




# The Quality of Life of the Population through the Prism of Budget Balance in the Conditions of Development of the Kemerovo Region

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**Keywords:** The Budget of the Region, Tax and Non-Tax Revenues, Balanced Budget.

**Abstract:** The article presents the analysis of the budget provision of Kemerovo region in comparison with other regions of the Siberian Federal District, which includes various economic stages: post-crisis - 2000-2003; recovery and growth - 2004 - 2007; the crisis of 2008–2009; recovery and latent crisis –2010 - I quarter 2014; external economic sanctions - II quarter. 2014- 2019. The data used for filling the budgets of the regions of the Siberian Federal District are due to the tax and non-tax revenues, as well as the gratuitous receipts, considered the balance between the formed and the executed budgets.

## 1 INTRODUCTION

The Siberian Federal District (further written as the Siberian Federal District) is a resource pantry of Russia and the whole world, has large reserves of hydrocarbons, coal, uranium, ferrous, non-ferrous and precious metals, timber, water and hydropower resources. The coal reserves are 80% of all Russian reserves, copper 70%, nickel 68%, lead 86%, zinc 77%, molybdenum 82%, gold 41%, platinum group metals 99%, hydropower resources and timber reserves - more than 50%.

Fresh water supplies are becoming of great importance. Large Siberian rivers and Lake Baikal are becoming the strategic resource of a planetary scale. The resource of free territories, ecologically clean, not prone to natural disasters and suitable for human life and economic activity, will be of great importance too. The global climate changes will only increase the value of this resource.

The territory of the Siberian Federal District is 30% of the territory of Russia, the population is 19,287.5 thousand people (on January 1, 2018).


Kemerovo Region is one of the regions of the Siberian Federal District. The total area of Kemerovo region is 95.7 thousand km<sup>2</sup> (1.9% of the territory of the Siberian Federal District; 0.6% of the territory of the Russian Federation). By area, Kemerovo region


ranks 10th in the Siberian Federal District. The population (on January 1, 2018) is 2,694.9 thousand people, it is the 3rd place among 12 regions of the district, the 17th place in Russia. The population density is 28.3 people. per 1 km<sup>2</sup>, or the 1st place in the district (Chernova et al., 2019)

Kemerovo region is one of the most developed regions of Siberia with a pronounced specialization in raw materials. The industry is the leading sector of the region's economy. Together with the energy sector, it makes the largest contribution to the gross regional product (further written - GRP) - 49.8%, which is much higher than the average figure for the Siberian Federal District and the Russian Federation. At the same time, the region in the national and international division of labor specializes in the production of raw materials and products of its primary processing (On approval, 2015).

In the industry structure of the regional economy, prevails the traditional industry branches, developed mainly by the middle of the 20th century: ferrous metallurgy, coal industry, chemistry.

Today Kemerovo region produces 56% of Russian coal, including 76% of the coking coal. The share of Kemerovo region in the all-Russian production of steel and rolled ferrous metals is 14%, ferrosilicon - 53%, railway main rails - 80%, tram rails - 100% (On approval, 2015).

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## 2 RESEARCH METHODS

The empirical basis of this study was the study and analysis of the budgetary provision of Kemerovo region as one of the regions of the Siberian Federal District. The systematic approach made it possible to comprehensively and holistically study this issue.

The methodological basis of the study was the scientific and educational literature given in the list of sources.

When setting the goal and defining the main tasks at the beginning, the team of authors used the abstract-logical research method to study systematically the features of the budget Kemerovo region, its balance and correlation with the standard of living of the population.

During the discussion, the heuristic and logical methods of research were used. The reliability and validity of the results proves the use and application of statistical and experimental methods in research.

## 3 RESEARCH RESULTS

The standard of living of the population is an economic category. This is the level of provision of the population with the necessary material goods and services.

The standard of living is the level of well-being of the population, the consumption of goods and services, a set of conditions and indicators which characterize the measure of satisfaction of the basic needs of people.

At present, when the economic systems of countries are deforming and changing, the main goal is the implementation the principle of the social orientation of the market economy by improving the living standards of the population ([www.grandars.ru](http://www.grandars.ru)).

The budgetary system is one of the main indicators of the standard of living of the population (The problems, 2019; Shipunova, 2012). The formation of incomes of the regions of the Russian Federation is carried out at the expense of tax and non-tax revenues, gratuitous and non-refundable deductions, the assistance from the higher budget. The implementation of the main expenditure obligations, the performance of the functions assigned to the regions of the Russian Federation depends on the filling of the budget revenues (Mokhnatkina, 2021).

The consolidated budget of a region of the Russian Federation is a set of regional budgets, local budgets of territories, that are administratively

included in the region of the Federation without the budget of the state territorial compulsory health insurance fund (TFOMI). The consolidated (total) budget of the region performs the function of combining the budget indicators of the territory.

The consolidated budget is of great analytical importance and gives a fairly complete understanding of the structure of revenues and expenditures of the budget of the region of the Russian Federation and the local budgets in it, as well as the powers in financing budget expenditures of different levels of the budget system (Kuznetsova, 2020).

The incomes of the consolidated budget of Kemerovo region in the period from 2000 to 2015 were on the second level. In 2000 the incomes of Kemerovo region were 15522158 thousand rubles, in 2005. - 75445906.39 thousand rubles, in 2010 - 113379218 thousand rubles, in 2015 increased to 132303224 thousand rubles. Despite the fact, that the revenues of the consolidated budget of Kemerovo region increased, and in 2016 were 135,618,438 thousand rubles, the region was in the fourth place in this indicator. In 2017. the revenues of the consolidated budget of Kemerovo region were 166917893 thousand rubles. (the second place in the Siberian Federal District). In 2019, the revenues of Kemerovo region reached 194,173,400 thousand rubles. (4th place in the Siberian Federal District). In the Siberian Federal District, the incomes of Kemerovo region exceed the incomes of Altai region, Omsk region, Tomsk region and little lower than the income of Novosibirsk region ([www.ofukem.ru](http://www.ofukem.ru); [www.zakon.kemobl.ru](http://www.zakon.kemobl.ru); [www.gks.ru](http://www.gks.ru); [kemervostat.gks.ru](http://kemervostat.gks.ru)).

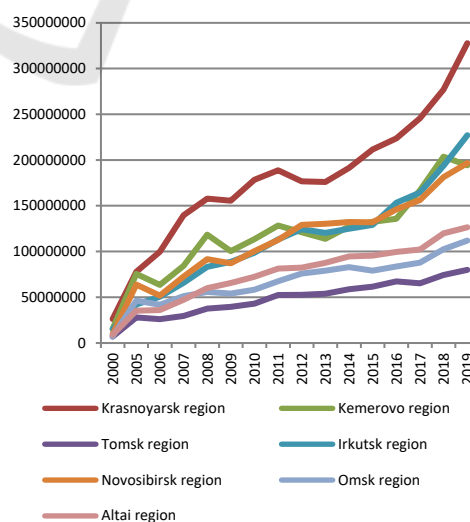


Figure 1: The revenues of the consolidated budgets of the SFD subjects for 2000-2017, thousand rubles.

The Revenues of the consolidated budget of Kemerovo region from 2016 to 2018 show significant growth, this was achieved due to the rapid growth of coal prices, which in three quarters of 2017, compared to the same period in 2016, increased by almost 50% for steam coal and by 90% for coking coal. This, in turn, led to an increasing in the profits of the coal enterprises and an increasing income tax revenues. Due to high prices for coal, the budget of Kemerovo region received more than 50 billion rubles' income tax revenues, although at the beginning of 2017 the regional authorities planned to receive only 24.4 billion rubles from income tax.

As a rule, the expenditure obligations of a region of the Russian Federation correspond to the incomes, received in a certain period of time.

In 2005, the expenses of Kemerovo region were 77,852,534.18 thousand rubles. (second place in the Siberian Federal District), in 2010. they increased to 117,171,911 thousand rubles. (second place in the Siberian Federal District). In 2015 Kemerovo region was in third place in terms of expenditures of the consolidated budget of the regions of the Russian Federation (141,239,417 thousand rubles). In 2017 the expenses of the consolidated budget of the Kemerovo region were 146058333 thousand rubles. (the fourth place in the Siberian Federal District) ([www.ofukem.ru](http://www.ofukem.ru); [www.zakon.kemobl.ru](http://www.zakon.kemobl.ru); [www.gks.ru](http://www.gks.ru); [kemerovostat.gks.ru](http://kemerovostat.gks.ru)).

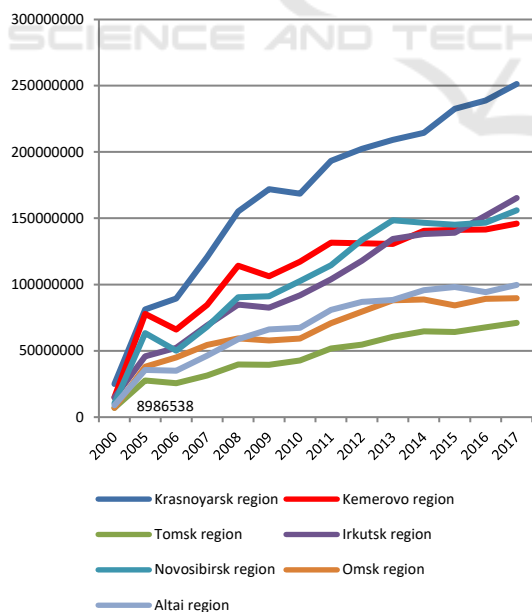


Figure 2: The expenditures of the consolidated budgets of the regions of the Siberian Federal District for 2000-2017, thousand rubles.

Throughout the all analyzed period, Krasnoyarsk region was at the first place in the Siberian Federal District, both in terms of incomes and expenses, and Tomsk region was in last place.

The balance of the budget is one of the principles of the budget system, which means that the amount of budgeted expenditures must correspond to the total amount of budget revenues and cash receipts from the sources of financing its deficit (Shavina and Prokofev, 2020).

In Kemerovo region, there has been a budget deficit for many years. In 2005, the deficit was 2,406,627.79 thousand rubles, on December 1, 2017. it was 11060171.00 thousand rubles, increased by 4.5 times over the current period. For 2017 Kemerovo Region exceeded the budget with a surplus of 20,859,560 thousand rubles ([www.ofukem.ru](http://www.ofukem.ru)).

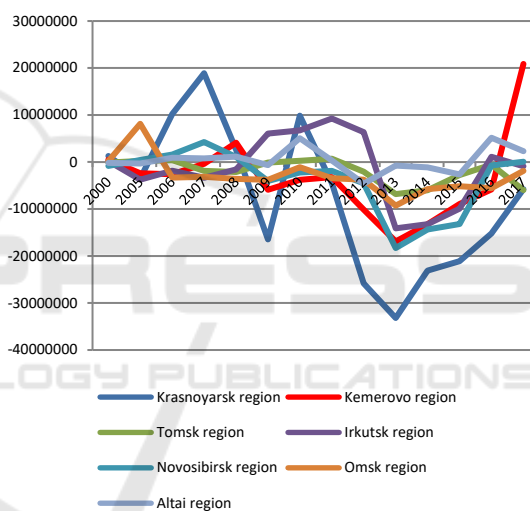


Figure 3: The surplus / deficit of the consolidated budgets of the regions of the Siberian Federal District for 2000-2017, thousand rubles.

By the end of the analyzed period, we see the deficit of the consolidated budget of a region of the Russian Federation in four regions. The largest deficit is in Tomsk region (-5971407 thousand rubles), the smallest is in Irkutsk region (-894601 thousand rubles) ([www.ofukem.ru](http://www.ofukem.ru); [www.zakon.kemobl.ru](http://www.zakon.kemobl.ru)).

The balance of the budget, first of all, is ensured by the revenues of the region. The incomes of the regions of the Russian Federation are formed from the tax and non-tax revenues, assigned to a certain level of the budget. The alignment of the budgetary system is also ensured thanks to the assistance to the budget from higher budgets in the form of grants, subsidies, etc.

The largest part of the budget revenues is the tax revenues. The best collection of tax revenues throughout the analyzed period is observed in Krasnoyarsk region. In 2005, 74,754.2 million rubles were collected, it is 96.2% of the total revenues of the region. In 2010, the collection of tax revenues was 164656.7 million rubles. (92.32% of total revenues), in 2015 the tax revenues were 353,601.7 million rubles. In 2016, the tax revenues of Krasnoyarsk region were 371,671.7 million rubles. (the growth since 2005 - almost 5 times) (kemerovostat.gks.ru).

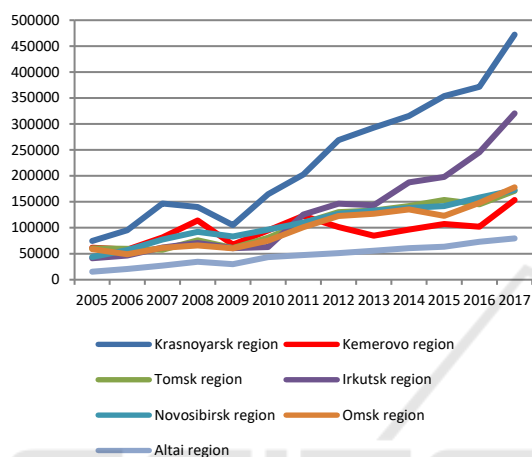


Figure 4: The revenues from taxes and fees to the consolidated budgets of the regions of the Siberian Federal District for 2005-2016, total, million rubles.

The smallest tax revenues throughout the analyzed period were observed in Altai region. In 2005, the tax revenues reached 15,604.7 million rubles, which were 44.29% of the total revenues of the region, in 2016 the tax revenues of Altai region were 73,135.7 million rubles. (73.53% of total income) (www.gks.ru).

Kemerovo region was in the second place in the Siberian Federal District in terms of collection of tax revenues in 2005 (the tax collection was 61611.1 million rubles, which is 81.67% of the total revenues). In 2010, the tax revenues were 94,760.2 million rubles. (83.58% of the total income), in 2015 they were 107,268 million rubles. (81.08% of the total income). In 2016, the tax revenues of Kemerovo Region were RUB 102,048.2 million. (66.12% of total income) (growth since 2005 - 1.66 times). In 2017, the revenues were 153,774.8 million rubles. (the fourth place in the Siberian Federal District) (www.gks.ru).

The important value in the balance of the budget is the completeness of tax collection revenues. The tax income debt does not allow the provision of

expenditure obligations of the region of the Russian Federation.

In 2005, the largest debt on taxes and duties from the legal entities and individuals to the budgetary system of the Russian Federation was observed in Krasnoyarsk region and was 16262.6 million rubles. The smallest tax debt was in Altai region and was 6054.4 million rubles. In Kemerovo region, the debt on taxes and duties in 2005 was 14678.2 million rubles. (the second place in the Siberian Federal District) (kemerovostat.gks.ru).

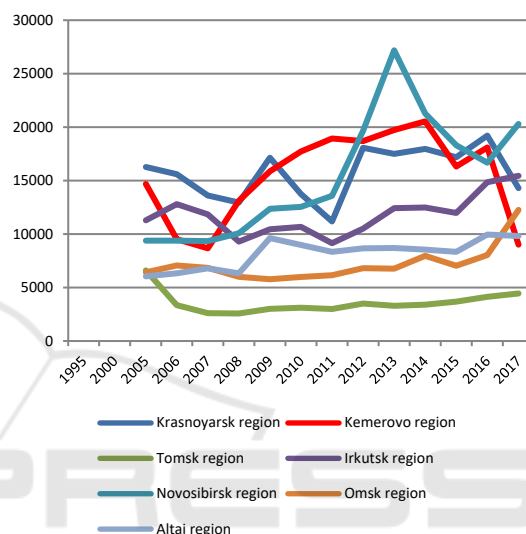


Figure 5: The taxes and fees debt of legal entities and individuals to the budgetary system of the Russian Federation for 1995-2016, total, million rubles.

In 2010, the largest debt on taxes and fees was identified in Kemerovo region and was 17,723.3 million rubles.

In 2016, the tax and fees debt in Kemerovo region was 18,101.7 million rubles. – the second place in the Siberian Federal District. In 2017, the tax and fees debts in the Kemerovo Region were 9009.4 million rubles. - the sixth place in the Siberian Federal District.

The smallest debt, from 2006 to the present, is in Tomsk region (www.gks.ru).

One of the priority tasks of the financial policy of the state is the creation of an effective and efficient system of interbudgetary relations in terms of the development of a mechanism for equalizing the budgetary provision in the regions of the Russian Federation (Bukharsky and Lavrov, 2020).

The budget alignment is a process carried out by higher-level authorities in order to smooth out the differences in the levels of socio-economic development of territories, to ensure a balance of

budgets at all levels and a relatively equal opportunity to implement social guarantees throughout the Russian Federation.

One of the instruments of interbudgetary regulation are gratuitous and irrevocable receipts in the form of grants, subsidies, subventions.

Throughout the analyzed period, the Altai region is the most subsidized region in the Siberian Federal District. In 2005, the gratuitous and irrevocable receipts in the Altai region were 16319822443.54 rubles, in 2010 they increased to 331.86986644.78 rubles. In 2017. this type of income was 32134916679.99 rubles. (almost doubled) ([www.ofukem.ru](http://www.ofukem.ru); [www.zakon.kemobl.ru](http://www.zakon.kemobl.ru); [www.gks.ru](http://www.gks.ru); [kemerovostat.gks.ru](http://kemerovostat.gks.ru)).

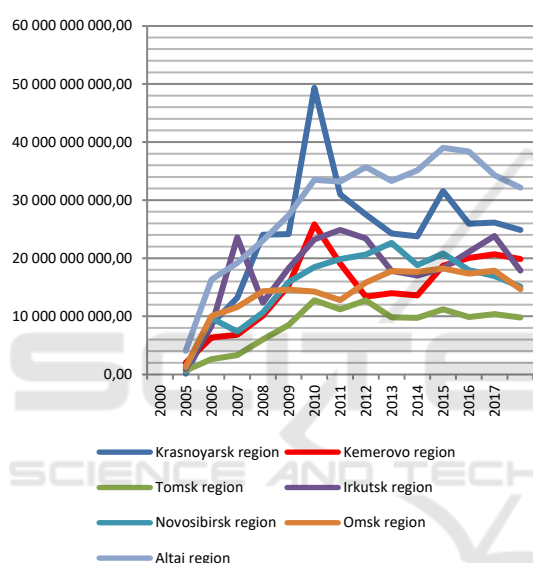


Figure 6: The gratuitous and irrevocable incomes from the budgets of the budgetary system of the Russian Federation (execution) for 2000-2017, rubles.

The greatest independence is observed in Tomsk region. In 2005, the volume of gratuitous and irrevocable incomes in Tomsk region were 2,625,269,249.76 rubles, in 2010, the support from higher budgets was 11194816622.83 rubles. In 2017 this type of incomes was 9782479407.52 rubles ([www.ofukem.ru](http://www.ofukem.ru); [www.zakon.kemobl.ru](http://www.zakon.kemobl.ru); [www.gks.ru](http://www.gks.ru))

In Kemerovo region, the support from higher budgets was 6,334,785,721.67 rubles. According to this indicator, the region in 2005 was in sixth place, but in 2017 Kemerovo region took the third place in terms of subsidies, putting this type of income to 19851619339.17 rubles. (growth to the level of 2005 - 3.1 times) ([www.ofukem.ru](http://www.ofukem.ru); [www.zakon.kemobl.ru](http://www.zakon.kemobl.ru))

One of the items of expenditure obligations of the region of the Russian Federation is the service of the state debt, which, first of all, related to the budget deficit.

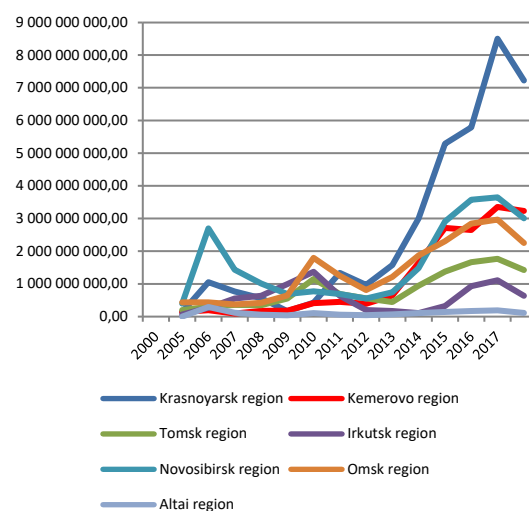


Figure 7: The expenses for the state debt service of a region of the Russian Federation (execution) for 2000-2017, rubles.

The largest volume of expenses throughout the analyzed period for the state debt service of a region of the Russian Federation is observed in Krasnoyarsk region. The smallest volume of expenses is in Altai region. Kemerovo region in this indicator in 2005 was in the seventh place (1960 31759.49 rubles), in 2010 in the sixth place (450,713,519.16 rubles), in 2015 in the fourth place (2649543108.81 rubles). In 2017, according to this indicator, Kemerovo region is in the second place and the costs for the state debt service of a region of the Russian Federation were 3233099947.97 rubles ([www.ofukem.ru](http://www.ofukem.ru); [www.zakon.kemobl.ru](http://www.zakon.kemobl.ru); [www.gks.ru](http://www.gks.ru); [kemerovostat.gks.ru](http://kemerovostat.gks.ru)).

#### 4 CONCLUSIONS

The results of the analysis suggest that the budget of Kemerovo region is low. Kemerovo Region is in the fourth place in the Siberian Federal District in terms of its income and expenditure obligations. Kemerovo region is also in the fourth place in terms of tax collection. The subsidy (dependence) of the budget of Kemerovo region from the Federal budget is in the third place in the Siberian Federal District. Throughout the analyzed period, there was a budget deficit. For the first time, over the past 14 years,



Kemerovo region was able to execute its budget without a deficit. The revenues of the consolidated budget of Kemerovo region in 2017 demonstrate the significant growth, this was achieved due to the rapid growth in coal prices, which for three quarters of 2017, compared to the same period in 2016, increased by almost 50% for steam coal and 90% for coking coal. This, in turn, caused a profit increase of coal enterprises and the income increase from the income tax, but this cannot be a constant budget growth provision of Kemerovo region.

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