ORIGINAL PAPER

DOI: 10.26794/2587-5671-2026-30-3-6-21
UDC 332.1:336.1(045)
JEL H61, I38, R13

Budgetary Support for the Development of Russian Regions in Modern Conditions: Problems and Priorities (Using the Example of the Republic of Bashkortostan)

A.G. Karimov, M.M. Nizamutdinov, P.A. Ivanov
Institute of Socio-Economic Research of the UFRC of RAS, Ufa, Russian Federation

ABSTRACT

The aim of the study is to identify and analyze the problems and priorities of budgetary support for the socio-economic development in the Republic of Bashkortostan at the present stage and to develop recommendations for improving the balance of the parameters in the consolidated budgets of the regions from a perspective of strategic development priorities. The relevance of this study stems from the need to improve the quality of budget planning and support for socio-economic development at the regional level, based on the strategic priorities of the constituent entities of the Russian Federation, in the context of decreasing inter-budget transfers and increasing debt and tax burden on the regional economies. Research methods include systemic, logical and statistical approaches, as well as considering the requirements of budgetary legislation, strategic planning documents, and the parameters of regional economic security. Based on the results of the study, the following conclusions were drawn: 1) An analysis of the forecast parameters for the socio-economic and budgetary development in the Republic of Bashkortostan for 2026–2028 was conducted. This made it possible to identify the lag of the region in a number of indicators compared to the average for Russia (nominal GRP growth rates, average monthly wages, labor productivity, capital productivity). The revenue side of the regional budget is formed based on the planned increase in the contribution of tax revenue, primarily due to an increase in household income taxes; 2) The main problems and risks of budgetary support for sustainable socio-economic development in the region are highlighted — the negative impact of external environmental factors, such as maintaining sanctions and slowing growth rates in the global economy; imbalance of supply and demand in the economy; personnel shortages; insufficient levels of budget expenditure on education, healthcare and culture, affecting the quality of the human potential in the territory, from the standpoint of economic security requirements; growth of the debt burden; environmental risks, etc.; 3) Recommendations were given to improve the balance of the parameters in the consolidated budget of the Republic of Bashkortostan in order to achieve the strategic priorities for its development. Conclusions: The implementation of the proposed recommendations would contribute to improving the balance of regional budget systems and achieving the strategic priorities for the socio-economic development in the constituent entities of the Russian Federation.

Keywords: budget; socio-economic development; forecast; investments; region; balance; sustainability; economic security

For citation: **Karimov A.G., Nizamutdinov M.M., Ivanov P.A. Budgetary support for the development of Russian regions in modern conditions: Problems and priorities (using the example of the Republic of Bashkortostan). *Finance: Theory and Practice*. 2026;30(3):6-21. DOI: 10.26794/2587-5671-2026-30-3-6-21**

INTRODUCTION

One of the significant sources of financial support for the sustainability of socio-economic development at the regional level is the budget of the constituent entities of the Russian Federation and local budgets, which form the consolidated budget of the region. Modern conditions for budgetary support of socio-economic regional development are characterized by intensified processes of centralization of resources within both the "federation — region" and "region — municipalities" systems, manifested in the form of reduced actual and planned volumes of inter-budgetary transfers in 2026–2028. This forces regional authorities to cover growing budget deficits by increasing debt borrowing, leading to increased debt burdens.

According to the budget of the Republic of Bashkortostan for 2026–2028,[1] the government debt burden (the ratio of government debt to tax and non-tax revenues) is expected to increase from 30% in 2024 to 36.4% in 2026. Additionally, the tax burden on businesses is also increasing, including income tax and lower thresholds for VAT. Big part of the taxes collected goes to the federal budget, while sanctions and tight monetary policies from the Bank of Russia are limiting economic activity in regions. This emphasizes the importance of efficiently using budgetary resources.

To address these challenges, there are two key objectives that need to be addressed: directing resources to priority areas and maintaining a balanced budget. It is crucial to ensure that resources are allocated effectively and efficiently to support economic growth and development in the region. .

The research of N.V. Apatova [1], A.V. Veriga [2], L.M. Borsch and S.V. Gerasimov [3] and other authors is devoted to the issues of budget financing as a significant factor in ensuring sustainable socio-economic development of territories. In [4], using the example of the Arctic regions of Russia, it was shown that the subjects of the Russian Federation with a high contribution of the budget sector to the development of the territory have a fairly balanced budget, an average level of budget security, a low level of public debt, and the presence of significant tax potential and a diversified economy act as drivers of development. These characteristics are largely true for the Republic of Bashkortostan, which is confirmed both by the parameters of the budget and debt development of the region,[2] and by the earlier analysis of its economic specialization [5], which showed a relatively high level of economic diversification of the subject.

The article [6] highlights an increase in the quality of program development and implementation in recent years. However, the lack of a unified strategic planning document at the national level, such as the Strategy of Socio-Economic Development of the Russian Federation, is a limiting factor. We believe that this aspect is also significant because it creates certain difficulties in setting goals and coordinating strategies for socio-economic development in the regions of the Russian Federation. These strategies have been adopted and are already in operation in the regions.

Other researchers [7] assign a significant role to the availability of budgetary and debt stability in the territory in ensuring the sustainability of regional development, reflecting the balanced development in a changing external environment.

In modern conditions of sanctions pressure on the Russian economy, the identification and assessment of factors of long-term ensuring the competitiveness of the country's economy becomes a priority for the implementation of socio-economic policy [8].

Strategic planning is also identified as a tool for long-term development of meso-level territories [9], which makes it possible

[1] Law of the Republic of Bashkortostan dated 12/22/2025 No. 375-z "On the Budget of the Republic of Bashkortostan for 2026 and for the planning period of 2027 and 2028". URL: https://minfin.bashkortostan.ru/documents/active / (accessed on 15.01.2026).

[2] With the exception of recent years, the Republic of Bashkortostan had one of the lowest debt burden levels in the Volga Federal District (21.2% in 2022–3rd place).

to unlock the potential of territories and use available resources more efficiently, including in the budgetary and financial sphere. The existing problems of improving the quality of the strategic planning system [10] indicate the relevance of this area for both the federal and regional levels of government, including in the framework of the division of responsibility between them in various aspects [11].

Increasing their financial self-sufficiency is essential for budgetary support of long-term sustainable socio-economic development of regions. In [12], the author correctly notes that there is a need to more actively use budgetary policy instruments related to permanently assigning standards for deductions on tax revenues to regions, instead of relying on budget equalization through inter-budget transfers at a higher level in the budget system. Stable rules for distributing tax revenues and a clear understanding of the amount of fiscal resources available by regional and municipal authorities will contribute to improving the balance of territorial budgets and enhancing the effectiveness of strategic planning policies for the socio-economic development of territories.

Foreign researchers also highlight fiscal decentralization as a positive factor in ensuring sustainable, balanced development of territories, characterized by the consolidation of rates and standards for the distribution of tax revenues for territorial budgets. At the same time, the intensity of tax administration is important [13], ensuring the completeness of collection and efficient allocation of available tax resources. In addition, in order to increase the efficiency of using budget funds, fiscal decentralization should be interconnected with the decentralization of expenditures [14].

Indian scientists have concluded that fiscal decentralization plays a key role in the development of green energy. This conclusion was made based on an analysis of the experience of the European Union countries [15].

Chinese scientists have found that technological innovations that increase the profitability of local companies have a positive effect on fiscal decentralization [16].

At the same time, excessive fiscal decentralization reduces the share of the federal budget and limits opportunities for financing national projects and addressing federal tasks such as mitigating the effects of large-scale natural disasters that affect several regions, strengthening the state's defense capabilities, and other important objectives. This also leads to a decrease in the share of tax revenues in the country's gross product due to differences in the effectiveness of tax administration in the regions [17], technical problems and lower economies of scale [14].

It is essential to strike a balance between centralization and decentralization of tax resources in order to ensure the most efficient use of budget funds and the formation of a sufficient financial base for implementing strategic priorities at the national, regional, and local levels.

This study aims to identify and analyze problems and priorities in budgetary support for socio-economic development in the regions of Russia (using the Republic of Bashkortostan as an example) at the current stage, as well as to develop recommendations for enhancing the balance of consolidated regional budgets in light of strategic development priorities. To accomplish this goal, the following objectives must be addressed:

- To analyze the forecast parameters of socio-economic and budgetary development of the Republic of Bashkortostan for 2026–2028, as outlined in the relevant strategic planning documents, such as the forecast of socio-economic development and the draft budget of the region, taking into account consolidated budget data.
- To identify the challenges of budget support for the sustainable socio-economic development of regions in terms of achieving strategic priorities and ensuring sufficient budget support to meet economic security requirements in modern conditions.
- To provide recommendations on improving the balance of parameters in the

consolidated budgets of Russian regions aimed at achieving strategic development goals.

MATERIALS AND RESEARCH METHODS

The obtained research results are based on systematic, logical, statistical methods, as well as taking into account the requirements of budget legislation, strategic planning documents, and parameters of regional economic security. The information basis of the study was the official statistical data of Rosstat, Bashkortostan, the Forecast of socio-economic development of the Republic of Bashkortostan for 2026 and for the planning period of 2027 and 2028,[3] the main parameters of the forecast of socio-economic development of the Republic of Bashkortostan for 2026, for the planning period of 2027 and 2028. and for the period up to 2042[4] (in terms of forecast values for 2029–2042), the Forecast of socio-economic development of the Russian Federation for 2026 and for the planning period of 2027 and 2028,[5] the Draft Law of the Republic of Bashkortostan "On the Budget of the Republic of Bashkortostan for 2026 and for the planning period of 2027 and 2028",[6] the Law of the Republic of Bashkortostan "On the Budget of the Republic of Bashkortostan for 2026 and for the planning period of 2027 and 2028",[7] Strategy of socio-economic development of the Republic of Bashkortostan for the planning period up to 2030.[8]

THE RESULTS OF THE STUDY

As part of solving the first task of the study, we will analyze the forecast parameters of socio-economic and budgetary development in the Republic of Bashkortostan (hereinafter — RB).

1. Forecast of socio-economic development for 2026–2028 in the Republic and main parameters until 2042 (hereinafter — Forecast).

1.1. *Gross regional product* is one of the most general indicators characterizing total value of goods and services produced in region over certain period (hereinafter — GRP). Its value in RB has been increasing in recent years except for 2020 due to COVID-19 restrictions. According to presented estimates, by 2025, this indicator will increase by 104.6% (*Fig. 1*).

It should be noted that the nominal growth rate of GRP over the entire period will be lower than the indicators set out in the Strategy of Socio-Economic Development of the Republic of Bashkortostan for the planned period up to 2030 (hereinafter referred to as the Strategy). On the one hand, due to the outstripping growth of GRP accumulated in 2021–2024, even with the implementation of a conservative forecast scenario, achieving the GRP per capita values planned in the Strategy in the amount of 898.6 thousand rubles by 2030 seems possible and beyond doubt.

On the other hand, the reduction in the bar for GRP growth relative to the republic's strategic targets for 2026–2030, as well as the projected dynamics of Russia's GDP, is indicated in Figure 1 as "RF (basic)" (nominal GRP growth of the RB by 127.5% by 2028 compared with 2024, with an average growth in the Russian Federation of 137.4%) — indicate the need to increase the efficiency of the economy of the RB, since the region's share in the country's

[3] Approved by the Decree of the Government of the Republic of Bashkortostan dated October 24, 2025 No. 1359-R. URL: https://economy.bashkortostan.ru/activity/22338 / (accessed on 11/26/2025).

[4] Adopted as the basis for the preparation of the draft budget of the Republic of Bashkortostan at the meeting of the Strategic Committee of the Republic of Bashkortostan on July 4, 2025 (Appendix No. 1 to Protocol No. 1).

[5] Approved at a meeting of the Government of the Russian Federation on September 24, 2025 (Protocol No. 32). URL: https://www.economy.gov.ru/material/directions/makroec/prognozy_socialno_ekonomicheskogo_razvitiya / (accessed on 11.26.2025).

[6] The draft Law of the Republic of Bashkortostan "On the Budget of the Republic of Bashkortostan for 2026 and for the planning period of 2027 and 2028". URL: https://minfin.bashkortostan.ru/activity/2870 / (accessed on 11.20.2025).

[7] Law of the Republic of Bashkortostan dated 12/22/2025 No. 375-z "On the Budget of the Republic of Bashkortostan for 2026 and for the planning period of 2027 and 2028". URL: https://minfin.bashkortostan.ru/documents/active / (accessed on 15.01.2026).

[8] Resolution of the Government of the Republic of Bashkortostan dated December 20, 2018 No. 624 "On the Strategy of Socio-economic development of the Republic of Bashkortostan for the period up to 2030". URL: https://economy.bashkortostan.ru/documents/active/298367 / (accessed on 27.10.2025).

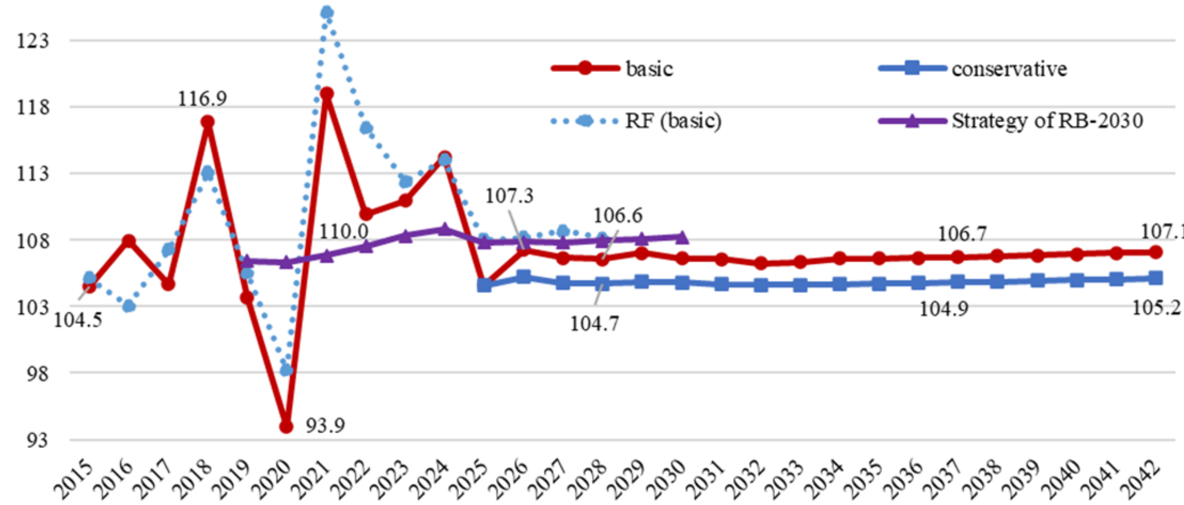

Fig. 1. **Growth Rates of the Nominal GRP of the RB and the GDP of Russia, in % of the Previous Year**

Source: Compiled by the authors.

Note: From here on the abbreviations "conservative" and "basic" correspond to the socio-economic development options presented in the Forecast — conservative and basic.

GDP will decrease from 1.40% in 2024 to 1.30% in 2028.

Considering the above, improving the efficiency of the regional economy will depend largely on the improvement of the quality of strategic planning. This includes improving the methodological support for managerial decision-making through the use of modern economic and mathematical modeling tools in public administration [18].

1.2. *The industrial production index of the RB* and the Russian Federation is estimated at 101.5% in 2025. In 2026–2028, the indicator is expected to grow in the region to 105.0% according to the baseline and to 103.0–103.5% according to the conservative scenario, which is higher than the baseline forecast for the Russian Federation (102.3–103.1%). However, in 2029–2032. The forecast provides for multidirectional dynamics in the industry of the RB, depending on the chosen scenario (a decrease of 1.3 percentage points according to the baseline scenario while maintaining growth rates according to the conservative scenario) (*Fig. 2*).

The realism of implementing the projected growth rates of industrial production in the RB according to the baseline scenario will largely depend on the effectiveness of the industrial policy. In this regard, the implementation of the Comprehensive Industrial Development Program of the RB until 2030,[9] developed by the Institute of Socio-Economic Development of the UFIC RAS in cooperation with the republican executive bodies, will contribute to the further development of the priority areas of the region's industry. It seems advisable to consider the issue of approval by the Government of the RB of this program and its active implementation in the practice of public administration in the field of industry.

1.3. *The dynamics of investments in fixed assets* is determined by a variety of factors, such as the state of the economy, investment climate, political stability, tax policy, availability of resources, demographic and environmental processes, etc. In recent years, there has been a significant change in investment levels in the RB, which ranged from 74.7% in 2017 to 119.0% in 2019 (*Fig. 3*).

According to the current Strategy, by 2030 it is planned to reach the level of 305.2 thousand rubles of investments in fixed assets per capita, which corresponds to 1240.7 billion rubles. The basic Forecast scenario developed by the Ministry of Economic Development of

[9] URL: https://industry.bashkortostan.ru/documents/projects/524085/ (accessed on 02.12.2025).

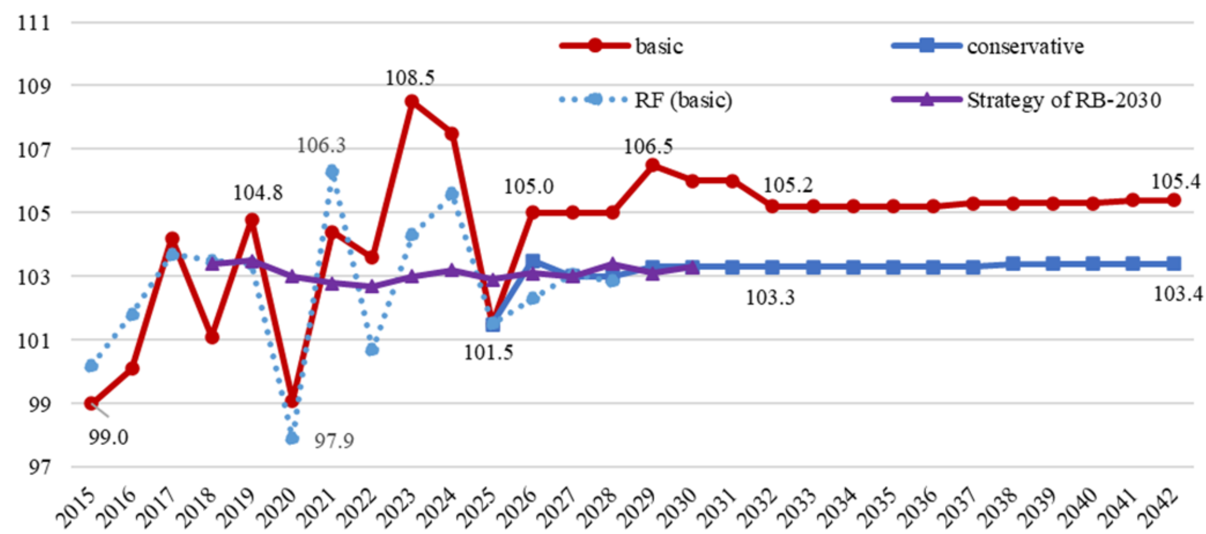

Fig. 2. **Industrial Production Index of the RB and Russia, in % Compared to the Previous Year**
Source: Compiled by the authors.

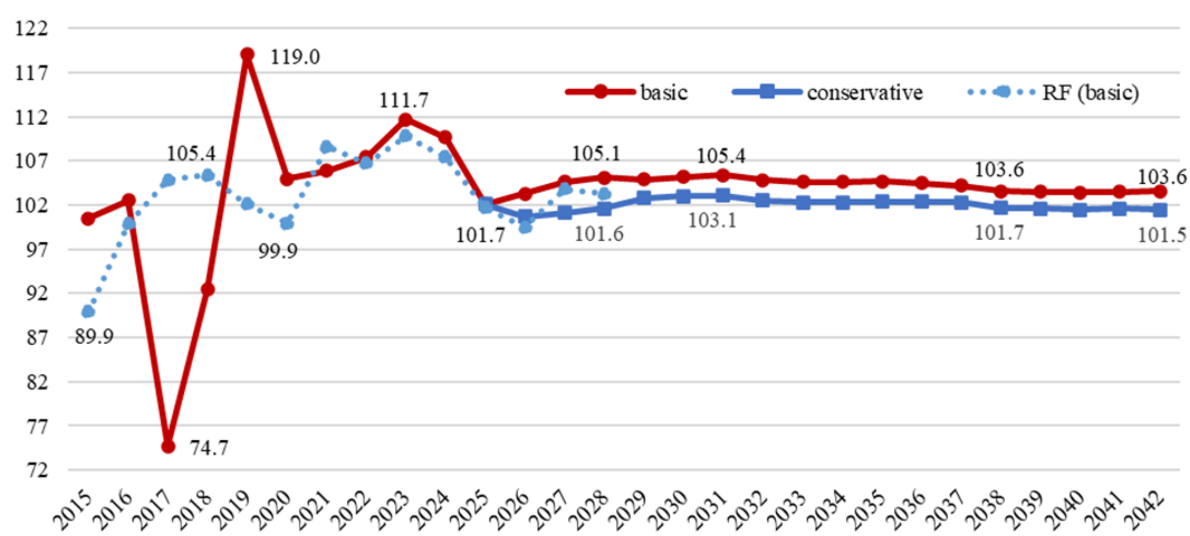

Fig. 3. **The Dynamics of Investments in Fixed Capital in the RB and the RF, in % Compared to the Previous Year**
Source: Compiled by the authors.

the RB assumes reaching the level of 1.325.2 billion rubles, which is close to the guideline set in the Strategy and gives grounds to expect achievement of the set goals.

1.4. ***Remuneration and labor productivity.*** Increasing productivity and wages in the region should be considered as a priority. The relatively low level of wages (*Fig. 4*) poses a threat to increased labor migration from the region.

The salary in the republic in 2017 was 77.5% of the national average, and in 2024 it was 76.8%. According to estimates, the situation continued to deteriorate in 2025, with the same indicator being only 74.0% by then. In the medium term, according to a baseline scenario, by 2028 the gap in this ratio was expected to remain at the level of 2025. (It should be noted that, according to results of a macroeconomic survey by the Bank of Russia, nominal wage growth would be slightly lower, amounting to 108.4% in 2026 and 107% in 2028.) Thus, there was no reason to speak of overcoming the current gap in the medium-term.

It seems that it is impossible to solve the task of ensuring wages in Bashkortostan to be

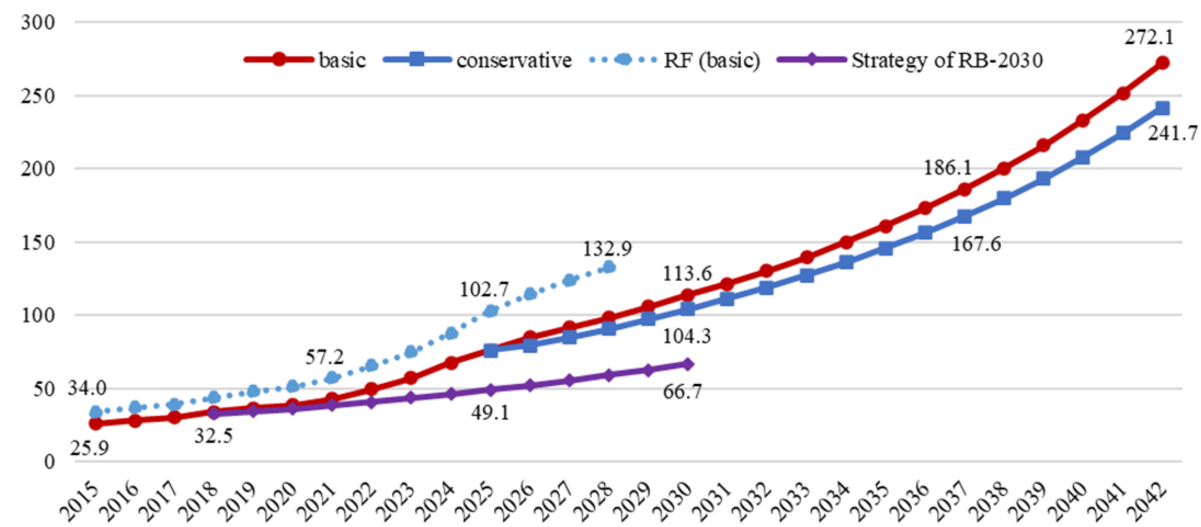

Fig. 4. **The Average Monthly Salary in the RB and the RF, in Thousands of Rubles**

Source: Compiled by the authors.

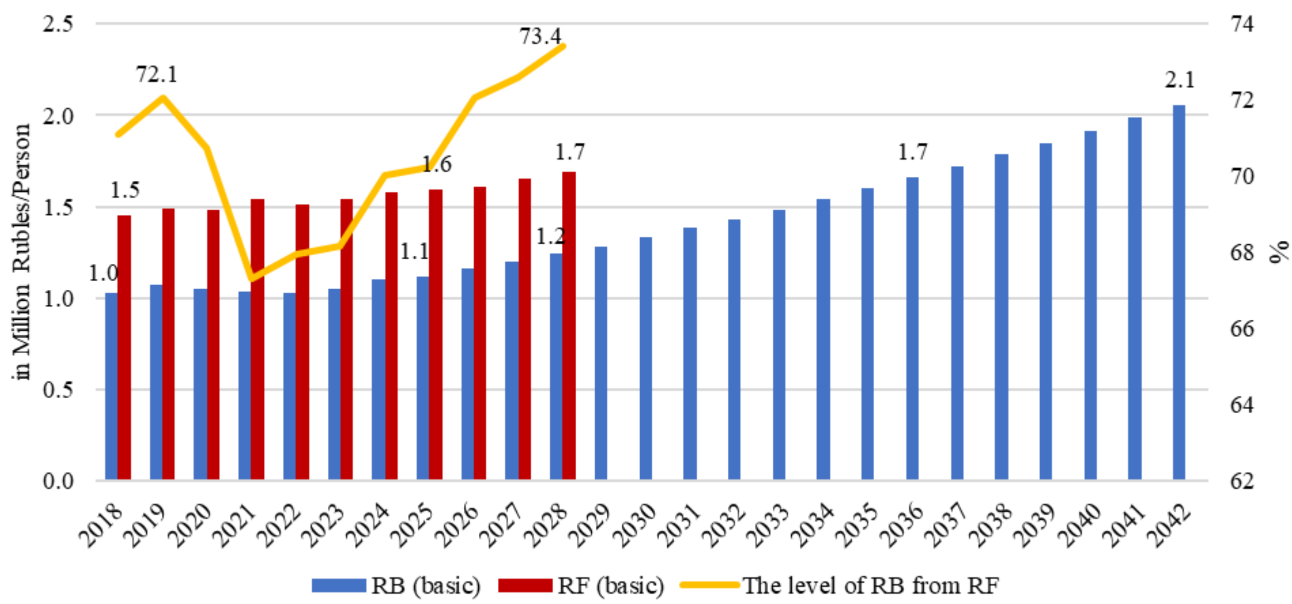

Fig. 5. **Labor Productivity Indicators in the RB and the RF (in 2018 Prices), in Million Rubles/Person**

Source: Compiled by the authors.

at or above the average Russian level by 2030 in the current conditions. Given the significant lag in wages in the republic compared to the Russian average, many other socio-economic challenges, such as increasing the migration attractiveness of the territory and improving the standard and quality of life for the population, are also difficult to address.

Due to resource constraints, the issue of improving efficiency in the use of resources in the Republic of Bashkortostan has become a priority, requiring the introduction of innovative technologies and optimization of production processes to increase competitiveness. This is especially true in terms of ensuring labor productivity, which is 30% below the Russian average (*Fig. 5*).

Capital efficiency (GRP to investment ratio) in RB at comparable prices is also 10–15% below the national average. According to the Forecast parameters in real terms, in the long term, in general, a further decrease in the level

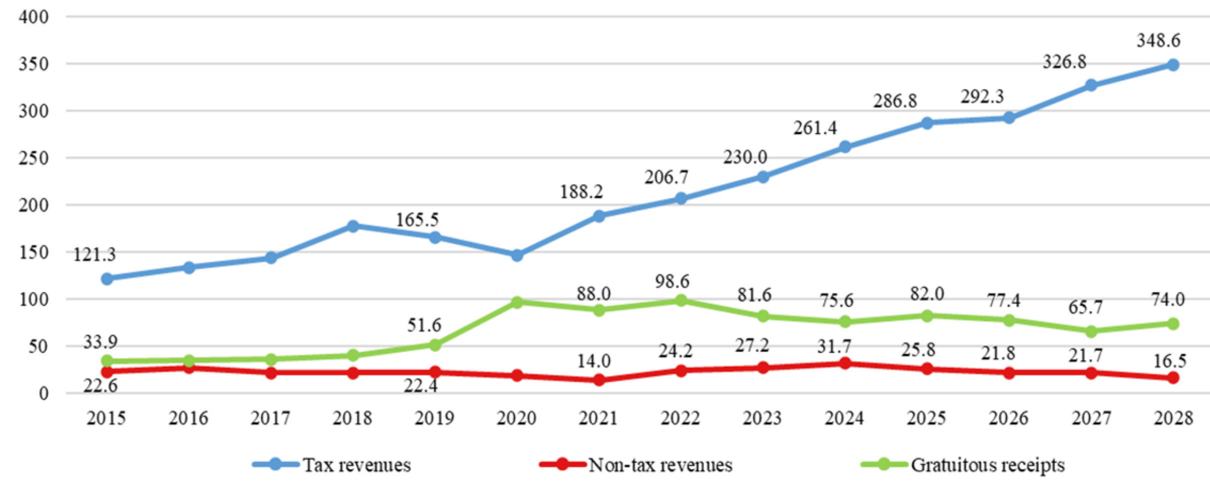

Fig. 6. **The Dynamics of Nominal Revenues in the Consolidated Budget of the RB, in Billions of Rubles**
Source: Compiled by the authors.

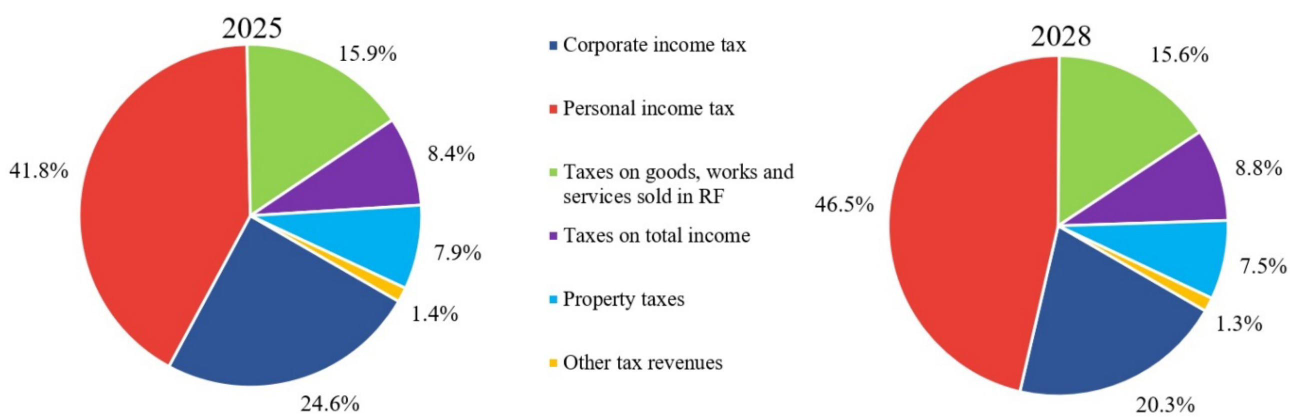

Fig. 7. **The Structure of Tax Revenues in the Consolidated Budget of the RB for 2025 and 2028, in %**
Source: Compiled by the authors.

of capital investment in RB is predicted relative to the actual values of 2018–2024.

Next, we will consider the budgetary parameters of the region's development. The data from the draft budget of RB for the consolidated budget (hereinafter referred to as the CB RB), reflecting the total budgetary resources of the region, were taken as a basis. The updated data included in the law on the budget of the region for 2026–2028 were used as forecast data for the budget of the constituent entity of the Russian Federation.

2. The Consolidated budget of the Republic of Bashkortostan.

2.1. ***Revenue side of the budget.*** The materials of the draft budget of RB include the forecast parameters of the consolidated budget for 2026 and for the planning period of 2027 and 2028, which are characterized by the following indicators of budget revenues (*Fig. 6*).

In nominal terms, the total revenue of CB RB by the end of 2028 will increase by 19.1% compared to the level of 2024 and amount to 439.1 billion rubles. However, this increase is due to the influence of the price factor. As a result, by 2028, the volume of consolidated budget revenues in a comparable form is estimated to be 0.9% lower than in 2024, which poses a threat to the implementation of the provisions stipulated in the strategic development documents of the region. The result of this dynamic is a change in the income structure, which manifests itself in the form of an increase in the share of tax revenues from

Table 1

Budgetary Capacity Assessment, in Thousand Rubles/Person

Indicator	2023 (fact)	2024 (fact)	2025 (updated plan for December 1)	2026 forecast	2027 forecast	2028 forecast
Budgetary security	83.2	91.0	97.6	96.8	102.4	108.6
Budget security, in a comparable estimate (in 2023 prices)	83.2	83.5	83.9	80.0	81.4	83.0

Source: Compiled by the authors.

Note: * by total revenue.

72.7% in 2025 to 79.4% in 2028 and a decrease in the share of non-tax revenues and gratuitous receipts.

The revenue forecast of CB RB reflects the increasing importance of the tax component. However, the growth rate of tax revenues since 2021 has lagged behind the national average. By the end of 2024, the share of tax revenues of RB in the consolidated budget of the Russian Federation amounted to 1.1% (in 2020, 1.8%). At the same time, almost half of the budget's tax revenues are generated from taxes on individuals, while the impact of corporate income tax will decrease from 24.6% to 20.3% (*Fig. 7*).

For key types of tax revenues at current prices, positive dynamics is projected in 2026–2028 (with the exception of income tax receipts in 2026). In general, the tax burden on the republic's economy in 2026–2028 will remain at the level of 2025–9.7% of GRP (except for 2026, where, due to the projected drop in tax revenues, their share relative to GRP will decrease to 9.3%).

In 2028, budget security in terms of income is projected at 108.6 thousand rubles/person, which is 19.4% higher than in 2024 (*Table 1*).

In comparable prices, the level of budget provision will decrease by 0.6%, which is caused by the influence of both the price factor and the strengthening of fiscal policy to centralize budget funds in higher-level budgets (typical for both the system of inter-budgetary relations "federation — region" and "region — municipalities"). As a result, the increase in tax revenues from an increase in the tax burden will be largely offset by a decrease in gratuitous revenues from the federal budget, which will have a restraining effect on the pace of socio-economic development of the republic.

2.2. *The expenditure part of the budget*. The dynamics of RB Design Bureau expenses corresponds to the parameters of the revenue side. In 2025, the amount of expenses is estimated at 431.4 billion rubles, which is 9.3% higher than the amount of income (*Table 2*).

At the same time, the structure of budget expenditures undergoes a number of changes in the forecast period (*Fig. 8*).

By 2028, a significant increase in public debt servicing costs is projected (2.4 times in real terms). In 2026, the volume of expenditures under this budget item will exceed 7 billion rubles. (2% of all expenses), which is comparable to expenses in such areas as "Physical education and sports". As a result, the debt burden of the republic's budget in 2026 It will grow to 36.4%, which indicates the need to increase the effectiveness of the debt policy, taking into account the goal set at the government level to preserve the republic's status as a borrower with a high level of debt sustainability.[10] The main debt instrument for attracting borrowed funds to finance the budget deficit in the coming years will be the

[10] Appendices No. 2 and No. 3 to the Minutes of the Strategic Committee meeting No. 2 dated October 8, 2025

Table 2

The Expenditures of the Consolidated Budget of the RB for the Periods 2023–2025 and 2026–2028

Indicator	2023 (fact)	2024 (fact)	2025 (updated plan for December 1)	2026 forecast	2027 forecast	2028 forecast
The nominal volume of the expenditure part of the consolidated budget, billion rubles	355.5	385.0	431.4	414.1	423.2	439.1
The nominal volume of the expenditure part of the consolidated budget per capita, thousand rubles/person	87.3	95.0	106.7	102.4	104.7	108.6
The real volume of the expenditure part of the consolidated budget, adjusted for inflation (in 2023 prices), thousand rubles/person	87.3	87.2	91.7	84.6	83.2	83.0

Source: Compiled by the authors.

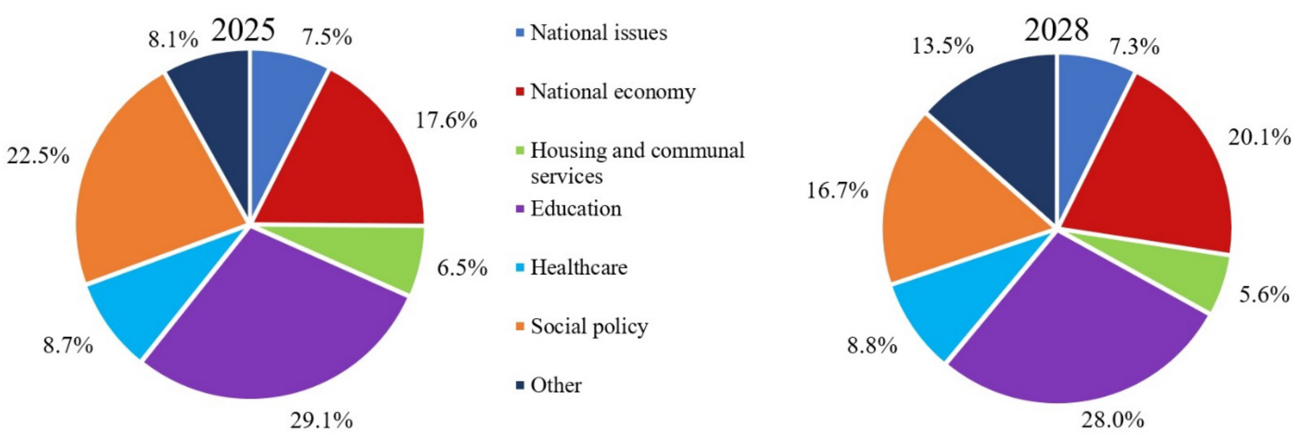

Fig. 8. **The Structure of expenditures in the consolidated budget of the RB in 2025 and 2028, in %**

Source: Compiled by the authors.

issue of government securities, the share of which in the structure of the national debt of the republic will increase from 37.1% (as of 01.01.2026) to 45.6% by the end of 2026 and 48.4% by 2028. On the contrary, the share of budget loans will decrease from 46.5% to 38.9%, and 39.0%, respectively.

The sufficiency of expenditures on *education, health care and culture* as areas for improving the quality of human potential and labor resources in the region has a significant impact on the sustainable socio-economic development of the territory. The actual and projected dynamics of expenses for these items tends to decrease. The cumulative reduction in education costs by 2028 compared to the level of 2024 in comparable prices will amount to 13.7%, and for culture — 11.1%. Some growth is observed only in healthcare (3.1%). Nevertheless, relative to the criteria of economic security, the level of spending on education, healthcare and culture is below the threshold level (at least 15% of GRP) and in 2026, compared with 2020, it will decrease by another 2.4% (*Table 3*).

Table 3

The Budgetary and Social Indicators of the Development of the RB in the Context of Economic Security Requirements

Indicator	Threshold	2020 (fact)	2022 (fact)	2023 (fact)	2024 (fact)	2025 (plan)	2026 (plan)
Total fertility rate, units	2.15	1.52	1.41	1.41	1.35	1.42	1.44
Life expectancy, years	80.00	70.62	72.98	73.17	71.99	72.55	74.81
Budget expenditures on healthcare, education and culture, in % of GRP	15.0	7.7	6.3	5.9	5.9	6.1	5.3

Source: Compiled by the authors [19, 20].

Table 4

The Required Volume of Expenditures from the Consolidated Budget of the RB to Achieve the Threshold Level of Economic Security, in Million Rubles

Direction of expenses	2025	2026	2027	2028
On healthcare	110 249	118 257	126 124	134 412
On education	286 647	307 468	327 924	349 472
On culture and cinematography	44 099	47 303	50 450	53 765
Total	440 995	473 028	504 498	537 650

Source: Author's calculations.

According to our calculations, in order to ensure a sufficient level of financing for the republic's educational sector in terms of economic security requirements, it is necessary to increase budget expenditures on education, healthcare and culture by 2.5–3 times to at least 537.7 billion rubles in 2028 (*Table 4*).

Expenditures on the national economy are projected to have unstable dynamics. In 2028, the cumulative increase from the level of 2024 is expected to be 8.4%, in comparable prices. However, compared to 2022, there will be a decrease of 11.9%.

The main item of expenditure in the national economy traditionally is the road sector, which accounts for about 70%.

A significant reduction in costs relative to the level of 2024 is projected in the areas of "Social Policy" and "Housing and utilities" (by 19.1% and 27.2% in comparable prices). This creates risks for ensuring the sustainable development of the economy and the social sphere, as well as the safety of the population.

An analysis of the dynamics of the volume of financing of state programs according to the adopted budget law shows a decrease in program expenditures in 2026 relative to 2025 by 3.0%, in 2027 — by 6.3%, in 2028 — by 3.6%. At the same time, multidirectional dynamics is observed in the context of government programs. The largest increase in funding is demonstrated by programs in the field of development and support of small and medium-sized businesses (by 151.2%), justice (by 26.8%), development of physical culture and sports (by 25.8%). A significant reduction is planned under government programs aimed at the development of domestic and inbound tourism (by 64.5%), industry (by 55.1%), and social protection of the population (by 49.3%).

The budget deficit of RB in 2026 is projected at 22.5 billion rubles, and in 2027–9.0 billion rubles. For 2028, the adopted budget of RB assumes equality of income and expenses.

CONCLUSIONS

The analysis of the forecast parameters of the regional budget (using the example of the Republic of Bashkortostan) allows us to identify the following main *problems and risks* of budgetary support for sustainable socio-economic development of the regions of the Russian Federation:

1. Negative influence of environmental factors. Increased uncertainty in international trade, as well as the aggravation of the geopolitical situation, tougher sanctions, increase the volatility of budget revenues from oil and gas sales, which may adversely affect the balance of the budget system.

2. The need to ensure a balance between supply and demand, increase labor productivity and increase investment efficiency. According to the Ministry of Economic Development of Russia, the expansion of the supply-side economy is one of the priorities in the implementation of socio-economic policy by the Government of the Russian Federation. However, significant risks are the likelihood of excessive hypothermia of the country's economy as a result of the Bank of Russia's tight monetary policy, as well as an increase in the tax burden on entrepreneurs, which already entails a review of business investment programs in the direction of reducing them and reducing production.[11] At the same time, according to the Russian Ministry of Economic Development, it is investments and increased labor productivity that should become key factors for economic growth.[12] In addition, the development of a balanced supply and demand economy requires the availability of appropriate incomes for the population living in the region. The analysis of the presented forward-looking estimates showed the need to increase the levels of wages, labor productivity and capital efficiency.

3. The aggravation of the situation on the labor market, manifested in a shortage of personnel, increased competition among employers for qualified specialists. Among the main factors are the deterioration of the demographic situation, characterized by a change in the age structure of the population, the migration outflow of the most active population, the departure of men of working age to their homes, shadow employment, etc.

4. Environmental risks. In modern conditions of increasing competition for global and regional markets, the risks of introducing more lenient environmental safety requirements as a way to increase the competitiveness of production are increasing. This may become an additional factor in deciding whether to move to other regions, especially among people of working age and young professionals. Such trends make measures to ensure ecological balance, the introduction of green technologies and compliance with the principles of sustainable development particularly relevant as key conditions for improving the quality of life and curbing negative migration.

5. The risks of territorial differentiation. The growing imbalances in the socio-economic development of regions at the local level creates risks of expanding depressive zones (mainly in rural areas and small towns), increasing the urgency of the problems of employment and poverty reduction, reducing the migration outflow of the population.

Taking these factors into account in the development and implementation of public policy will improve the effectiveness of regional authorities in making managerial decisions to ensure the sustainability of socio-economic development of the regions of the Russian Federation.

[11] URL: https://www.vedomosti.ru/investments/news/2025/12/01/1159485-spad-delovoi-aktivnosti (accessed on 02.12.2025).

[12] URL: https://economy.gov.ru/material/news/zamglavy_minekonomrazvitiya_nazvala_faktory_obespecheniya_rosta_rossiyskoy_ekonomiki.html (accessed on 02.12.2025).

As *recommendations* for improving the balance of the budget parameters of the region, we suggest:

1) Ensuring increased labor productivity and innovation is essential for fully unlocking the potential of manufacturing industries, particularly in the face of current challenges and threats related to mining and mineral processing. This is crucial for ensuring food security amid climate change. To achieve this, it is advisable to increase budget allocations for the recapitalization of regional development institutions, such as regional industrial development funds and innovation support centers. Additionally, grant payments in the form of subsidies can be provided to legal entities and individual entrepreneurs to help finance the costs associated with implementing projects aimed at developing technological innovations, transferring technologies, and protecting intellectual property;

2) The need to determine the personnel requirements of regional economies, based on the annual formation and update of the labor market forecast for the constituent entities of the Russian Federation, has been identified as a task at the federal level, as part of the implementation of the National Human Resources Development Project.[13] This task is carried out in a sectoral and professional qualification context over a five-year period;

3) Updating the strategies of socio-economic development for the regions of the Russian Federation, with an expanded strategic horizon until 2045, and developing anti-crisis plans with the involvement of scientists and experts;

4) Improving the quality of strategic planning at the regional level by incorporating a "target" scenario into strategic planning documents, which reflects the image of the future and the state of the socio-economic system that needs to be achieved. This scenario should include a description of the factors and conditions necessary for its realization;

5) In order to achieve strategic priorities in the field of socio-demographic development of the regions (growth of the total fertility rate (TFR) and life expectancy), it is necessary to update the activities of regional government programs with regard to ensuring comprehensive consideration of their impact on the planned values of the TFR;

6) In light of the planned retention of low-income tax revenues in consolidated regional budgets in the coming years, it would be advisable for the federal government to consider preparing proposals to review the distribution of these taxes between different levels of the budgetary system. For example, the standard for budget allocations for constituent entities of the Russian Federation could be increased from 17% to 20% for any over-fulfilment of the tax collection target;

7) It seems advisable to increase the balance of the budget expenditure structure, primarily in the areas of "Housing and utilities' and "Social Policy". A decrease in the share of these areas in budget expenditures is projected to be especially strong, which will contribute to the implementation of strategic priorities for the development of the Republic and the formation of conditions for meeting the requirements of economic security. In the housing and utilities sector, it is necessary to further expand the use of infrastructure tools for the modernization of municipal infrastructure facilities. This will also have a positive impact on the region's debt burden by reducing the cost of budget loans. Regarding socio-demographic policy, it is essential to increase financing for subsidies to young families for housing. This will help support families and create a more stable and prosperous society. In 2026–2028, the budget of RB allocated 300 million rubles annually for this purpose, which is approximately 2.500 square meters of housing (based on the average market price per square meter in the Republic[14]) or approximately 0.5 square

[13] URL: http://government.ru/news/54925/ (accessed on 02.12.2025).

[14] URL: https://www.bashinform.ru/news/social/2026–01–22/v-bashkirii-utverdili-srednyuyu-rynochnuyu-stoimost-1-kvadratnogo-metra-zhilya-4547168 (accessed on 06.03.2026).

meters per young family registered in need of residential premises;[15]

8) It is necessary to improve the effectiveness of implementing state programs (SPs). It would be advisable to update the planned values for indicators and SP activities (in some programs, there is an underestimation of plans, while in others, there is a significant failure to meet the indicators, despite most of the planned activities being implemented);

9) The urgent need to increase budget spending to the level of economic security requires creating conditions for increasing labor productivity. This can be achieved primarily through the introduction of innovative technologies and industries in the regions of the Russian Federation. The state-owned enterprises (SOEs) adopted in many regions for scientific and technological development, such as in the RB,[16] are often complex and coordinated with other SOEs. However, implementing an effective scientific and technological policy in the regions also requires having SOE passports that are relevant to modern challenges and threats in industrial and educational development. Additionally, updated versions of regional socio-economic development strategies are needed. In the event of a reduction in budget funding for the aforementioned programs, the risk of not reaching the targets for scientific and technological development in the regions of the Russian Federation increases;

10) In the context of deteriorating debt sustainability, it is necessary to pay special attention to the effectiveness of investments in the regional economy in order to ensure faster growth in tax revenues relative to the dynamics of public debt;

11) It is necessary to work towards creating a budget that will ensure the stable development of regions in the face of continued sanctions from a number of Western countries. We need to focus on improving budget discipline, including enhancing the quality of planning and monitoring of financial support for state-owned enterprises and their implementation. The solution to these challenges lies in involving the expert and academic community in collaboration with government authorities to improve methodological support through the use of economic and mathematical modelling tools.

The theoretical significance of this research lies in its proposal of an approach for assessing the adequacy of budgetary support for socio-economic development in terms of economic security needs.

The practical significance is in the potential use of these proposed recommendations by regional authorities to make better-informed management decisions regarding the balance of their budgets and the support they provide for sustainable socio-economic growth.

In future publications, we plan to expand and further develop our research in terms of enhancing budget policy as a response to global challenges while taking into account the specific needs and opportunities of each region to pursue independent budgetary policies.

ACKNOWLEDGMENTS

This study was carried out within the framework of the state assignment of the Federal State Budgetary Scientific Institution "Ufa Federal Research Centre of the Russian Academy of Sciences" No. 075-00576-26-00 for 2026 and for the planning period of 2027 and 2028. Institute of Socio-Economic Research of the UFRC of RAS, Ufa, Russian Federation.

[15] Resolution of the Government of the Republic of Bashkortostan dated February 25, 2025 No. 56 "On approval of the regional program «Increasing the birth rate in the Republic of Bashkortostan for the period up to 2027»" (Table 26). URL: https://docs.cntd.ru/document/407683593 (accessed on 03.06.2026).

[16] .Resolution of the Government of the Republic of Bashkortostan dated December 27, 2024 No. 549 "On Approval of the State program «Scientific and Technological Development of the Republic of Bashkortostan»" and on Invalidation of Certain Decisions of the Government of the Republic of Bashkortostan.

REFERENCES

1. Apatova N.V. Budget policy as the main component of the state's economic policy in ensuring the socio-economic development of the region. *Nauchnyi vestnik: finansy, banki, investitsii = Scientific Bulletin: Finance, Banking, Investment*. 2023;(2):24-35. (In Russ.).
2. Veriga A.V. Role of the budget process in the development of the regional economic system. *Nauchnyi zhurnal "Menedzher" = Scientific Journal "Manager"*. 2023;(4):56-63. (In Russ.). DOI: 10.5281/zenodo.10526495
3. Borsch L.M., Gerasimova S.V. Performance analysis of regional budgetary policy. *Vestnik Volgogradskogo gosudarstvennogo universiteta. Ekonomika = Journal of Volgograd State University. Economics*. 2021;23(1):87-101. (In Russ.). DOI: 10.15688/ek.jvolsu.2021.1.7
4. Dyadik N.V., Chapargina A.N. Financial development trajectories of the Russian Arctic regions. *Arktika i Sever = Arctic and North.* 2022;(47):26-42. (In Russ.). DOI: 10.37482/issn2221-2698.2022.47.26
5. Ivanov P.A. Assessment of economic specialization of the manufacturing industry from the position of ensuring financial self-sufficiency of the region. *Ekonomika i upravlenie: problemy, resheniya = Economics and Management: Problems, Solutions*. 2025;8(8):140-149. (In Russ.). DOI: 10.36871/ek.up.p.r.2025.08.08.016
6. Kirichenko I.A., Naumov S.N., Smirnov A.V. Assessing the effectiveness of the Russian Federation government programs instruments for achieving economic security goals. *Ekonomicheskaya bezopasnost' = Economic security*. 2024;7(7):1723-1740. (In Russ.). DOI: 10.18334/ecsec.7.7.121403
7. Ivanov S.V., Korechkov Yu.V., Kvasha O.V., Ovchinnikova M.V. Tools and methods for ensuring the sustainable development of the regional economy. *Menedzhment i biznes-administrirovanie = Management and Business Administration*. 2024;(2):72-81. (In Russ.). DOI: 10.33983/2075-1826-2024-2-72-81
8. Fedotova M.A., Pogodina T.V., Karpova S.V. Assessment of trends and prospects for the development of the Russian economy in the context of sanctions pressure. *Finance: Theory and Practice*. 2025;29(1):6-19. DOI: 10.26794/2587-5671-2025-29-1-6-19
9. Novoselov A.S., Faleev A.V. Regional and municipal finance in strategic planning. *Mir ekonomiki i upravleniya = World of Economics and Management*. 2022;22(1):130-146. (In Russ.). DOI: 10.25205/2542-0429-2022-22-1-130-146
10. Ivanov P.A. Issues in improving the quality of strategic planning system in the Russian Federation regions. *Ars Administrandi (Iskusstvo upravleniya) = Ars Administrandi (The Art of Management)*. 2023;15(4):652-672. (In Russ.). DOI: 10.17072/2218-9173-2023-4-652-672
11. Samkov K.N. Financing the implementation of national and regional projects: Problems and sustainable development directions. *Finance: Theory and Practice*. 2021;25(4):24-36. DOI: 10.26794/2587-5671-2021-25-4-24-36
12. Shmigol N.S. Fiscal policy measures and instruments to ensure macroeconomic stability and growth. *Menedzhment i biznes-administrirovanie = Management and Business Administration*. 2024(1):46-55. (In Russ.). DOI: 10.33983/2075-1826-2024-1-46-55
13. Li M., Gu J. From fiscal decentralization to high-quality economic development: role of tax administration intensity. *Finance Research Letters*. 2025;77:107047. DOI: 10.1016/j.frl.2025.107047
14. Afonso A., Jalles J.T., Venancio A. Fiscal decentralization and public sector efficiency: Do natural disasters matter? *Economic Modelling*. 2024;137:106763. DOI: 10.1016/j.econmod.2024.106763
15. Behera P., Behera B., Sethi N. Assessing the impact of fiscal decentralization, green finance and green technology innovation on renewable energy use in European Union countries: What is the moderating role of political risk? *Renewable Energy*. 2024;229:120715. DOI: 10.1016/j.renene.2024.120715
16. Li W., Li D. How does technological innovation affect the fiscal decentralization of local governments? Evidence from China. *Heliyon*. 2024;10(9): e30132. DOI: 10.1016/j.heliyon.2024.e30132
17. Chen Y., Lyu B., Niu M. Balancing efficiency and equity in fiscal decentralization: Theory and evidence from China. *World Development*. 2025;199:107226. DOI: 10.1016/j.worlddev.2025.107226
18. Nizamutdinov M.M., Davletova Z.A. Agent-based model for forecasting the impact of the population life quality on migration movement in the context of the Russian Federation federal districts. *Upravlencheskie nauki = Management Sciences*. 2024;14(4):6-23. (In Russ.). DOI: 10.26794/2304-022X-2024-14-4-6-23

19. Glazyev S.Yu., Lokosov V.V. Assessment of the critical threshold values of the indicators of the state of Russian society and their use in the socio-economic development management. *Economic and Social Changes: Facts, Trends, Forecast.* 2012;(4):17-34. (In Russ.: *Ekonomicheskie i sotsial'nye peremeny: fakty, tendentsii, prognoz.* 2012;(4):22-41.).
20. Senchagov V.K. Maintenance of financial safety of Russia in the conditions of globalization. *Vestnik RAEN = Bulletin of Russian Academy of Natural Sciences.* 2011;11(3):14-19. (In Russ.).

ABOUT THE AUTHORS

Aybulat G. Karimov — Cand. Sci. (Soc.), Acting Director, Institute of Socio-Economic Research of the UFRC of RAS, Ufa, Russian Federation
https://orcid.org/0000-0002-4185-5377
karaigal@gmail.com

Marsel M. Nizamutdinov — Cand. Sci. (Eng.), Assoc. Prof., Head of the Department Economic and Mathematical Modeling, Institute of Socio-Economic Research of the UFRC of RAS, Ufa, Russian Federation
https://orcid.org/0000-0001-5643-1393
Corresponding author:
marsel_n@mail.ru

Pavel A. Ivanov — Cand. Sci. (Econ.), Head of the Department Regional Finance and Fiscal Policy, Institute of Socio-Economic Research of the UFRC of RAS, Ufa, Russian Federation
https://orcid.org/0000-0001-9880-0521
ivanov-ran@mail.ru

Authors' declared contribution:
A.G. Karimov — substantiation of the general methodology and scientific and methodological apparatus of research.
M.M. Nizamutdinov — development of the research concept, determination of the structure of the presentation of the material, generalization of the obtained results, formation and verification of the scientific conclusions of the research.
P.A. Ivanov — selection of indicators for analysis, description of the research methods used, calculation and analysis of the obtained results, formation of the scientific conclusions of the research.

Conflicts of Interest Statement: The authors have no conflicts of interest to declare.

The article was submitted on 30.01.2026; revised on 01.03.2026 and accepted for publication on 27.03.2026.
The authors read and approved the final version of the manuscript.

Translated by N.I. Sokolova