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DEVELOPING PUBLIC OVERSIGHT TO ENSURE THE EFFICIENCY OF BUDGET FUNDS UTILIZATION

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РАЗВИТИЕ ОБЩЕСТВЕННОГО КОНТРОЛЯ В ОБЕСПЕЧЕНИИ ЭФФЕКТИВНОСТИ ИСПОЛЬЗОВАНИЯ БЮДЖЕТНЫХ СРЕДСТВ

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Abstract. This article examines the theoretical and methodological foundations of developing public oversight as a tool for ensuring the efficiency of budget funds utilization, drawing on the empirical results of Uzbekistan’s 2025 State Budget execution. The study analyses the “Open Budget” and “Initiative Budget” mechanisms, through which citizens directly participate in allocating and monitoring public funds. In 2025, around UZS 6.1 trillion was channelled through the Initiative Budget; 50,662 citizen proposals were submitted, 17.4 million votes were cast, and 4,786 winning projects worth UZS 6.5 trillion were selected, with 95% of first-season projects fully delivered. The findings confirm that meaningful citizen participation enhances budget transparency, accountability and expenditure efficiency. The paper concludes with proposals for institutionally strengthening public oversight, informed by international practice (Brazil, South Korea).

Keywords: State Budget; budget funds; public oversight; budget transparency; participatory budgeting; Initiative Budget; Open Budget; citizen participation; accountability; efficiency.

Abstract. В статье рассматриваются теоретико-методологические основы развития общественного контроля как инструмента обеспечения эффективности использования бюджетных средств на основе эмпирических результатов исполнения Государственного бюджета Узбекистана за 2025 год. Проанализированы механизмы «Открытый бюджет» и «Инициативный бюджет», посредством которых граждане непосредственно участвуют в распределении и контроле государственных средств. В 2025 году через «Инициативный бюджет» было направлено около 6,1 трлн сумов; поступило 50 662 гражданские инициативы, подано 17,4 млн голосов, отобрано 4 786 проектов-победителей на сумму 6,5 трлн сумов, при этом 95% проектов первого сезона полностью реализованы. Результаты подтверждают, что реальное участие граждан повышает прозрачность бюджета, подотчётность и эффективность расходов. В заключение предложены меры институционального укрепления общественного контроля с учётом международного опыта (Бразилия, Южная Корея).

Ключевые слова: Государственный бюджет; бюджетные средства; общественный контроль; прозрачность бюджета; партисипаторное бюджетирование; «Инициативный бюджет»; «Открытый бюджет»; участие граждан; подотчётность; эффективность.

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Abstract. Maqolada byudjet mablag‘laridan foydalanish samaradorligini ta’minlashda jamoatchilik nazoratini rivojlantirishning nazariy-uslubiy asoslari O‘zbekistonning 2025-yil Davlat byudjeti ijrosi empirik natijalari asosida tahlil qilingan. Tadqiqotda fuqarolar davlat mablag‘larini taqsimlash va nazorat qilishda bevosita ishtirok etadigan «Ochiq byudjet» va «Tashabbusli byudjet» mexanizmlari o‘rganilgan. 2025-yilda «Tashabbusli byudjet» orqali qariyb 6,1 trln so‘m yo‘naltirildi; 50 662 ta tashabbus kelib tushdi, 17,4 mln ovoz berildi, 6,5 trln so‘mlik 4 786 ta g‘olib loyiha aniqlandi, 1-mavsum loyihalarining 95 foizi to‘liq bajarildi. Natijalar fuqarolarning real ishtiroki byudjet shaffofligi, hisobdorlik va xarajatlar samaradorligini oshirishini tasdiqlaydi. Yakunda jahon tajribasi (Braziliya, Janubiy Koreya) asosida nazoratni institutsional mustahkamlash bo‘yicha takliflar berilgan.

Kalit so‘zlar: Davlat byudjeti; byudjet mablag‘lari; jamoatchilik nazorati; byudjet shaffofligi; «Tashabbusli byudjet»; «Ochiq byudjet»; fuqarolar ishtiroki; hisobdorlik; samaradorlik.

1. Introduction

Ensuring that budget resources — formed from taxpayers’ contributions — are used efficiently, transparently and without waste is one of the central tasks of public finance. Within the large-scale economic reforms under way in Uzbekistan, improving efficiency at all stages of the budget process (planning, execution and control) and strengthening parliamentary and public oversight over the execution of the State Budget and state targeted funds have been defined as priority directions.

When the budget process is conducted outside public scrutiny, it tends to produce misallocation of resources, inefficient expenditure and the wasteful use of public funds. Conversely, when citizens have free access to budget information and a genuine ability to influence budget decisions, transparency increases, corruption risks fall and public trust strengthens. The research question of this paper is therefore: to what extent does public oversight — operationalised through participatory mechanisms — enhance the efficiency of budget funds utilization? The study addresses this question using the empirical results of Uzbekistan’s 2025 State Budget execution.

2. Literature Review

The theory of public oversight and participatory budgeting has been developed in the works of Wampler (2010), Sintomer, Herzberg and Röcke (2008), Touchton and Wampler (2014) and Shah (2007), as well as in the methodological manuals of the World Bank and UNDP. In this literature, participatory budgeting is defined as the democratic involvement of community members in forming, executing and monitoring the budget. A recurring finding is that participation produces durable gains in trust only when it yields visible, verifiable results rather than remaining consultative or symbolic.

Comparative studies highlight Brazil’s Porto Alegre model (since 1989) as the origin of modern participatory budgeting, and South Korea’s integration of citizen oversight with a digital public-finance system (D-Brain) as a leading example of incentivised reporting. This paper contributes to the literature by providing recent, large-scale empirical evidence from Uzbekistan, a context that has so far been under-represented in international scholarship.

3. Data and Methods

The study employs a systemic-structural approach combined with descriptive statistical analysis and institutional analysis. The primary empirical base comprises the official report on the execution of the State Budget and state targeted funds of the Republic of Uzbekistan for 2025, data from the “Open Budget” portal (openbudget.uz), and the relevant normative-legal acts. Figures are

reported as published in the official source; where seasonal aggregation differs, this is indicated explicitly. The analysis is qualitative-quantitative and interpretive rather than inferential-econometric, which is appropriate given the administrative nature of the data.

4. Results

4.1. Macro-fiscal context of 2025

In 2025 Uzbekistan's gross domestic product (GDP) grew by 7.7% to UZS 1,849.7 trillion. State Budget revenues reached UZS 359.8 trillion, an increase of UZS 85.4 trillion (+31.1%) compared with 2024. The combined revenues of the State Budget and state targeted funds amounted to UZS 425.3 trillion, and combined expenditures to UZS 447.8 trillion. Ensuring the efficient, targeted and waste-free use of such large resources makes public oversight, alongside parliamentary control, critically important. Table 1 summarises the key parameters.

Table 1. Key budget parameters of Uzbekistan, 2025

Indicator (2025)	Value
Gross Domestic Product (GDP)	UZS 1,849.7 trln (+7.7%)
State Budget revenues	UZS 359.8 trln (+31.1%)
Budget + targeted funds revenues (total)	UZS 425.3 trln
Budget + targeted funds expenditures (total)	UZS 447.8 trln
Local budget revenues	UZS 71,265.9 bln (113.4% of plan)
Poverty-reduction expenditures	UZS 45.5 trln (11.9% of spending)

Source: compiled by the author from the official report on the execution of the State Budget and state targeted funds of the Republic of Uzbekistan for 2025.

4.2. The Initiative Budget as a mechanism of public oversight

The most representative form of public participation in Uzbekistan is the "Initiative Budget" (Tashabbusli byudjet), which directly involves citizens in allocating local and state budget funds and selecting priorities for social infrastructure. In 2025 the process was conducted in two seasons. Around UZS 5.4 trillion was planned in the State Budget for the Initiative Budget, supplemented by over UZS 700 billion from local budgets, bringing the total to approximately UZS 6.1 trillion. A further UZS 707.4 billion was directed to the "Citizens' Initiative" fund. Under Presidential Resolution PQ-455 of 25 December 2024, from 2025 each district is guaranteed funding for no fewer than 10 and no more than 30 projects, reducing inter-regional inequality.

Table 2. "Initiative Budget" outcomes, 2025 (two seasons)

Indicator	Result
Total funds allocated	≈ UZS 6.1 trln
Citizen proposals submitted	50,662
Projects put to a vote	42,191
Votes cast	17.4 million
Winning projects	4,786

Indicator	Result
Value of winning projects	UZS 6.5 trln
Mahallas participating	9,447
Winning mahallas	3,405

Source: compiled by the author from the 2025 State Budget execution report and the "Open Budget" portal.

Among the projects put to a vote, mahalla infrastructure led with 19,895, followed by social-sector facilities (6,118), education and healthcare (9,833 combined) and water supply and sewerage (3,670). By region, voting activity was highest in Qashqadaryo (about 2.5 million votes), Samarkand (2.25 million) and Fergana (2.2 million).

4.3. Oversight at the execution stage

The real value of public oversight is demonstrated in project delivery. For first-season projects in 2025, contractors were paid UZS 2,839 billion, while the actual volume of completed work reached UZS 2,865 billion. Of the 2,407 first-season projects, 2,296 — or 95% — were fully completed and handed over to residents. Through the "project implementation chronology" section of the "Open Budget" portal, citizens could directly track the financing and execution of each winning project. Digital services — the portal, a mobile application and a Telegram bot — extended participation to remote areas, confirming the transformation of public oversight into a mass, open and accountable system.

5. Discussion

The results are consistent with the international literature: participation that produces visible, verifiable outcomes strengthens transparency and trust. Uzbekistan's 2025 figures — 17.4 million votes and a 95% first-season delivery rate — indicate that participation here is not symbolic but results-oriented. At the same time, comparison with leading practice points to room for development. South Korea integrates citizen oversight with a digital public-finance system and rewards verified reports of budget waste, turning oversight from passive observation into active civic initiative; enriching Uzbekistan's practice with such incentives is a promising direction. Brazil's Porto Alegre model, with citizen monitoring committees operating throughout the budget cycle, suggests extending oversight more firmly into the execution and audit stages.

Three caveats temper the findings. First, part of the second-season projects carries over to the following year, so delivery should be assessed over a full cycle. Second, isolated cases of coerced vote-collection were reported, which can undermine legitimacy if not addressed. Third, transparency gains do not automatically translate into reduced corruption unless paired with effective accountability — a point emphasised across the comparative literature.

6. Conclusion and Policy Proposals

The analysis of Uzbekistan's 2025 budget execution confirms that public oversight is a decisive factor in ensuring the efficiency of budget funds utilization. The Open Budget and Initiative Budget mechanisms deserve recognition as advanced regional practice. To realise their full potential, the following measures are proposed:

1. **Extend oversight into execution and audit.** Institutionalise independent citizen monitoring groups to track delivery and quality across the full budget cycle.
2. **Incentivise reporting of budget waste.** Following the South Korean model, reward citizens whose verified reports lead to budget savings.

3. **Deepen digital integration.** Link the Open Budget portal more closely with the unified budget-execution information system for real-time expenditure tracking.

4. **Safeguard voting integrity.** Strengthen control and liability mechanisms to prevent coerced vote-collection and protect legitimacy.

5. **Build civic capacity.** Raise budget literacy at the mahalla level and develop sustainable partnerships with civil-society institutions and the media.

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Data availability: All data are derived from publicly available official sources cited in the References.

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