Chile

Mg. Cecilia Jofré Muñoz
Universidad San Sebastián, Chile

Mg. Mario Lagomarsino Montoya
Universidad Adventista de Chile, Chile

Dr. Claudio Llanos Reyes
Pontificia Universidad Católica de Valparaíso, Chile

Dr. Werner Mackenbach
Universidad de Potsdam, Alemania
Universidad de Costa Rica, Costa Rica

Mg. Rocío del Pilar Martínez Marín
Universidad de Santander, Colombia

Ph. D. Natalia Milanesio
Universidad de Houston, Estados Unidos

Dra. Patricia Virginia Moggia Münchmeyer
Pontificia Universidad Católica de Valparaíso, Chile

Ph. D. Maritza Montero
Universidad Central de Venezuela, Venezuela

Dra. Eleonora Pencheva
Universidad Suroeste Neofit Rilski, Bulgaria

Dra. Rosa María Regueiro Ferreira
Universidad de La Coruña, España

Mg. David Ruete Zúñiga
Universidad Nacional Andrés Bello, Chile

Dr. Andrés Saavedra Barahona
Universidad San Clemente de Ojrid de Sofía, Bulgaria

Dr. Efraín Sánchez Cabra
Academia Colombiana de Historia, Colombia

Dra. Mirka Seitz
Universidad del Salvador, Argentina

Ph. D. Stefan Todorov Kapralov
South West University, Bulgaria

COMITÉ CIENTÍFICO INTERNACIONAL

Comité Científico Internacional de Honor

Dr. Adolfo A. Abadía

Universidad ICESI, Colombia

Dr. Carlos Antonio Aguirre Rojas

Universidad Nacional Autónoma de México, México

Dr. Martino Contu

Universidad de Sassari, Italia

Dr. Luiz Alberto David Araujo

Pontificia Universidad Católica de Sao Paulo, Brasil

Dra. Patricia Brogna

Universidad Nacional Autónoma de México, México

Dr. Horacio Capel Sáez

Universidad de Barcelona, España

Dr. Javier Carreón Guillén

Universidad Nacional Autónoma de México, México

Dr. Lancelot Cowie

Universidad West Indies, Trinidad y Tobago

Dra. Isabel Cruz Ovalle de Amenabar

Universidad de Los Andes, Chile

Dr. Rodolfo Cruz Vadillo

Universidad Popular Autónoma del Estado de Puebla, México

Dr. Adolfo Omar Cueto

Universidad Nacional de Cuyo, Argentina

Dr. Miguel Ángel de Marco

Universidad de Buenos Aires, Argentina

Dra. Emma de Ramón Acevedo

Universidad de Chile, Chile

Dr. Gerardo Echeita Sarrionandia

Universidad Autónoma de Madrid, España

Dr. Antonio Hermosa Andújar

Universidad de Sevilla, España

Dra. Patricia Galeana

Universidad Nacional Autónoma de México, México

Dra. Manuela Garau

Centro Studi Sea, Italia

Dr. Carlo Ginzburg Ginzburg

Scuola Normale Superiore de Pisa, Italia

Universidad de California Los Ángeles, Estados Unidos

Dr. Francisco Luis Girardo Gutiérrez

Instituto Tecnológico Metropolitano, Colombia

José Manuel González Freire

Universidad de Colima, México

Dra. Antonia Heredia Herrera

Universidad Internacional de Andalucía, España

Dr. Eduardo Gomes Onofre

Universidade Estadual da Paraíba, Brasil

Dr. Miguel León-Portilla

Universidad Nacional Autónoma de México, México

Dr. Miguel Ángel Mateo Saura

Instituto de Estudios Albacetenses "Don Juan Manuel", España

Dr. Carlos Tulio da Silva Medeiros

Diálogos em MERCOSUR, Brasil

+ Dr. Álvaro Márquez-Fernández

Universidad del Zulia, Venezuela

Dr. Oscar Ortega Arango

Universidad Autónoma de Yucatán, México

Dr. Antonio-Carlos Pereira Menaut

Universidad Santiago de Compostela, España

Dr. José Sergio Puig Espinosa

Dilemas Contemporáneos, México

Dra. Francesca Randazzo

Universidad Nacional Autónoma de Honduras, Honduras

Dra. Yolando Ricardo

Universidad de La Habana, Cuba

Dr. Manuel Alves da Rocha

Universidade Católica de Angola Angola

Mg. Arnaldo Rodríguez Espinoza

Universidad Estatal a Distancia, Costa Rica

Dr. Miguel Rojas Mix

*Coordinador la Cumbre de Rectores Universidades
Estatales América Latina y el Caribe*

Dr. Luis Alberto Romero

CONICET / Universidad de Buenos Aires, Argentina

Dr. Maura de la Caridad Salabarría Roig

Dilemas Contemporáneos, México

Dr. Adalberto Santana Hernández

Universidad Nacional Autónoma de México, México

Dr. Juan Antonio Seda

Universidad de Buenos Aires, Argentina

Dr. Saulo Cesar Paulino e Silva

Universidad de Sao Paulo, Brasil

Dr. Miguel Ángel Verdugo Alonso

Universidad de Salamanca, España

Dr. Josep Vives Rego

Universidad de Barcelona, España

Dr. Eugenio Raúl Zaffaroni

Universidad de Buenos Aires, Argentina

Dra. Blanca Estela Zardel Jacobo

Universidad Nacional Autónoma de México, México

Comité Científico Internacional

Mg. Paola Aceituno

Universidad Tecnológica Metropolitana, Chile

Ph. D. María José Aguilar Idañez

Universidad Castilla-La Mancha, España

Dra. Elian Araujo

Universidad de Mackenzie, Brasil

Mg. Romyana Atanasova Popova

Universidad Suroeste Neofit Rilski, Bulgaria

Dra. Ana Bénard da Costa

*Instituto Universitario de Lisboa, Portugal
Centro de Estudios Africanos, Portugal*

Dra. Alina Bestard Revilla

*Universidad de Ciencias de la Cultura Física y el
Deporte, Cuba*

Dra. Noemí Brenta

Universidad de Buenos Aires, Argentina

Ph. D. Juan R. Coca

Universidad de Valladolid, España

Dr. Antonio Colomer Vialdel

Universidad Politécnica de Valencia, España

Dr. Christian Daniel Cwik

Universidad de Colonia, Alemania

Dr. Eric de Léséulec

INS HEA, Francia

Dr. Andrés Di Masso Tarditti

Universidad de Barcelona, España

Ph. D. Mauricio Dimant

Universidad Hebrea de Jerusalén, Israel

Dr. Jorge Enrique Elías Caro

Universidad de Magdalena, Colombia

Dra. Claudia Lorena Fonseca

Universidad Federal de Pelotas, Brasil

Dra. Ada Gallegos Ruiz Conejo

Universidad Nacional Mayor de San Marcos, Perú

Dra. Carmen González y González de Mesa

Universidad de Oviedo, España

Ph. D. Valentin Kitanov

Universidad Suroeste Neofit Rilski, Bulgaria

Mg. Luis Oporto Ordóñez

Universidad Mayor San Andrés, Bolivia

Dr. Patricio Quiroga

Universidad de Valparaíso, Chile

Dr. Gino Ríos Patio

Universidad de San Martín de Porres, Perú

Dr. Carlos Manuel Rodríguez Arrechavaleta

Universidad Iberoamericana Ciudad de México, México

Dra. Vivian Romeu

Universidad Iberoamericana Ciudad de México, México

**REVISTA
INCLUSIONES** M.R.
REVISTA DE HUMANIDADES
Y CIENCIAS SOCIALES

Dra. María Laura Salinas
Universidad Nacional del Nordeste, Argentina

Dr. Stefano Santasilia
Universidad della Calabria, Italia

Mg. Silvia Laura Vargas López
Universidad Autónoma del Estado de Morelos, México

**CUADERNOS DE SOFÍA
EDITORIAL**

Dra. Jaqueline Vassallo
Universidad Nacional de Córdoba, Argentina

Dr. Evandro Viera Ouriques
Universidad Federal de Río de Janeiro, Brasil

Dra. María Luisa Zagalaz Sánchez
Universidad de Jaén, España

Dra. Maja Zawierzeniec
Universidad Wszechnica Polska, Polonia

Editorial Cuadernos de Sofía
Santiago – Chile
OBU – CHILE

Indización, Repositorios y Bases de Datos Académicas

Revista Inclusiones, se encuentra indizada en:





REX



UNIVERSITY OF SASKATCHEWAN



Universidad de Concepción



BIBLIOTECA UNIVERSIDAD DE CONCEPCIÓN

**IMPROVEMENT OF REGIONAL AND MUNICIPAL FINANCE MANAGEMENT AS A FACTOR
OF ADVANCEMENT OF INTERBUDGET RELATIONS¹**

Ph. D. (c) Vladimir Alexandrovich Kvasha

Yaroslavl branch of the Financial University under the Government of the Russian Federation, Russia
ORCID: 0000-0002-0713-1922
vak2121@yandex.ru

Ph. D. (c) Roman Vladimirovich Kolesov

Yaroslavl branch of the Financial University under the Government of the Russian Federation, Russia
ORCID: 0000-0001-7337-3578
kolesov.rv@mail.ru

Dr. Alexey Dmitrievich Burykin

Yaroslavl branch of the Financial University under the Government of the Russian Federation, Russia
ORCID: 0000-0002-4452-6683
burykin.a.d@yandex.ru

Ph. D. (c) Alexander Viktorovich Yurchenko

Yaroslavl branch of the Financial University under the Government of the Russian Federation, Russia
ORCID: 0000-0001-7085-5731
urchenko.A@yandex.ru

Ph. D. (c) Vladimir Aleksandrovich Biryukov

Moscow Polytechnic University, Russia
ORCID: 0000-0002-2580-5927
biryuko@yandex.ru

Fecha de Recepción: 01 de julio de 2020 – **Fecha Revisión:** 19 julio de 2020

Fecha de Aceptación: 26 de septiembre 2020 – **Fecha de Publicación:** 01 de octubre de 2020

Abstract

The paper is concerned with the development of approaches to improve regional and municipal finance management as a factor in the advancement of interbudget relations in Russia. It is established that efforts to improve the mechanisms of regional and municipal finance management are now one of the priorities in state policies aimed at ensuring stable, dynamic and balanced development of the national economy. It is shown that the advancement of interbudget relations is concerned with building up the potential to bring down fiscal capability differentiations between the subjects and municipalities of the country, their capacity to pursue balanced budgets, administer their competences and provide equal opportunities for the public in obtaining budget services at or above the minimum quality and quantitative levels required to meet constitutional guarantees.

Keywords

Management – Regional and municipal finance – Interbudget relations – Competences

¹ **Acknowledgment.** Completed as Part of Applied Research on The State Task of 2020 of The Financial University Under the Government of The Russian Federation.

Para Citar este Artículo:

Kvasha, Vladimir Alexandrovich; Kolesov, Roman Vladimirovich; Burykin, Alexey Dmitrievich; Yurchenko, Alexander Viktorovich y Biryukov, Vladimir Aleksandrovich. Improvement of regional and municipal finance management as a factor of advancement of interbudget relations. Revista Inclusiones Vol: 7 num 4 (2020): 463-471.

Licencia Creative Commons Attribution Non-Comercial 3.0 Unported
(CC BY-NC 3.0)

Licencia Internacional



Introduction

The system of interbudget relations in the Russian Federation is not something static but undergoes steady advancement under the State Programme of the Russian Federation, "Development of Federal Relations and Establishing Conditions for Efficient and Prudent Regional and Municipal Finance Management." However, there is significant divergence in the levels of economic development and potential of the federal subjects of the Russian Federation.

For that reason, financial policies administered by government authorities should integrate efforts to provide support to underperforming regions to prevent considerable gaps in socioeconomic development and should be instrumental in building up regional competitive advantages and conditions for their successful realisation. Moreover, there is the increasingly growing level of independence regions enjoy in administering their budget competences and providing socially significant services; the role of efficient management of financial flows at the subnational level is rising.

In this case, one of the priorities of territorial self-development is now the elimination of socioeconomic differentiation, which should be addressed primarily by harnessing their own internal resource potential, not financial aid from higher-level budgets. This brings forward the problem of optimum alignment of economic management at the regional level with the objectives pursued by other economic subjects. However, the regionalisation of reforms is directly associated with the objectives of financial stability, which is, in turn, contingent on regional fiscal control, its effectiveness and performance across the scope of functions. Regional finance management was addressed in research by A. I. Bagaeva², V. A. Bykov³, V. V. Vagin⁴, R. V. Kolesov⁵, L. B. Mokhnatkina⁶, O. O. Smirnov⁷ and others. The requirements of efficient operation of territorial resources, in turn, create the need for fiscal control at the regional level.

Methods

Accordingly, the main research objectives in this subject area are as follows: analysis of the current issues and practices of efficient finance management at the regional level in Russia; international practices of regional and municipal self-government

² A. I. Bagaeva y Z. Kh. Ozdoeva, "Byudzhetrovanie kak vysokoeffektivnyi instrument sbalansirovannogo formirovaniya ustoichivosti munitsipalnykh finansov", Vestnik Akademii znanii Vol: 2 num 37 (2020): 419-423.

³ V. A. Bykov; R. V. Kolesov y A. Iu. Tarasova, "Kompleksnyi podkhod k prognozirovaniyu urovnya inflyatsii", Vestnik Moskovskogo finansovo-yuridicheskogo universiteta Vol: 1 (2019): 49-58.

⁴ V. V. Vagin y N. A. Shapovalova, "Initsiativnoe byudzhetrovanie kak instrument finansirovaniya territorialnogo obshchestvennogo samoupravleniya", Ekonomicheskaya nauka sovremennoi Rossii Vol. 3 num 86 (2019): 77-90.

⁵ R. V. Kolesov; A. D. Burykin y V. A. Kvasha, "Sovershenstvovanie mekhanizma mezhbyudzhetykh otnoshenii v Rossii v tselyakh obespecheniya ustoichivogo ekonomicheskogo rosta regionov", Ekonomika i upravlenie: problemy, resheniya Vol: 8 num 85 (2019): 103-111.

⁶ L. B. Mokhnatkina, "Sistema organizatsii i mekhanizm funktsionirovaniya mezhbyudzhetykh otnoshenii v Rossiiskoi Federatsii". Intellekt. Innovatsii. Investitsii Vol: 2 (2019): 58-64.

⁷ O. O. Smirnov, "Nalogovye dokhody na munitsipalnom urovne v federativnykh gosudarstvakh", Bukhgalterskii uchet v byudzhetykh i nekommercheskikh organizatsiyakh Vol: 7 num 463 (2019): 22-31.

in the financial area in countries with federal forms of government; substantiation of conceptual approaches to defining the essence of regional and municipal finance management; drafting recommendations to ensure the development and implementation of efficient managerial decisions in regional and municipal finance management.

The theoretical and methodological base of the study is shaped by the abstract logical method, inductive, deductive, analytical, synthetical and systematisation techniques in substantiating the approach to identifying the trends of regional and municipal finance management; statistical and economic and graphical methods used to analyse the levels and trends of the developmental parameters of regional and municipal finance; objective-setting method in determining the economic aspects of service provision in the context of state financial regulation.

The information base of this paper comprises statistics published by government authorities, legal and regulatory acts governing regional and municipal finance management, efficiency analyses of regional and municipal finance regulations and findings of earlier research⁸.

Results

Research shows that despite the conducted budget reforms in Russia, there are persistent negative trends in regional and municipal finance. Consequently, amid the slowing economic growth, a crucial priority is to identify reserves that would help to bring growth rates to global averages. Regional potential is among the most important and far from fully-utilised reserves that could serve the goals and objectives of national development.

To establish the prevalent problems, common features and organisational conditions of efficient practices of municipal finance management in Russia, we analysed such practices in 25 municipalities of the Union of the Cities of Central and Northwest Russia: Arkhangelsk, Borovichi, Veliky Novgorod, Veliky Ustyug, Vladimir, Vologda, Ivanovo, Kaliningrad, Kostroma, Kotlas, Naryan-Mar, Novodvinsk, Petrozavodsk, Pskov, Rybinsk, Severodvinsk, Smolensk, Staraya Russa, Suzdal, Syktyvkar, Tver, Tikhvin, Cherepovets, Shuya, Yaroslavl.

The sample is deemed representative, given it comprises both regional capitals being large industrial or logistics centres and small and medium-sized municipalities. Moreover, the municipalities in the sample represent both Russia's old industrial territories and areas where economic development occurred later in history.

The study refers to the period from 2016 to 2018. The information references of the study comprised news and analytical content at the official websites of the analysed municipalities. The conducted analysis showed a trend to the upside in terms of the

⁸ Ek. V. Agamirova; El. V. Agamirova; O. Ye. Lebedeva; K. A. Lebedev y S. V. Ilkevich, "Methodology of estimation of quality of tourist product", *Quality - Access to Success*. Vol: 18 num 157 (2017): 82-84; O. A. Blokhina; E. N. Zamega; V. A. Biryukov; T. V. Ukhina y L. V. Stakhova, "Modeling of innovative activities at an enterprise in the conditions of corporate culture", *Revista Inclusiones* Vol: 7 num 2 (2020): 205-214 y M. I. Seredina; G. V. Tretyakova; T. V. Oberemko; V. O. Kozhina y K. A. Lebedev, "Impact of external labor migration on labor market development", *Journal of Advanced Research in Law and Economics*. Vol: 8 num 2 (2017): 596-600.

PH. D. VLADIMIR ALEXANDROVICH KVASHA / PH. D. (C) ROMAN VLADIMIROVICH KOLESOV

DR. ALEXEY DMITRIEVICH BURYKIN / PH. D. (C) ALEXANDER VIKTOROVICH YURCHENKO

PH. D. (C) VLADIMIR ALEKSANDROVICH BIRYUKOV

municipalities' own revenues. Between 2016 and 2018, own revenues grew in 64% of the analysed municipalities, and the average annual growth rate of own revenues was found to be 17%. Such growth was primarily due to increased tax revenues.

With that, there is a worrying downside trend in non-tax revenues. In 2016-2018, the share of non-tax revenues in the budgets of the analysed municipalities declined by 29% on average. The decline was primarily due to lower revenues on tangible and intangible asset sales and leases. Consequently, a common observation for most analysed municipalities is a considerable amount of both tax and non-tax receivables.

And the growing trend was continued in 2016-2018. In the analysed municipalities, the relative share of tax and non-tax liabilities payable to the budget versus the respective total budget revenues equalled 19% on average, and the respective annual growth rates in the discussed period equalled 35% for tax liabilities and 33% for non-tax liabilities. The most meaningful positive effect in terms of bringing down the figure of liabilities was achieved in the municipalities developing annual roadmaps to address the issue.

The principal mechanism harnessed by the municipalities is coordination between local management and bailiff services. As of 01.01.2019, approximately 45% of the total amount of non-tax liabilities payable to the budgets were transferred for collection to bailiff services in the analysed municipalities.

Accordingly, in 2016-2018, 88% of the analysed municipalities ran budget deficits. That implies the efforts in building a balanced budget are not yet systemic. Meanwhile, the main source of funding to close the deficit of municipal budgets is municipal debt in the form of securities, loans attracted from budgets of other levels and lenders (Figure 1).

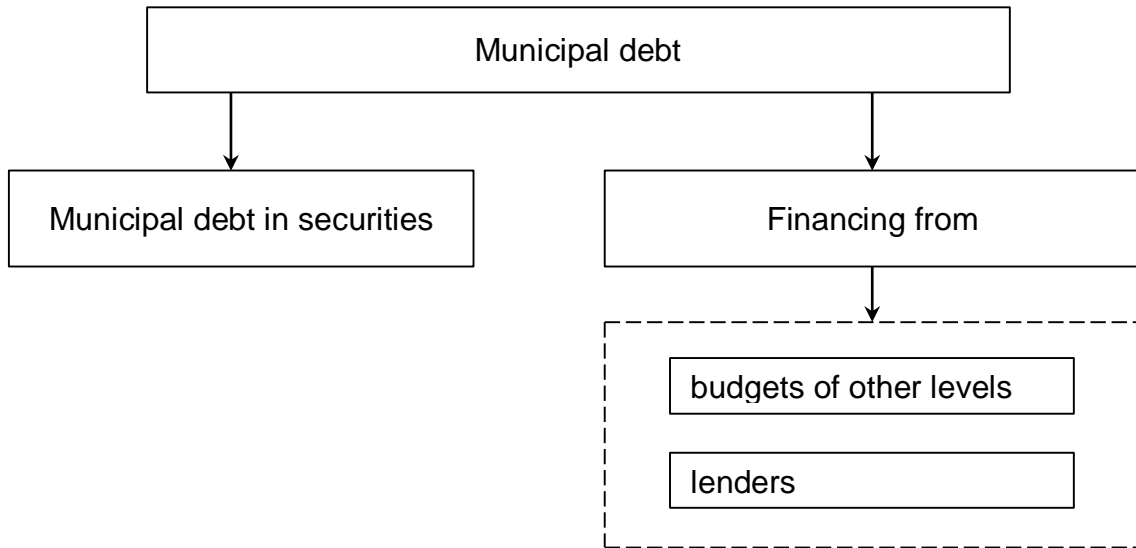


Figure 1
Municipal debt system

The above analysis suggests that there is often no option of cheaper budget lending available to municipalities as a substitution for commercial loans, despite the observed cases of positive balances run by some municipalities in some years in terms of

attracting vs. repayment of budget loans provided from the budgets of Russian federal subjects. Most analysed municipalities hold liabilities with two or three commercial banks in their debt portfolio. For all analysed municipalities, the ratio of municipal debt to own revenues is within the required limits as set forth in the Budget Code of the Russian Federation. The maximum level as of 01.01.2019 is observed in 12% of municipalities (between 98.3% and 100% of the level of own revenues). 28% of municipalities register levels of municipal debt above 75% of their own revenues as of 01.01.2019. Meanwhile, 8% of municipalities hold no municipal debt.

In the analysed period, particular financing difficulties in implementing presidential decrees to raise salaries for certain categories of public sector employees were specifically felt by municipalities with small or medium-sized populations. All of the analysed municipalities in this group only covered the respective financial requirements under such presidential decrees exclusively at the expense of funding provided from the budgets of Russian federal subjects. Simultaneously, quite instrumental for addressing the issues of efficient regional and municipal finance management in Russia might be the experience of countries with federal government models similar to that of the Russian Federation and, consequently, involving the principles of budget federalism (the USA, Germany, Austria, Canada, Brazil, India). A summary of best practices is outlined based on the analysis of regional and municipal self-management in federal states that can be applied in the Russian Federation (Table 1).

Accordingly, based on the analysis of the established finance management practices in Russian regions and with a view to creating preconditions for further efficiency improvements, the following steps may be helpful:

– instituting statutory responsibilities for the federal subjects of the Russian Federation to set uniform rates of disbursements to local budgets out of non-tax revenues collected by the regional budget;

Countries	Positive experience for the Russian Federation
USA	Practice of assigning budget competences to territories with regard to their own taxes to implement the principle of competitive federalism whereby each subject and municipality competes for sources of tax and non-tax revenues.
Germany	Practice of direct tax redistribution for fiscal equalisation. The basic principle of such equalisation may involve transfers in the form of disbursements of a fixed percentage from mineral tax.
Canada	Practice of assigning exclusive competences in the area of natural resource management to regions.
Austria	Development of institutional structures and conciliation procedures between the federal and regional levels based on signed agreements.
Brazil	Application of local taxes, such as compensatory royalties for oil and gas field development, development of hydro energy and other fossil resources in the respective area onshore and offshore.
India	Practice of direct transfers from the central to the municipal level (bypassing the regional level).

Table 1
Regional and municipal finance self-management practices in countries
with the federal form of governance

– planning interbudget transfers to subjects of the Russian Federation in the respective federal budget for the year or fiscal period to provide funding to municipalities as a compensation for the lost local taxes as a result of federal-level decision-making on tax reliefs;

– proceeding with efforts to enhance the methodological toolkit for analysing the efficiency of regional and municipal finance management to identify systemic regional and municipality-level problems and best practices in enhancing the mechanism of efficient and prudent regional and municipal finance management in the current environment;

– developing a methodological framework to support financial and economic decision-making regarding the sources to close regional and municipal budget deficits and enabling the officials involved to conduct quality and prompt assessments and make choices regarding optimum sources to close budget deficits.

Discussion

The reliability of the outlined approaches is confirmed by the fact that the conducted research into the established practices of finance management at the municipal level suggests there are positive changes in some dimensions:

- growth is observed in the municipalities' total budget revenues, primarily with the help of funding provided from the budgets of federal subjects of the Russian Federation to finance the implementation of presidential decrees to raise salaries for certain categories of public sector employees;

- per capita fiscal capability figures are improving in municipalities;

- interest rates on loans attracted by municipalities from commercial banks are going down;

- total overdue payables of municipal budgets are declining in absolute terms;

- some municipalities have elaborated and successfully implemented efficient practices of ensuring the collection of receivables payable to local budgets and consistent application of the respective roadmaps^{9,10,11}.

However, the research identified some serious systemic issues:

- most municipalities run budget deficits due to the insufficiency of own financial resources for administering statutory spending, and for now, no significant preconditions for improvement can be found in this respect;

⁹ I. N. Lukiyanchuk; S. V. Panasenko; S. Yu. Kazantseva; K. A. Lebedev y O. Ye. Lebedeva, "Development of online retailing logistics flows in a globalized digital economy". *Revista Inclusiones*. Vol. 7 num S2-1 (2020): 407-416.

¹⁰ O. V. Markova; N. A. Zavalko; V. O. Kozhina; O. V. Panina y O. Ye. Lebedeva, "Enhancing the quality of risk management in a company", *Espacios*. Vol: 39 num 48 (2018).

¹¹ N. A. Zavalko; V. O. Kozhina; A. G. Zhakevich; O. E. Matyunina y O. Ye. Lebedeva, "Methodical approaches to rating the quality of financial control at the enterprise", *Quality - Access to Success*. Vol: 18 num 161 (2017): 69-72.

Improvement of regional and municipal finance management as a factor of advancement of interbudget relations pág. 470

- the need to pursue balanced local budgets results in growing municipal debt levels, and more worrying, such debt growth rates usually exceed the rates of the municipalities' own revenues;

- no cardinal change has been achieved in terms of overdue liabilities in municipal payables;

- most municipalities have experienced significant difficulties with attracting cheaper budget loans;

- the existing revenue base of municipal budgets is objectively insufficient for addressing the goals of improving living standards and bringing real incomes for a majority of public sector employees to the regional and national averages;

- there is a trend toward lower share of investment spending in municipal budgets.

Moreover, one may be concerned that the signs of positive changes in some aspects of regional and municipal finance may prove temporary. Consequently, the growth rates of regional and municipal budget revenues will decline significantly. The reason is, the growth in consolidated regional budgets is primarily associated with transfers from the federal budgets and revenues generated by corporate and individual income taxes.

Conclusion

To conclude, the efforts to improve the mechanisms of regional and municipal finance management are now one of the priorities in state policies aimed at ensuring stable, dynamic and balanced development of the national economy.

Meanwhile, the advancement of interbudget relations is concerned with building up the potential to bring down fiscal capability differentiations between the subjects and municipalities of the country, their capacity to pursue balanced budgets, administer their competences and provide equal opportunities for the public in obtaining budget services at or above the minimum quality and quantitative levels required to meet constitutional guarantees.

References

Agamirova, Ek. V.; Agamirova, El. V.; Lebedeva, O. Ye.; Lebedev, K. A. y Ilkevich, S. V. "Methodology of estimation of quality of tourist product". Quality - Access to Success. Vol: 18 num 157 (2017): 82-84.

Bagaeva, A. I. y Ozdoeva, Z. Kh. "Byudzhetrovanie kak vysokoeffektivnyi instrument sbalansirovannogo formirovaniya ustoichivosti munitsipalnykh finansov". Vestnik Akademii znanii Vol: 2 num 37 (2020): 419-423.

Blokhina, O. A.; Zamega, E. N.; Biryukov, V. A.; Ukhina, T. V. y Stakhova, L. V. "Modeling of innovative activities at an enterprise in the conditions of corporate culture". Revista Inclusiones Vol: 7 num 2 (2020): 205-214.

Bykov, V. A.; Kolesov, R. V. y Tarasova, A. lu. “Kompleksnyi podkhod k prognozirovaniyu urovnya inflyatsii”. Vestnik Moskovskogo finansovo-yuridicheskogo universiteta Vol: 1 (2019): 49-58.

Kolesov, R. V.; Burykin, A. D. y Kvasha, V. A. “Sovershenstvovanie mekhanizma mezhbyudzhethnykh otnoshenii v Rossii v tselyakh obespecheniya ustoichivogo ekonomicheskogo rosta regionov”. Ekonomika i upravlenie: problemy, resheniya Vol: 8 num 85 (2019): 103-111.

Lukiyanchuk, I. N.; Panasenko, S. V.; Kazantseva, S. Yu.; Lebedev, K. A. y Lebedeva, O. Ye. “Development of online retailing logistics flows in a globalized digital economy”. Revista Inclusiones. Vol: 7 num S2-1 (2020): 407-416.

Markova, O. V.; Zavalko, N. A.; Kozhina, V. O.; Panina, O. V. y Lebedeva, O. Ye. “Enhancing the quality of risk management in a company”. Espacios. Vol: 39 num 48 (2018).

Mokhnatkina, L. B. “Sistema organizatsii i mekhanizm funktsionirovaniya mezhbyudzhethnykh otnoshenii v Rossiiskoi Federatsii”. Intellekt. Innovatsii. Investitsii Vol: 2 (2019): 58-64.

Seredina, M. I.; Tretyakova, G. V.; Oberemko, T. V.; Kozhina, V. O. y Lebedev, K. A. “Impact of external labor migration on labor market development”. Journal of Advanced Research in Law and Economics. Vol: 8 num 2 (2017): 596-600.

Smirnov, O. O. “Nalogovye dokhody na munitsipalnom urovne v federativnykh gosudarstvakh”. Bukhgalterskii uchet v byudzhethnykh i nekommercheskikh organizatsiyakh Vol: 7 num 463 (2019): 22-31.

Vagin, V. V. y Shapovalova, N. A. “Initsiativnoe byudzhethirovanie kak instrument finansirovaniya territorialnogo obshchestvennogo samoupravleniya”. Ekonomicheskaya nauka sovremennoi Rossii Vol: 3 num 86 (2019): 77-90.

Zavalko, N. A.; Kozhina, V. O.; Zhakevich, A. G.; Matyunina, O. E. y Lebedeva, O. Ye. “Methodical approaches to rating the quality of financial control at the enterprise”. Quality - Access to Success. Vol: 18 num 161 (2017): 69-72.