

Chapter 15

State Programs in the Context of the Development of the Digital Economy



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Abstract The challenges posed by the consequences of the COVID-19 pandemic and economic sanctions against all sectors of the Russian economy have not changed the strategic goal of state development. Shifting the vector of development from raw material orientation to a high-tech and socially oriented economy in the context of the new technologies of Industry 4.0 becomes the most important task of today's public finance policy. A variety of budgetary instruments are used to implement this policy, including state programs. The paper aims to consider the content of such budgetary tools as state programs, its role in today's conditions, and the problems of its functioning and areas of improvement. The research substantiates the need for further development of the institution of state programs, which will promote the efficient use of limited financial resources, the choice of priority areas of funding, and increased budget transparency. The conclusions are based on the analysis of open data from the Ministry of Finance of the Russian Federation.

Keywords Government programs · Federal budget · National projects · Economic growth · Social welfare · Government initiatives

JEL Classifications H50 · H61 · H69 · C82

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15.1 Introduction

In recent decades, the world has faced global change, which has raised the question of forming the digital economy as a new development paradigm. In the process of transforming the economy to new technologies, the strategic goal of the Russian Federation is sustainable economic growth on a new scientific, technological, and digital basis (Takmazyan & SamoiloVA, 2022, pp. 46–53).

Nowadays, the economy is focused on improving the population's welfare and the resource economy's sustainability, social justice, equal rights of the generations, dynamic growth, and financial security (Andreeva & Dmitrieva, 2022, pp. 159–169; Samoylova et al., 2022, pp. 638–644).

The implementation of the sustainable and responsible development model proposed by the President of the Russian Federation in 2018 as national development goals continue in today's challenging environment.

The achievement of national development goals is the most important primary task of financial policy in the country (Ministry of Finance of the Russian Federation, 2021a). To implement this financial policy, the subjects of management, given the limited budgetary resources and the priorities of budget expenditures, use a variety of budgetary instruments, including state programs.

The paper aims to reveal the content of one of the most significant budgetary tools—state programs, contributing to the achievement of strategic national priorities and the implementation of current tasks, identifying problems of their development.

To achieve the research goal, the authors solve the following tasks:

- To study the program documents of the President of the Russian Federation and the Government of the Russian Federation, budget legislation, and the results of recent scientific research;
- To consider the main changes in the system of management of state programs.

15.2 Materials and Method

Problems of formation, implementation, and evaluation of the effectiveness of state programs introduced in the Russian budgetary practice in 2010 are considered in numerous scientific publications of Russian scientists.

In 2019, Masterov (2019, pp. 85–88) drew attention to the fact that the main goal of the transition to a program budget was not achieved because there was no relationship between the volume of budget allocations, activities, and specific results to be achieved. In 2021, this point of view was confirmed by Afanasiev, Belenchuk, and Shash. These researchers note that the advantages of the program-targeted instruments, which open wide opportunities for improving the flexibility of budget resource management and efficiency of budget services, as well as contribute to cost minimization, have not been fully realized in the decade (Afanasiev et al., 2021, pp. 8–15). The accumulated problems have led to the need to transform the institution

of state programs. In 2021, a new system of management of state programs of the Russian Federation was legally formalized. The current stage of transformation of the institution of state programs opens new directions for scientific research.

The research methodology is based on the methods of scientific knowledge of economic and social phenomena in their interrelation and interdependence. The information base of the research includes federal legislation, publications in Russian scientific journals, and open data from the Ministry of Finance of the Russian Federation.

15.3 Results

In 2021, the Government of the Russian Federation formed a set of structural and institutional measures, the implementation of which will create the basis for long-term economic growth and ensure social welfare and structural modernization of the economy (Government of the Russian Federation, 2021b).

State programs, national projects, and measures to implement the Presidential Addresses can be classified as the main tools for achieving national goals. The analysis of the data of the Ministry of Finance of the Russian Federation confirms a steady growth of allocations from the federal budget to finance priority expenditures. These priority expenditures are mainly socially oriented; their share of the total funding exceeds 40%.

A new tool for achieving national development goals was a set of 42 government initiatives grouped into six areas (Government of the Russian Federation, 2021b):

1. Social sector;
2. Ecology;
3. Construction;
4. Digital transformation;
5. Technological breakthrough;
6. The state for the citizens.

Strategic socio-economic development initiatives aim to accelerate the achievement of national development goals.

The projected volume of federal budget allocations for the implementation of 42 government initiatives will amount to about one trillion rubles over three years, of which more than 60% falls on the social sphere and technological breakthrough (Ministry of Finance of the Russian Federation, 2021a).

A feature of the federal budget for 2022–2024 is that its program part is grouped into eight areas, which basically correspond to the national development goals.

In our opinion, this is due to the possibility of implementing the goals of state programs only through the joint efforts of several federal executive agencies.

The most significant number of state programs in the Russian Federation (10 state programs) is implemented in the area of “Ensuring national security and international cooperation.” The largest amount of funding is envisaged for the direction

“Preservation of population, health, and well-being”: 3452.3 billion rubles (share in program expenditures—18.4%), 3604.8 billion rubles (18.6%), and 3785.4 billion rubles (19.1%), respectively (Ministry of Finance of the Russian Federation, 2021a).

15.4 Discussion

As already noted, state programs are the most important budgetary tool for achieving national development goals. The requirements for state programs are derived from strategic planning documents; the mechanisms and amounts of financial support are established by laws on the federal budget.

From 2022, the institution of state programs will be transformed in accordance with the Resolution of the Government of the Russian Federation “On the system of management of state programs of the Russian Federation” (May 26, 2021). (Government of the Russian Federation, 2021a). Based on the experience of implementing pilot state programs and national projects, this process aims to overcome the shortcomings of the existing management model of state programs. These include a mixture of project and process activities, a low level of coordination of indicators characterizing the final socio-economic effect, an insufficient set of activities to achieve the goals and objectives, the lack of linkage of program activities with specific results, the persistence of paperwork, and others.

Among the new approaches to the development and implementation of state programs, it is necessary to highlight the division of state programs into sectoral and integrated, as well as changes in the system of goal-setting, structure, and content.

Changes in the system of goal-setting and the structural elements of state programs are oriented toward achieving the national development goals of the Russian Federation. The goals of state programs must be relevant, specific, measurable, and achievable. For each goal of the state program, indicators are formed that reflect socially significant effects and are contained in the Unified Plan to achieve the national development goals of the Russian Federation and other documents of strategic planning and national security (Government of the Russian Federation, 2021a).

The development of state programs is based on the principles of project management, allowing its structure to clearly distinguish the project part, which contains federal and departmental projects, and the process part with a set of process measures.

State programs have become informative, well-structured, and, therefore, understandable not only to experts and specialists but also to the public. All tools used by the Russian Government to achieve national goals are integrated digitally.

The analysis of open data of the Ministry of Finance of the Russian Federation indicates an annual increase in the planned volume of federal budget expenditures on financing state programs of the Russian Federation in 2022–2024: 18,763.3 billion rubles, 19,364.7 billion rubles, and 19,849.1 billion rubles. Accordingly, program expenditures of the federal budget in absolute terms will increase by 105.8%. (Ministry of Finance of the Russian Federation, 2021a, 2021b).

To optimize and accelerate decision-making processes, a simplified mechanism for working with state programs and their elements is in effect throughout 2022, providing for the inclusion of anti-crisis measures in their composition, the suspension of the additional planning process, and the introduction of changes to the state program passport in case of changes in the consolidated budget estimates of the federal budget.

Let us consider the implementation of these changes on the example of the state program of the Russian Federation “Information society,” which is the most important in the digital transformation of social and economic processes (Fig. 15.1).

The implementation of the digital development paradigm requires the identification of sources of funding for program activities. The federal budget is the key source of financial support for state programs, including those in the considered area. The analysis of open data of the Ministry of Finance of the Russian Federation shows that its resource capacity allows it to finance national priorities and government initiatives implemented through state programs.

The state program “Information society” is no exception; the only source of funding for the current budget period is the federal budget.

The dynamics of financing the state program (complex program) of the Russian Federation “Information society” is shown in Fig. 15.2.

We can see an insignificant decrease in the total amount of funding for program activities. Simultaneously, there has been an increase in the volume of interbudgetary transfers allocated from the federal budget to the subjects of the Russian Federation, which is associated with the implementation of the federal project “Digital region” in the regions (Bogoslavtseva, 2022, p. 21).

15.5 Conclusion

The experience gained in financing state programs and the need to solve the problems of their implementation, accumulated over a decade, contributed to the transformation of the process of their management and the tools associated with them, beginning in 2022.

The analysis of open data of the Ministry of Finance of the Russian Federation confirmed that the most important source of financial support for state programs is the federal budget. Its resource capabilities allow it to finance national projects, strategic government initiatives, and anti-crisis measures implemented through state programs. The new management system of state programs turns them into an effective tool that will give impetus to the further development of domestic program budgeting.

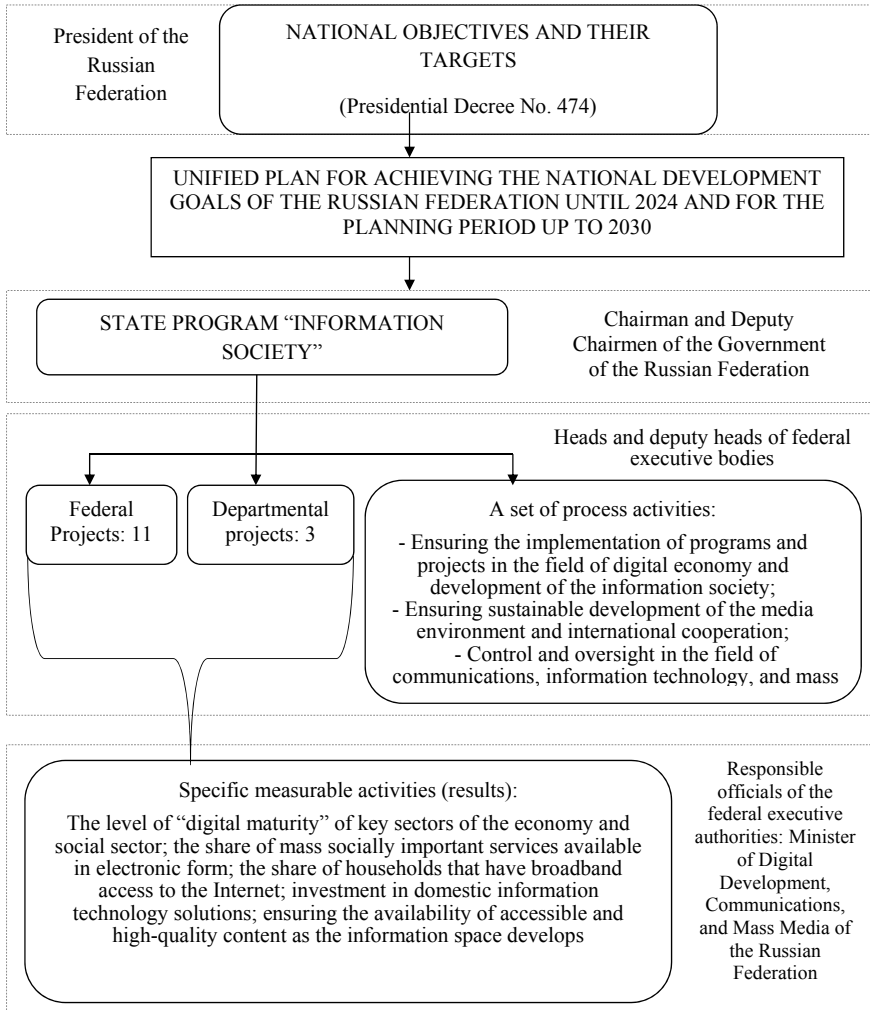


Fig. 15.1 New architecture of the state program (integrated program) of the Russian Federation "Information society" of the Russian Federation from 2022. *Source* Compiled by the authors based on Government of the Russian Federation (2014, 2021a)

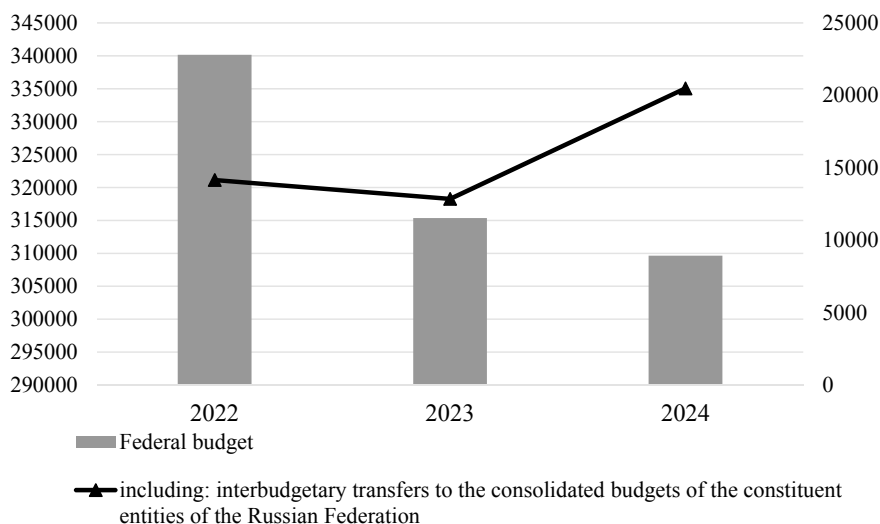


Fig. 15.2 Dynamics of financing the state program “information society” in 2022–2024. *Source* Compiled by the authors based on Government of the Russian Federation (2014)

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