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Bukharsky Vladislav Vitalievich

Intergovernmental fiscal relations in the Russian Federation: the problem of the relation of "hard" and "soft" budget constraints for authorities in Russian regions

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Alexey Mikhailovich Lavrov

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INTRODUCTION

Research rationale

In recent decades, the reform of intergovernmental fiscal relations in terms of the development of a decentralized budget system has been one of the most pressing issues in the field of public financial management¹. The importance of fiscal decentralization is noted in a number of international documents, including the European Charter of Local Self-Government², the Maastricht³ and Lisbon⁴ treaties. The first large-scale recognition of the ideas of decentralization of intergovernmental fiscal relations in the context of the theory of public administration was received in the 1980s. within the concept of "New Public Management" (NPM), and later the advantages of a decentralized system of interbudgetary relations were described in many works, where its economic and administrative-political effects were highlighted⁵.

At the same time, if in the early stages of the development of theories concerning interbudgetary relations, budgetary decentralization was considered only from the positive side, then in the latest scientific concepts it is noted that it can lead to certain problems in the system of interbudgetary relations. These problems stem from the fact that subnational governments may not always have economic incentives to take advantage of fiscal decentralization. In this case, economic incentives are understood as the interest of regional and local authorities in pursuing a policy aimed at developing the local economy and increasing revenues to their own budgets as a result of expanding the tax base. In other words, these problems are related to the possible lack of interest in pursuing an effective economic policy on the ground. In the work of W. Oates⁶, one of the most famous experts in the field of interbudgetary relations, it is noted that the task of the new theory is to identify institutions that would allow realizing the economic benefits of fiscal federalism and decentralization, while avoiding the negative effects resulting

¹ See, for example, Bahl, R., & Bird, R. M. Fiscal Decentralization and Local Finance in Developing Countries / Edward Elgar Publishing. – 2018. – 512 pp.

² European Charter of Local Self-Government [Electronic source]. – URL: <https://www.coe.int/en/web/conventions/full-list/-/conventions/treaty/122> (Access date: 01.03.2021)

³ Treaty on European Union, signed at Maastricht on 7 February 1992 [Electronic source]. – URL: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C:1992:191:FULL&from=EN> (Access date: 01.03.2021).

⁴ Subsidiarity: from Maastricht to Lisbon [Electronic source]. – URL: <https://portal.cor.europa.eu/subsidiarity/whatis/Pages/SubsidiarityfromMaastrichttoLisbon.aspx> (Access date: 01.03.2021).

⁵ See, for example, Alexeev, M., Habodaszova, L., 2012. Decentralization, corruption, and the shadow economy. Public Finance and Management. – 2012. – № 12. – P. 74–99; Amagoh, F., Amin A. A. An examination of the impacts of fiscal decentralization on economic growth // International Journal of Business Administration. – 2012. – Vol. 3. – No. 6; Bird R. M., Smart M. Intergovernmental fiscal transfers: International lessons for developing countries // World Development. – 2002. – Vol. 30. – №. 6. – P. 899-912

⁶ Oates, W. E. Toward a second-generation theory of fiscal federalism // International tax and public finance. – 2005. – Vol. 12. – №. 4. – P. 349-373.

from the problem of "soft" budget restrictions. The "softness" of budget constraints can be expressed in various elements of interbudgetary relations, but most often this problem is seen through the peculiarities of income decentralization (in the form of tax deductions or interbudgetary transfers) to the lower budget level, as a result of which local authorities lose economic incentives. As a result of the presence of the negative effects of "soft" budget constraints, the studies note the importance of not budget decentralization itself, but its form⁷, the need for the absence of subjective factors in the distribution of interbudgetary transfers is indicated⁸.

In reality, the system of intergovernmental fiscal relations of a particular country may not always be designed in such a way as to encourage subnational authorities to take measures to improve the quality of regional and municipal economic policy, including the development of small and medium-sized businesses (SMEs) and increasing their own budget revenues. Recently, studies have begun to appear showing the ambiguity of the results of such decentralization, and even signs of some countries moving away from federalism, including the Russian Federation⁹. It is noted that the impact of intergovernmental fiscal relations and fiscal decentralization can be reduced to ineffective public policy decisions in case of their erroneous institutional design¹⁰, and the economic benefits of decentralization itself directly depend on the quality of its implementation¹¹. Despite the declaration of the development of federalism in the Russian Federation, the domestic system of inter-budgetary relations has certain problems, therefore, international regulations, scientifically developed principles and practices in the field of decentralization and inter-budgetary relations can be very useful for the country.

Meanwhile, in the Russian Federation, intergovernmental relations are of strategic importance in terms of economic incentives for authorities in the constituent entities of the Russian Federation, which is associated both with the high importance of the redistributive function of the state and with the priorities of state policy. In particular, in the Concept for improving the efficiency of budget expenditures in 2019-2024¹² and the state program

⁷ Rodden, J. The dilemma of fiscal federalism: Grants and fiscal performance around the world // *American Journal of Political Science*. – 2002. – P. 670-687.

⁸ Bird R. M., Smart M. Intergovernmental fiscal transfers: International lessons for developing countries // *World Development*. – 2002. – Vol. 30. – №. 6. – P. 899-912

⁹ Zulkarnay, I. Why Russia Has Again Been Sliding from Federalism to Unitarianism // *Public Administration Issues*, Special Issue. – 2018. – P. 116–132.

¹⁰ Lavrov A. M. Logika i perspektivy` byudzhetyny`x reform v Rossii: v poiskax "optimal`noj decentralizacii". Cikl publikacij i dokumentov (1998–2019 gg.) [The logic and prospects of budget reforms in Russia: in search of "optimal decentralization". Cycle of publications and papers (1998–2019)] / A. M. Lavrov. – M.: Ed. Higher School of Economics. - 2019. - 832 p. (in Russian)

¹¹ Blöchliger, H., Akgun O. Fiscal decentralisation and economic growth, in Kim, J. and S. Dougherty (eds.), *Fiscal Decentralisation and Inclusive Growth*, OECD Publishing, Paris.– 2018. [Electronic source]. – URL: <https://doi.org/10.1787/9789264302488-4-en>. (Access date: 01.03.2020).

¹² Decree of the Government of the Russian Federation No. 117-r of 31.01.2019 "Ob utverzhdenii Kontseptsii povysheniya ehffektivnosti byudzhetynykh raskhodov v 2019-2024 gg" ["On Approval of the Concept for Increasing

“Development of federal relations and creation of conditions for effective and responsible management of regional and municipal finances”¹³, it is noted that in order to further improve intergovernmental relations, key attention should be paid to the development of mechanisms to stimulate the economic development of territories.

One of the latest theoretical ideas, which is considered in modern research as a mechanism for overcoming the problem of "soft" budget constraints, is the concept of "hard" budget constraints. This concept can be similarly formalized in terms of various elements of intergovernmental relations, while being part of the ideas of B. Weingast in the context of the “Market-preserving federalism” model¹⁴. That is, the totality of issues of economic incentives for subnational authorities within the framework of intergovernmental fiscal relations is reduced to the ratio of "soft" and "hard" budget constraints, which manifest themselves as a result of budgetary decentralization. It is this ratio that is considered in this paper as a key problem of intergovernmental fiscal relations, which requires formalization and verification in domestic practice.

Literature overview

"Soft" and "hard" budget constraints in interbudgetary relations from the standpoint of incentives for subnational authorities are considered in existing studies from various angles, while the often conducted empirical analysis is tied, on the one hand, to certain parameters of budget decentralization, including the peculiarities of the distribution of own revenues, expenditures, intergovernmental transfers, and on the other hand, on the level of economic development, fiscal discipline and the quality of services provided. It should be noted that in studies, as a rule, the parameters of economic development and economic incentives are identical, since it is understood that development occurs under the influence of appropriate incentives.

A significant number of works confirm the presence of positive incentives for subnational governments in the case of a decentralized system of intergovernmental fiscal relations. Some studies on the example of Russia confirm the existence of a positive relationship between

the Efficiency of Budget Expenditures in 2019-2024" [Electronic source]. – URL: <http://publication.pravo.gov.ru/Document/View/0001201902040007> (in Russian) (Access date: 01.12.2020).

¹³ Decree of the Government of the Russian Federation of May 18, 2016 No. 445 of 18.05.2016 "Ob utverzhdenii gosudarstvennoy programmy Rossiyskoy Federatsii «Razvitiye federativnykh otnosheniy i sozdaniye usloviy dlya effektivnogo i otvetstvennogo upravleniya regionalnymi i munitsipalnymi finansami" ["On Approval of the State Program of the Russian Federation “Development of Federal Relations and Creation of Conditions for Effective and Responsible Management of Regional and Municipal Finances [Electronic resource]. – Access mode: <https://base.garant.ru/71405474/> (Date of access: 01/12/2020).

¹⁴ Weingast, B. R. Second generation fiscal federalism: The implications of fiscal incentives //Journal of Urban Economics. – 2009. – Vol. 65. – №. 3. – P. 279-293.

decentralization of expenditures and regional economic growth¹⁵, as well as the low efficiency of local budgetary decentralization when financing expenditures mainly through intergovernmental transfers, and not through own tax revenues¹⁶. It is noted that a significant amount of authority at the local level, combined with the flexibility of management, contributes to the growth of investment activity in the territory¹⁷. In foreign studies, there are also results that: indicate a decrease in the deficit of subnational budgets in the event of their high tax autonomy¹⁸, indicate an improvement in the efficiency of local authorities in the event of endowing revenue autonomy through tax sources of income¹⁹, lead to better budget results if there is a reduction in the share of subnational spending financed by transfers and loans²⁰.

Some studies find the impact of fiscal decentralization on incentives for local authorities ambiguous. It is noted that the decentralization of spending improves the fiscal discipline of the government, and the decentralization of income has the opposite effect²¹. There are assumptions about the existence of an inverted U-shaped dependence of investments on fiscal decentralization, and about the superiority of revenue decentralization over spending in terms of impact on economic development²². There are results that show an ambiguous relationship between fiscal decentralization and the ability to mobilize revenues, which can be explained by the specifics of the structure of intergovernmental fiscal relations²³. Some works show that the positive impact of tax decentralization on the economic incentives of the authorities can be achieved only in combination with administrative and political autonomy²⁴. In general, it is also indicated that the results of studies on assessing the impact of intergovernmental fiscal relations

¹⁵ Alexeev, M. Fiscal Incentives in Federations: Russia and the US Compared // *Comp Econ Stud.* 2016. No. 58. P. 485–506.

¹⁶ Timushev, E.N. Federal'nye mezhyudzhetye transferty i uroven' vnutriregional'noj byudzhetoj detsentralizatsii v Rossii [Federal Intergovernmental Transfers and the Level of Intraregional Fiscal Decentralization in Russia] // *Financial Journal.* – 2019. – No. 6. – P. 27–42 (in Russian).

¹⁷ Deryugin, A. N., Alekseev M. V., Mamedov A. A. et al. Vliyanie osnovnykh kharakteristik mezhyudzhetykh otnoshenij na pokazateli ehkonomicheskogo razvitiya sub'ektov Rossijskoj Federatsii [Influence of the main characteristics of interbudgetary relations on the indicators of economic development of the constituent entities of the Russian Federation] / M.: RANEPА. – 2017 [Electronic source]. – URL: <https://socionet.ru/~cycritec/rnp-pdf/wpaper/031717.pdf> (in Russian) (Access date: 01.03.2020).

¹⁸ Foremny, D. Sub-national deficits in European countries: The impact of fiscal rules and tax autonomy // *European Journal of Political Economy.* – 2014. – №. 34. – P. 86-110.

¹⁹ Jia, J., Ding S., Liu Y. Decentralization, incentives, and local tax enforcement // *Journal of Urban Economics.* – 2020. – Vol. 115.

²⁰ Eyraud, L., Lusinyan L. Vertical Fiscal Imbalances and Fiscal Performance in Advanced Economies // *Journal of Monetary Economics.* – 2013. – Vol. 60. – No. 5. – P. 571–587.

²¹ Escolano, M.J., Eyraud L., Badia M.M., Sarnes M.J., Tuladhar M.A. Fiscal performance, institutional design and decentralization in European Union countries // *International Monetary Fund.* – 2012. – No. 45. – 32 pp.

²² Timushev, E. N. Byudzhety'e polnomochiya municipalitetov resursoobespechenny'x regionov Rossii i vnebyudzhety'e investicii [Budgetary powers of municipalities of resource-rich regions of Russia and extra-budgetary investments] // *Economic issues.* – 2020. – No. 4. – P. 129–146 (in Russian).

²³ Li, Q. Fiscal decentralization and tax incentives in the developing world // *Review of international political economy.* – 2016. – Vol. 23. – №. 2. – P. 232-260.

²⁴ Filippetti, A., Sacchi A. Decentralization and economic growth reconsidered: The role of regional authority // *Environment and Planning C: Government and Policy.* – 2016. – Vol 34. – № 8. – P. 1793-1824.

and fiscal decentralization significantly depend on the initial data and selected models, while a unified approach to measuring fiscal decentralization has not yet been proposed²⁵.

A limited number of studies look at the impact of fiscal decentralization on local government incentives in a negative way. A negative relationship is found between the decentralization of spending and economic growth in the case of an excess of subnational spending over income²⁶. There are negative effects of budgetary decentralization in case of excessive transfer of costs to a lower level of government²⁷, which is also reflected in Russian practice: government spending in the regions is excessively decentralized, which is associated with a slowdown in regional economic growth²⁸.

"Soft" and "hard" budget constraints are considered in a number of studies as important characteristics of interbudgetary relations that form incentives for local authorities.

There is a predominantly positive impact for "hard" and negative - for "soft" budget constraints. It was revealed that the dependence of municipal budgets on transfers from the regional government leads to an increase in the deficit of the consolidated regional budget, supporting the logic of "soft" budget constraints²⁹. Using the practice of the Russian Federation in the late 1990s, it was demonstrated how any changes in the local government's own revenues are almost completely offset by changes in general revenues, and this leads to excessive government regulation of private business and the easing of budget constraints³⁰. There is evidence that subnational financial stability is improving against the backdrop of fixed and transparent rules for the distribution of intergovernmental transfers, which is an element of "hard" budget constraints³¹.

Less often there are works with opposite results for "soft" and "hard" budget constraints. In the work of Smith, H., Park S. and Liu L., on the basis of a system-logical method, it was found that in some situations "soft" budget constraints may be better than "hard" ones³². For example, with "hard" budget constraints, some important projects may not be launched, which

²⁵ Baskaran, T., Feld L. P., Schnellenbach J. Fiscal federalism, decentralization, and economic growth: A meta-analysis. *Economic Inquiry*. – 2016. – Vol. 54. – No. 3. – P. 1445–1463.

²⁶ Gemmel N., Kneller R., Sanz I. Fiscal decentralization and economic growth: Spending versus revenue decentralization // *Economic Inquiry*. – 2013. – Vol. 51. – No. 4. – P. 1915–1931.

²⁷ Yang, Z. Tax reform, fiscal decentralization, and regional economic growth: New evidence from China // *Economic Modelling*. – 2016. – Vol. 59. – P. 520–528.

²⁸ Yushkov, A. O. Byudzhethnaya decentralizaciya i regional'nyj e'konomicheskij rost: teoriya, e'mpirika, rossijskij opyt [Budgetary decentralization and regional economic growth: theory, empiricism, Russian experience] // *Economic issues*. – 2016. – No. 2. – P. 94–110 (in Russian).

²⁹ Alexeev, M., Avxentyev N., Mamedov A., Sinelnikov-Murylev S.G. Fiscal decentralization, budget discipline, and local finance reform in Russia's regions // *Public Finance Review*. – 2019. – Vol. 47. – No. 4. – P. 679–717.

³⁰ Zhuravskaya E. V. Incentives to provide local public goods: fiscal federalism, Russian style // *Journal of public economics*. – 2000. – Vol. 76. – No. 3. – P. 337–368.

³¹ Smith, H.J., Park S., Liu L. Hardening Budget Constraints: A Cross-National Study of Fiscal Sustainability and Subnational Debt // *International Journal of Public Administration*. – 2019. – Vol. 42. – No. 12. – P. 1055–1067.

³² Besfamille, M., Lockwood B. Bailouts in federations: is a hard budget constraint always best? // *International Economic Review*. – 2008. – Vol. 49. – No. 2. – P. 577–593.

will lead to negative socio-economic consequences.

It should be noted that the results of studies for individual countries may not always correspond to the realities of the Russian Federation. For example, in a study by V. V. Klimanov and A. A. Mikhailova, it is noted that budget decentralization, understood as a positive process in the countries of the world, has significant limitations for further development in the Russian Federation, which is associated with high regional differentiation and other factors³³.

Nevertheless, interbudgetary regulation in domestic and foreign practice definitely faces similar problems. So, in the works of Levina V.V., based on an analysis of the more modern practice of interbudgetary regulation in the Russian Federation, it is noted that in conditions of financial instability, the actualization of the problems of “soft” budget constraints becomes inevitable³⁴, while adjusting interbudgetary regulation should take into account their negative consequences³⁵. Based on the analysis of trends in the development of interbudgetary relations in the Russian Federation, some papers conclude that it is important to move to a rigid consolidation of regional and municipal powers for the long term and rigid budgetary restrictions on financial management³⁶. In a study by A. N. Deryugin and I. A. Sokolov, in relation to the recently introduced principle of the “model budget” when distributing subsidies to the constituent entities of the Russian Federation, a conclusion was drawn about its negative consequences in the future, which at first will be expressed in a decrease in incentives for regional authorities to develop a profitable base territories, and then lead to a decrease in economic growth in the country³⁷. In the work of M. A. Pechenskaya-Polishchuk, based on an analysis of the practice of providing regions with resources from the federal budget on a gratuitous basis, it was concluded that the further improvement of current practice should be based on the approach of stimulating the growth of budget potential, which will lead to the economic development of territories³⁸. In the fundamental work of A. Lavrov, prepared on the basis of a combination of his articles in the field of interbudgetary relations, a key conclusion is

³³ Klimanov V.V., Mikhailova A.A. Byudzhetnaya detsentralizatsiya v pandemiyu i postpandemiynkh usloviyakh [Fiscal decentralization in pandemic and post-pandemic times] // Journal Of The New Economic Association. – 2021. – No. 3. – P. 218-226.

³⁴ Levina V.V. Osobennosti upravleniya sbalansirovannostyu mestnykh byudzhetrov v usloviyakh finansovoy nestabilnosti [Peculiarities of managing the balance of local budgets in conditions of financial instability] //Upravlenets. - 2015. - Vol. 55. - No. 3. – P. 12-17.

³⁵ Levina V. V. Local budgets in the crisis of 2020 [Local budgets in the conditions of the crisis of 2020] // Municipal property: economics, law, management. – 2021. – No. 2. - P. 3-9.

³⁶ Klimanov, V. V., Deryugin, A. N., Mikhailova, A. A., Yagovkina, V. A. Byudzhetnyy federalizm: finansovoye uchastiye regionov v dostizhenii natsionalnykh tseley razvitiya [Budget federalism: financial participation of regions in achieving national development goals] // M. : Delo Publishing House. RANEP. – 2019. – 32 pp.

³⁷ Deryugin A. N., Sokolov I. A. Perspektivy ispolzovaniya v Rossii" modelnogo byudzheta" pri raspredelenii vyravnivayushchikh dotatsiy [Prospects for the use of the "model budget" in Russia in the distribution of equalizing subsidies] // Issues of Economics. – 2019. – No. 4. – P. 21-38.

³⁸ Pechenskaya-Polishchuk M. A. Celi i formy` predostavleniya byudzhety`x resursov regionam iz federal`nogo centra na bezvozmezdnoj osnove [Goals and forms of providing budgetary resources to regions from the federal center on a gratuitous basis] // Issues of Economics. – 2021. – No. 11. – P. 108-126.

made about the need to move from “soft” (the ability and interest of the “regulator” to withdraw the resources of “administrators” with informal provision of financial support) to “hard” (Protection of “administrators” from such actions of the “regulator” with their full responsibility for their financial condition) budgetary restrictions³⁹.

The works of Zubarevich N. V., Klimanov V. V., Kuznetsova O. V., Kurlandskaya G.V., Nazarov V. S. also made a significant contribution to the scientific development of the affected issues in relation to the Russian Federation.

Based on the results of the analysis of the research literature, it can be noted that the papers mainly consider the impact of interbudgetary relations on the economic incentives of the regional authorities, while the incentives of local authorities remain poorly understood. In particular, a certain gap remains in the understanding of the economic incentives of local authorities in the case of decentralization of their own tax sources. Studies with elements of “soft” and “hard” budget constraints are often carried out without a clear formalization of these concepts, while aggregated indicators such as gross regional product (GRP) per capita are used to formalize economic policy or economic development. At the same time, it is obvious that a significant part of GRP is created regardless of the economic policy of the regional or local level.

Research aim and objectives

The research aim of the dissertation is to assess intergovernmental fiscal relation in the Russian Federation from the position of “hard” and “soft” budget restrictions for authorities in the subjects of the Russian Federation.

The dissertation addresses the following research questions:

- What are the theoretical prerequisites of “hard” and “soft” budget constraints in the system of intergovernmental fiscal relation exist in modern research?
- How does the Russian system of intergovernmental fiscal relation correlate with international experience from the position of “hard” and “soft” budget restrictions for subnational authorities?
- Are the theoretical and scientific-practical concepts of “hard” and “soft” budget restrictions for subnational authorities in the Russian Federation being fulfilled?

To achieve the mentioned goal and answer the research questions, the following tasks are solved:

1. Generalization of the theoretical principles of the system

³⁹ Lavrov A. M. Logika i perspektivy` byudzhetyx reform v Rossii: v poiskax "optimal'noj decentralizacii". Cikl publikacij i dokumentov (1998–2019 gg.) [The logic and prospects of budget reforms in Russia: in search of "optimal decentralization". Cycle of publications and papers (1998–2019)] / A. M. Lavrov. – M.: Ed. Higher School of Economics. - 2019. - 832 p. (in Russian).

intergovernmental fiscal relation in the context of budgetary decentralization and federalism, highlighting the key mechanisms and problems associated with the ratio of "hard" and "soft" budget constraints that affect the economic incentives of subnational authorities;

2. Carrying out a comparative analysis of the structural elements of intergovernmental fiscal relation in the Russian Federation and OECD countries from the standpoint of the availability of economic incentives for subnational authorities;

3. Formalization of theoretical and scientific-practical ideas about the relationship between intergovernmental fiscal relation and economic incentives of subnational authorities in the Russian Federation through the prism of "hard" and "soft" budget constraints;

4. Assessment of the impact of the "rigidity" of budget restrictions for the municipal level of the Russian Federation on the indicators of entrepreneurial activity reflecting the economic incentives of local authorities;

5. Assessment of the presence of signs of "soft" budget constraints in the system of financial support of the subjects of the Russian Federation in the context of an increase in the distribution of inter-budget transfers during the "coronacrisis" of 2020;

6. Formation of recommendations for improving the system of inter-budgetary relations in order to strengthen the economic incentives of subnational authorities in the Russian Federation

The object and subject of the research

The object of the research is the system of intergovernmental fiscal relations in the Russian Federation and its constituent elements. This study focuses on the decentralization of tax revenue sources and the distribution of intergovernmental transfers to Russian regions.

The subject of the study is the influence of "hard" and "soft" budgetary restrictions of inter-budgetary relations on the economic incentives of authorities in the subjects of the Russian Federation. This influence is considered from the perspective of the ratio of "soft" and "hard" budget constraints faced by the budgets of municipalities in the case of decentralization of tax sources in the subjects of the Russian Federation and the budgets of the subjects of the Russian Federation in the case of distribution of financial assistance from the federal budget (for example, the growth of support in the COVID crises in 2020)

Research methodology

To achieve the first objective, we analyzed scientific publications mainly using Web of Science, Scopus database tools and domestic peer-reviewed publications. We distinguish the main groups of theoretical concepts with their semantic content, and form the main elements of

intergovernmental fiscal relations that are important for the dissertation. The review of actual empirical studies of the influence of inter-budgetary relations on the economic incentives of subnational authorities is done.

To achieve the second objective, we conduct a comparative analysis of statistical data and practices of OECD countries and the Russian Federation on the elements of intergovernmental fiscal relations that are important in terms of incentives for subnational authorities: features of decentralization of income and delimitation of expenditures, organization of a system of intergovernmental transfers.

To achieve the third objective of formalizing the relationship between intergovernmental fiscal relations and economic incentives for subnational authorities in the Russian Federation, we consider the relationship between the concepts of "soft" and "hard" budget constraints. As criteria for the "hardness" of budget restrictions, the parameters of the norms for deductions to local budgets from federal and regional taxes are used. The parameters of SME development are taken as indicators of economic policy in the subjects of the Russian Federation. This formalization is proposed for the first time in this dissertation. We assume that the "hardness" of budgetary constraints (or the stability of standards) has a positive effect on the development of entrepreneurial activity.

To achieve the fourth problem, this influence is estimated using multivariate regression analysis, where uniform standards of deductions to local budgets from federal and regional taxes are considered as independent variables, and other control variables used in related studies of entrepreneurship development are also taken into account.

To achieve the fifth task, the types of financial assistance to the subjects of the Russian Federation (subsidies for balance, other inter-budget transfers and budget loans) have been identified, the distribution of which is discretionary, and the volume of which has significantly increased in 2020 as a result of the COVID crises. Using multivariate regression analysis, several hypotheses about the presence of signs of "soft" budget constraints are tested, including factors of the size of the region, its political significance, the social nature of the budget and revenue potential.

The scientific novelty

The scientific novelty of the dissertation research consists in:

- theoretical substantiation (based on the analysis of theoretical literature) of the significance of the concept of "hard" budget constraints within the framework of inter-budgetary relations for the formation of positive incentives for subnational authorities;
- determining the distinguishing features of the system of inter-budgetary relations of the Russian Federation from foreign experience in terms of economic incentives for subnational

authorities;

- the proposal of a variant of formalization of the concept of "hard" budget restrictions on the example of the standards of deductions to local budgets from federal and regional taxes and their impact on business activity in the regions;

- obtaining empirical estimates based on econometric verification of the proposed variant of formalization of the concept of "hard" budget constraints;

- obtaining empirical confirmation of the presence of signs of "soft" budget constraints in the system of financial support of the subjects of the Russian Federation on the example of the COVID crises.

The theoretical and practical output of the research

The theoretical output of the dissertation is determined by the confirmation of the existence of the problem of the correlation of "hard" and "soft" budget constraints in inter-budgetary relations and its impact on the economic incentives of subnational authorities on the example of the Russian Federation.

The practical output of the dissertation is determined by the fact that it offers recommendations for improving inter-budgetary relations of the Russian Federation in terms of the transition to more "rigid" budget restrictions, which can be implemented in the relevant articles of the Budget and Tax Codes of the Russian Federation, as well as specialized NPAs concerning the methods of distribution of inter-budgetary transfers.

Practical application

The key findings and conclusions of the research were presented and discussed at the following scientific and practical events, where they received positive feedback:

1. The 2020 NISPAcee On-line Conference for PhD Students, 2020. Report titled "Fiscal decentralization and local incentives: evidence from Russia".
2. The Fourth Russian Economic Congress (REC-2020), Moscow, 2020. Report titled "Public Administration and Decentralization: Opportunities, Limitations and Development Trends".
3. XXVII International Scientific Conference of Students, Postgraduates and Young Scientists "Lomonosov", Moscow, 2020. Report titled "The role of intergovernmental fiscal relations in shaping the economic and fiscal policy of subnational authorities in the Russian Federation".
4. 29th NISPAcee Annual Conference, Ljubljana, 2021. Report titled "Fiscal Decentralization and Incentives of Local Authorities in the Russian Federation".
5. RANEPА International Scientific and Practical Conference "Regional

Development Before and After the Pandemic", Moscow, 2021. Report titled "Fiscal Decentralization and Incentives of Local Authorities in the Russian Federation".

6. XXIII Yasin International Academic Conference on Economic and Social Development, Moscow, 2022. Report titled "The Impact of Covid-19 on Municipal Finance".

The dissertation structure and volume

The dissertation structure and volume reflect the general logic of the study. The dissertation consists of an introduction, three chapters, a conclusion, a list of references. The list of references contains 216 sources, 57 of which include domestic sources, 159 - foreign sources. The dissertation contains 15 tables and 17 figures. The total amount of dissertation is 181 pages.

KEY SCIENTIFIC FINDINGS AND CONCLUSIONS SUBMITTED FOR DEFENSE

1. It has been determined that the concept of "hard" budget constraints should be the main and necessary element of intergovernmental fiscal relations, within which subnational authorities have incentives to pursue an effective economic policy.

An analysis of the theoretical literature showed that the key problem for economic incentives for subnational authorities in the context of intergovernmental fiscal relations is "soft" budget constraints. The problem of "soft" budget constraints is described in many studies where attempts are made to systematize the prerequisites for its appearance⁴⁰, identify the factors of its development⁴¹, determine its integral elements⁴². The most complete definition of this problem can be found in the work of A. M. Lavrov, where where "soft" budget constraints are understood as "the ability and interest of "regulators" ("principals"), on the one hand, to withdraw in their favor the financial results of activities, for example, additional income or cost savings of formally or actually "subordinate" "administrators" ("agents"), and on the other hand to provide them with non-formalized and non-transparent financial support in case of their inefficient activities"⁴³.

⁴⁰ Sinel'nikov-Mury'lev S. G., Kadochnikov, P. A., Trunin, P., Chetverikov, S., Vin'ov, M. Problema myagkix byudzhethny'x ogranichenij rossijskix regional'ny'x vlastej [The problem of soft budget constraints of the Russian regional authorities] / Consortium for Applied Economic Research. – M.: IOTE. – 2006. – 300 p. (in Russian).

⁴¹ Akdemir, T., Karakurt B. Revenue Decentralization and the Soft Budget Constraint Problem in Intergovernmental Fiscal Relations: The Case of Turkey //Public Financial Management Reforms in Turkey: Progress and Challenges, Volume 2. Springer. Singapore. – 2020. – P. 121-147

⁴² Bordignon, M. Fiscal decentralization: how to harden the budget constraint //Fiscal Policy Surveillance in Europe. – 2006. – P. 109-136.

⁴³ Lavrov A. M. Logika i perspektivy' byudzhethny'x reform v Rossii: v poiskax "optimal'noj decentralizacii". Cikl publikacij i dokumentov (1998–2019 gg.) [The logic and prospects of budget reforms in Russia: in search of

The most promising model, the parameters of which create the most suitable conditions for the development of economic incentives for subnational authorities, is "Market-preserving federalism ". Supporters of this concept proceed from the fact that a state system which promotes socio-economic development must satisfy the following conditions⁴⁴:

- the presence of at least a two-level hierarchical system of authorities with clearly defined powers;
- sub-federal authorities should be endowed with sufficient powers within their territories, including in the legislative sphere;
- the federal government must ensure the free movement of goods, services and factors of production between territories;
- “hard” budget constraints for all levels of government, limited use of revenue sharing;
- availability of institutional guarantees that the division of powers between levels of government is sustainable and long-term.

The key attention in this theory is paid to "hard" budget constraints, which involve fixing mandatory financial rules and regulations in national legislation. This also implies that "the federal center should not create illusions among the regions that, in the event of their ill-conceived financial policy, they are guaranteed assistance from the federal budget. At the federal level, restrictions are being placed on subnational borrowing and/or a bankruptcy procedure for regional authorities is being developed"⁴⁵. It is pointed out that the concept of "hard" budget constraints can also be considered as a universal criterion for all levels of "optimality" (de)centralization of public finance management, according to which the existing mechanisms will limit the ability and interest of subnational authorities in undermining financial discipline⁴⁶.

An analysis of the set of existing studies in relation to the "hardness" or "softness" of budget constraints allows us to conclude that these criteria can be extended to all elements of inter-budgetary relations arising in the process of budgetary decentralization (Figure 1). Moreover, the favorability of the results of budgetary decentralization (its effects) is largely determined by the nature of budget constraints in the system of inter-budgetary relations. As a

"optimal decentralization". Cycle of publications and papers (1998–2019)] / A. M. Lavrov. – M.: Ed. Higher School of Economics. – 2019. – 832 p. (in Russian).

⁴⁴ Weingast, B. R. Second generation fiscal federalism: The implications of fiscal incentives //Journal of Urban Economics. – 2009. – Vol. 65. – №. 3. – P. 279-293.

⁴⁵ Nazarov V. E`volyuciya modelej federalizma – rossijskij i zarubezhny`j opy`t [The evolution of models of federalism - Russian and foreign experience] // Economic policy. - 2007. - No. 1. - P. 121-134.

⁴⁶ Lavrov A. M. Logika i perspektivy` byudzhetny`x reform v Rossii: v poiskax "optimal`noj decentralizacii". Cikl publikacij i dokumentov (1998–2019 gg.) [The logic and prospects of budget reforms in Russia: in search of "optimal decentralization". Cycle of publications and papers (1998–2019)] / A. M. Lavrov. – M.: Ed. Higher School of Economics. - 2019. - 832 p. (in Russian).

rule, the papers consider exclusively positive outcomes for "hard" budget constraints and negative ones for "soft" ones. At the same time, it cannot be argued that the exceptional "hardness" of budget restrictions is the solution to all problems. In crisis situations, the easing of budget constraints is almost inevitable, which is associated with the emergence of previously unknown and unpredictable problems that, from the point of view of a higher level of government, it is more expedient to solve "manually". However, this "manual" management should be minimal in crisis periods and practically excluded in stable conditions, since the negative consequences of "soft" budget constraints have a long-term character. In addition, unnecessarily "tight" budget constraints may lead to the fact that local authorities will be afraid to take risks and implement new projects, since as a result of failures they will not be supported by higher authorities.

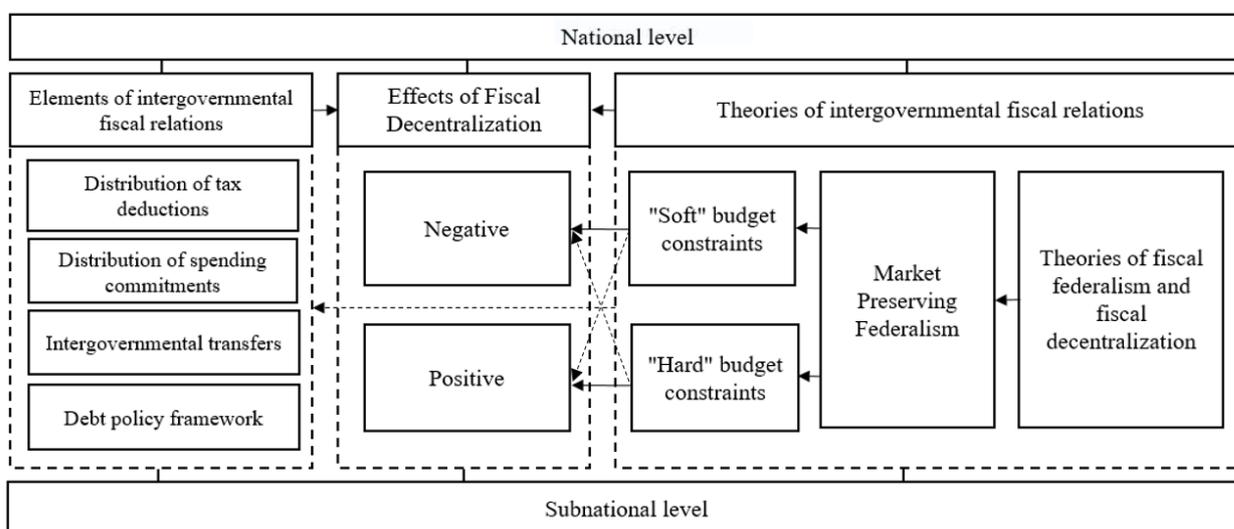


Figure 1 - The effects of intergovernmental fiscal relations from the standpoint of theories.

Source: compiled by the author

2. The distinctive characteristics of the elements of the system of intergovernmental fiscal relations of the Russian Federation from foreign experience, which form the nature ("hardness" or "softness") of budget restrictions, are determined.

2.1. The share of the subnational budget level in the tax revenues of the consolidated budget in the Russian Federation was 44.1%⁴⁷ which is the highest in Canada or Switzerland. At the same time, according to individual studies in 2018, the share of tax revenues, which rate and base was fully or partially regulated at the subnational level, in the country is about 50.8%, which is much lower than the average indicator of autonomy at the regional level (79.7%) and

⁴⁷ Lavrov A.M., Dombrovsky E.A. Decentralizaciya byudzhety'x doxodov: mezhdunarodny'e sravneniya i rossijskie perspektivy' [Decentralization of budget revenues: international comparisons and Russian perspectives] // Finance. - 2016. - No. 5. - P. 16–27.

local (74.9%) levels of government in OECD countries. This allows us to conclude that, in fact, tax decentralization in the Russian Federation is a type of federal transfers without real management autonomy. This logic of inference is also used in the study by H. Blöchliger and J. Kim⁴⁸, which states that tax revenues are functionally equivalent to intergovernmental transfers from the government without subnational autonomy in determining the tax base, rates, or any tax incentives.

At the same time, such a high "formal" tax decentralization is typical rather for the regional budget level in the Russian Federation. Local budgets in the Russian Federation account for only 5.8% of the state's tax revenues, which is somewhat inferior to both the average level of OECD countries with a federal structure (7.7%) and the level of OECD countries with a unitary structure (10.9%). Such low autonomy of local authorities severely limits their budgetary possibilities and economic incentives.

Moreover, there is a trend towards a decrease in the autonomy of subnational budgets, which was more typical for local budgets, whose share in pre-crisis 2019 was more than two times lower than the crisis level of 2009 and 30% lower than the pre-crisis level of 2007.

The Russian Federation is characterized by significant withdrawals of budgetary resources from the territories, especially in the case of local budgets: the share of revenues received by the regional and federal budgets varies from 99% (KhMAO, YNAO and NAO) to 70% in underdeveloped territories (for example, the Republic of Tuva or Altai). Such a withdrawal can negatively affect the economic incentives of local authorities, especially in developed and highly urbanized areas where the main economic activity takes place. Meanwhile, with unstable and insignificant autonomy of municipal districts, the share of own revenues in the budgets of urban districts for the period 2010-2018 only decreased, while the number of constituent entities of the Russian Federation, for which this indicator exceeded 50%, decreased from 55 to 11. At the same time, we note that in the Russian Federation there is a category of cities of federal significance (Moscow, St. Petersburg, Sevastopol), which profitable decentralization is equated to the level of the subjects of the Russian Federation, but at the same time there are 13 million-plus cities which budget opportunities are equated to ordinary urban districts.

2.2. According to comparative assessments in OECD studies, the spending capacity (spending power index - SPI) of subnational governments in certain sectors of spending commitments, the Russian Federation has good results: among the group of countries studied, SPI is higher only in seven countries. Foreign indicators also indicate that the share of joint

⁴⁸ Blöchliger H., Kim J. Fiscal Federalism 2016: Making Decentralisation Work. OECD Publishing, Paris. 2016. [Electronic source]. – URL: <https://doi.org/10.1787/9789264254053-en> (Access date: 07.09.2020).

responsibilities between governments of different levels, which affects the effectiveness of intergovernmental fiscal relations, is relatively low in the Russian Federation. On the other hand, there are domestic estimates of the spending autonomy of subnational authorities in the Russian Federation, which indicate a high degree of regulation: 77% of the own powers of the constituent entities of the Russian Federation, enshrined in the Federal Law "On the general principles of organizing legislative (representative) and executive bodies of state power of the constituent entities of the Russian Federation"⁴⁹, are additionally regulated by 280 normative legal acts of the Russian Federation⁵⁰. It is noted that the powers of local self-government are still characterized by vagueness of wording and congestion with state functions, explicit and hidden federal and regional "unsecured" mandates⁵¹. Moreover, such congestion is poorly correlated with sources of funding: with a relatively stable share of subnational budgets in the budget system of the Russian Federation, the number of powers of subjects of the Russian Federation has grown from 41 in 2004 to 83 in 2021 (or more than 100, if we take into account the subparagraphs of powers), and the number of city district powers has grown from 27 in 2003 to 43 in 2021⁵².

In foreign practice, local budgets, especially the largest cities, receive spending autonomy and appropriate sources of funding for the implementation of an effective economic policy, which has come to be called "hourglass" budgetary federalism, in which the intermediate with the national level of power has mainly coordination tasks⁵³.

2.3. In the Russian Federation, the share of intergovernmental transfers in regional budgets was 20.5% in 2019, well below the OECD average and roughly comparable to Canada or Switzerland. This fact is a partial refutation of the widespread view that Russian regions are overly dependent on federal transfers. The reverse situation is observed for municipalities, which budgets consist of more than 65% of intergovernmental transfers. Most often, in foreign practice,

⁴⁹ Federal Law of the Russian Federation No 184 of 06.10.1999 "Ob obshhix principax organizacii zakonodatel'ny'x (predstavitel'ny'x) i ispolnitel'ny'x organov gosudarstvennoj vlasti sub`ektov Rossijskoj Federacii" [On the General Principles of Organization of Legislative (Representative) and Executive Bodies of State Power of the Subjects of the Russian Federation] [Electronic source]. – URL: <https://base.garant.ru/12117177/> (in Russian) (Access date: 19.11.2020).

⁵⁰ Order of the Government of the Russian Federation No 117-p of 31.01.2019 "Ob utverzhdenii Konceptcii povysheniya effektivnosti byudzhety'x raschodov v 2019-2024 gg." [On approval of the Concept for improving the efficiency of budget expenditures in 2019-2024] [Electronic source]. – URL: <http://publication.pravo.gov.ru/Document/View/0001201902040007> (in Russian) (Access date: 01.12.2020).

⁵¹ Lavrov A. M. Logika i perspektivy' byudzhety'x reform v Rossii: v poiskax "optimal'noj decentralizacii". *Cikl publikacij i dokumentov (1998–2019 gg.)* [The logic and prospects of budget reforms in Russia: in search of "optimal decentralization". Cycle of publications and papers (1998–2019)] / A. M. Lavrov. – M.: Ed. Higher School of Economics. - 2019. - 832 p. (in Russian).

⁵² Federal Law of the Russian Federation No 184 of 06.10.1999 "Ob obshhix principax organizacii zakonodatel'ny'x (predstavitel'ny'x) i ispolnitel'ny'x organov gosudarstvennoj vlasti sub`ektov Rossijskoj Federacii" [On the General Principles of Organization of Legislative (Representative) and Executive Bodies of State Power of the Subjects of the Russian Federation] [Electronic source]. – URL: <https://base.garant.ru/12117177/> (in Russian) (Access date: 19.11.2020).

⁵³ Signs of this model of fiscal federalism can be traced in Canada, Sweden, Brazil, Paraguay and Italy.

to create the autonomy of subnational authorities, mainly non-targeted interbudgetary transfers are used, and the methods of their distribution do not contain economic anti-incentives, while the distribution rules are stable, and the volume of receipts to regions or municipalities can be predicted in the medium term

In the case of the Russian Federation, the most objective and untargeted type of intergovernmental transfers can be considered subsidies to equalize budgetary security. These transfers are distributed according to a methodology that contains a number of incentive mechanisms, including: the use of three-year average data on tax bases (which reduces the dependence of subsidies on changes in own income); limiting the rate of growth of tax bases to the average level in the Russian Federation (preventing the reduction of subsidies in subjects of the Russian Federation with rapidly growing own incomes); approval for the 1st and 2nd years of the planning period of a share of the total amount of subsidies for equalization (to stabilize and not reduce the volume of subsidies in the next budget cycles) and some others, the cumulative positive effect of which is also confirmed by empirical observations. Meanwhile, this type of intergovernmental transfers is not perfect: the distribution methodology is subject to constant changes and the emergence of new add-ons, as a result of which it has become so complicated that the financial authorities of the subjects of the Russian Federation are no longer able to independently reproduce the calculations and understand the situation.

Moreover, it can be pointed out that, despite the relatively stable total volume of intergovernmental transfers from the federal budget to the consolidated budgets of the constituent entities of the Russian Federation, significant changes have occurred in the structure of intergovernmental transfers over 20 years. In particular, with an increase in the share of targeted transfers from 36.3% to 62.3% in the pre-crisis period of 2020, the share of the most formalized and transparent subsidies to equalize budgetary security has almost halved. In the crisis year of 2020, the share of non-formalized transfers increased even more, but this does not allow us to talk about any trends and requires a separate look at the situation. The trends of the pre-crisis period may indicate a deterioration in the quality of interbudgetary transfers, and previously existing plans (before the period of macroeconomic instability in 2022) in strategic documents⁵⁴ generally did not reflect the interest of moving for the better: with the restoration of the total volume of transfers by 2023 to 2.2% GDP, it was expected that the share of subsidies in the MBT structure would decrease to 32.1%, and the share of targeted transfers (subsidies and

⁵⁴ The main directions of the budget, tax and customs tariff policy for 2021 and the planning period of 2022 and 2023 [Osnovny`e napravleniya byudzhetnoj, nalogovoj i tamozenno-tarifnoj politiki na 2021 god i planovy`j period 2022 i 2023 godov] [Electronic source]. – URL: https://minfin.gov.ru/common/upload/library/2020/10/main/ONBNiTTP_2021_2023.pdf (in Russian) (Access date: 04.03.2020).

subventions) would increase from 38.9% in 2019 to 56.8% in 2023, which indicates the presence of intentions to increase regulation by the federal center. However, we also note a positive moment, which is associated with the expectation of a decrease in the share of other intergovernmental transfers.

3. A variant of the formalization of the concept of "hard" budget constraints is proposed on the example of the norms for deductions to local budgets from federal and regional taxes and their impact on the economic incentives of local authorities in the form of entrepreneurship development.

A schematic version of the formalization of the concept of "hard" budget constraints on the example of the standards for deductions to local budgets from federal and regional taxes and their impact on the economic incentives of local authorities in the form of entrepreneurship development is shown in Figure 2.

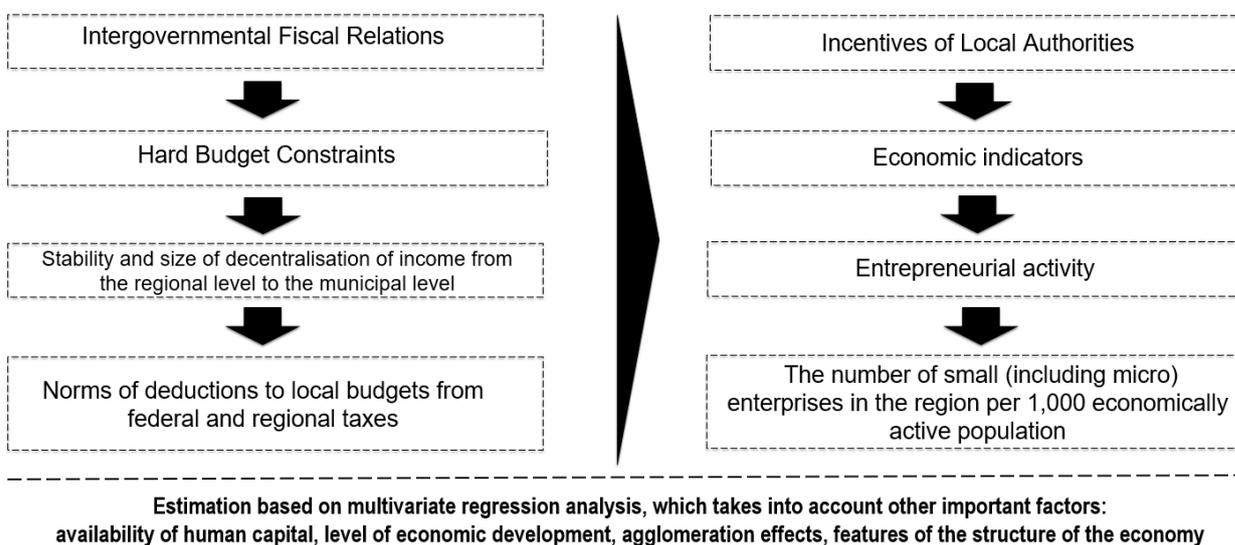


Figure 2 - A variant of formalization of the concept of "hard" budget constraints.

Source: compiled by the author

From the analysis of the theoretical part, as well as foreign and domestic experience, it follows that the concept of "hard" budget constraints can have many criteria and, therefore, can be formalized in different ways. Taking into account the results of the analysis of the development of the research topic, this paper focuses on the poorly studied level of municipalities and the corresponding uniform standards of deductions to local budgets from federal and regional taxes, which can act as an element of budget constraints. In the Methodological Recommendations of the Ministry of Finance of the Russian Federation, the consolidation of uniform standards for deductions to local budgets for a long time is also considered as a tool to increase incentives to increase the collection of tax and non - tax revenues

and to develop the revenue base available on the territory of municipalities⁵⁵.

The standards under consideration are rather autonomously established by the authorities of the subjects of the Russian Federation, are unstable within one region for a certain period of time and have different values in the context of the subjects of the Russian Federation, which also creates opportunities for research. Analysis of the volatility of tax regulations on the example of revenues to the budgets of urban districts (based on data from regional regulatory legal acts) for the subjects of the Russian Federation for the period 2010-2018. It shows that 312 changes have been implemented, of which 178 (57%) are changes in the direction of reducing or eliminating tax regulations. In some regions, the number of changes in the size of standards for the specified period was 10 or more times. The average standard of deductions for each year for the entire municipal level can be obtained by calculation based on data from the Ministry of Finance of the Russian Federation on the execution of consolidated budgets of the subjects of the Russian Federation.

The indicator of the "hardness" of budget constraints in this case may be the volatility or stability of the standards under consideration for a certain period of time, as well as the size of the standards themselves. The problems of budgetary decentralization boil down to the fact that the larger the volume of transfers transferred, the problem of "soft" budget restrictions may occur more often, which makes it more preferable to increase the own tax autonomy of subnational authorities. At the same time, changing the rules of the game in determining one's own income in tax regulations will have a much more painful effect, so stability and "hardness" of budget restrictions in this case is important.

On the grounds below, entrepreneurial development parameters can be taken as indicators of economic incentives or economic policies of local governments.

Regardless of the state structure of the countries of the world, the creation of conditions for the development of small and medium-sized businesses is mainly within the competence of local authorities⁵⁶. In the relevant legislation of the Russian Federation, which regulates the competence of local authorities, the development of small and medium-sized businesses is a key authority in the field of economic policy. As a rule, it is the subnational authorities that have the

⁵⁵ Metodicheskie rekomendatsii organam gosudarstvennoj vlasti sub"ektov Rossijskoj Federatsii i organam mestnogo samoupravleniya po regulirovaniyu mezhhbyudzhethnykh otnoshenij na regional'nom i munitsipal'nom urovnyakh [Methodological recommendations to the state authorities of the subjects of the Russian Federation and local self-government bodies on the regulation of inter-budgetary relations at the regional and municipal levels]. [Electronic source]. URL: https://minfin.gov.ru/common/upload/library/2019/11/main/DS__Metodrekomendatsii.docx. (in Russian) (Access date: 04.05.2020).

⁵⁶ Clark G., Huxley J., Mountford D. Organising Local Economic Development: The Role of Development Agencies and Companies. Local Economic and Employment Development (LEED). OECD Publishing, Paris. – 2010.

greatest incentives to develop small and medium-sized businesses, since the corresponding tax revenues in one volume or another are addressed to local budgets. This means that entrepreneurship development indicators can reflect the efforts and motivation of the relevant authorities of municipalities to attract investment resources and create favorable conditions for business development. There is some evidence for this through empirical assessments of the impact of decentralization. The work of Escaleras M. and Xiang E.⁵⁷ shows that decentralization is an additional channel linking entrepreneurial activity with growth. It has been established that financial decentralization has a positive effect on the ease of starting a business, especially in developing territories. From the results of the work of E. Yakovlev and E. Zhuravskaya⁵⁸, it follows that more decentralized governments will carry out business regulation reforms that will reduce the time, costs and complexity of regulatory processes at the stage of starting a business. Empirical studies confirm the role of local authorities' policies for the development of entrepreneurial activity in the territory, in which their fiscal and political autonomy also have a certain value⁵⁹. In the Russian Federation, the indicator of the development of small and medium-sized businesses is also included in the list of indicators for assessing the performance of local governments in urban districts and municipal districts, based on which local authorities can receive incentive grants⁶⁰.

The corresponding influence of inter-budgetary relations through the characteristics of the "hardness" of budget restrictions on economic policy in the subjects of the Russian Federation through the parameters of entrepreneurship development can be assessed on the basis of a multifactorial regression analysis that allows taking into account the control factors of entrepreneurship development: the availability of human capital (unemployment rate), the level of economic development (gross regional product (GRP) to the population), agglomeration effects (population density and urban population share), features of the structure of the economy (the share of extractive industry in GRP), which are also considered in studies of the level of entrepreneurship development⁶¹.

⁵⁷ Escaleras M., Chiang E. P. Fiscal decentralization and institutional quality on the business environment // *Economics Letters*. – 2017. – Vol. 159. – P. 161–163.

⁵⁸ Yakovlev E., Zhuravskaya E. The Unequal Enforcement of Liberalization: Evidence from Russia's Reform of Business Regulation // *Journal of the European Economic Association*. – 2013. – Vol. 11. – Iss. 4. – P. 808–838.

⁵⁹ Smith H. J. M. Fiscal Decentralization: Explaining Successful Local Economic Development in Latin. – 2010. [Electronic source]. – URL: <https://ssrn.com/abstract=1726068> (Access date: 04.03.2020).

⁶⁰ Decree of the Government of the Russian Federation No 1317 of 17.12.2012 O merakh po realizatsii Ukaza Prezidenta Rossijskoj Federatsii ot 28 aprelya 2008 g. № 607 «Ob otsenke ehffektivnosti deyatelnosti organov mestnogo samoupravleniya gorodskikh okrugov i munitsipal'nykh rajonov [“On measures to implement the Decree of the President of the Russian Federation of April 28, 2008 No. 607 “On assessing the effectiveness of the activities of local governments of urban districts and municipal districts”]. [Electronic resource]. – Access mode: <https://docs.cntd.ru/document/902388099> (Date of access: 02/04/2021).

⁶¹ Barinova V. A., Zemczov S. P., Czareva Yu. V. Predprinimatel'stvo i instituty: est' li svyaz' na regional'nom urovne v Rossii? [Entrepreneurship and institutions: is there a connection at the regional level in Russia?] // *Economic issues*. – 2018. – No. 6. – P. 92–116 (in Russian).

4. Empirical estimates of the impact of the “hardness” of budget constraints (uniform standards for deductions to local budgets from federal and regional taxes) on economic incentives in the constituent entities of the Russian Federation (entrepreneurship development) were obtained.

To study the impact of the "hardness" of budget constraints (uniform standards for deductions to local budgets from federal and regional taxes) on economic incentives in the constituent entities of the Russian Federation (development of entrepreneurship), panel data for the constituent entities of the Russian Federation for the period 2010–2018 were used. When analyzing panel data, regression models with fixed effects (FE) were used using robust standard errors. In the case of analyzing the dependence of entrepreneurial activity on the size of the transferred norms, several model specifications were obtained with estimates both for the total calculated norm and for all types of selected taxes. In the case of analyzing the dependence of entrepreneurial activity on the stability of the transferred standards, several corresponding model specifications were also obtained, where stability was assessed by the standard deviation (SD) value for the size of the standard for the period. Estimates of the studied influence are reflected in Table 1.

Table 1 – Assessment of the impact of the "hardness" of budget restrictions (uniform standards of deductions to local budgets from federal and regional taxes) on economic incentives in the subjects of the Russian Federation (entrepreneurship development).

Assessment of the impact of the size of standards on the level of entrepreneurial activity (dependent variable EA)						
Model	1	2	3	4	5	6
const	8,63	18,7	4,07	10,4	4,55	-1,29
GRP	1,72e-05***	1,66e-05**	2,42e-05***	2,46e-05***	2,51e-05***	2,33e-05***
Unempl	-0,045	-0,139	-0,19	-0,069	-0,198	-0,191
POPdensity	-0,057	-0,15	-0,184	-0,006	-0,196	-0,175
Citizens	0,354	0,277	0,348	0,219	0,341	0,423
ExtractIND	-0,275**	-0,216**	-0,300***	-0,293**	-0,297***	-0,277***
Sharegrants	-0,142*	-0,183**	-0,119	-0,144*	-0,131	-0,127
Alltaxes	-0,364***	-	-	-	-	-
Perstax	-	-0,246***	-	-	-	-
Corpprtax	-	-	-0,102*	-	-	-
Corpprtaxfact	-	-	-0,051	-	-	-
Specialtax	-	-	-	-0,080***	-	-
Simpltax	-	-	-	-	-0,0440***	-
Simpltaxfact	-	-	-	-	1,88**	-
Transptax	-	-	-	-	-	0,0132
Transptaxfact	-	-	-	-	-	-2,59
Assessment of the impact of regulatory volatility on the level of entrepreneurial activity (dependent variable EA)						
Model	7	8	9	10	11	12
const	70,6***	87,7***	70,9***	70,5***	70,3***	69,8***
GRP	1,86e-05*	1,31e-05*	2,07e-05**	1,97e-05**	2,00e-05**	1,86e-05*
Unempl	0,0371	0,14	-0,035	-0,155	-0,166	-0,101
POPdensity	0,493	0,701**	0,344	0,234	0,229	0,241
Citizens	-0,922***	-1,230***	-0,879**	-0,811**	-0,810**	-0,805*

ExtractIND	-0,278*	-0,280**	-0,274*	-0,260*	-0,257*	-0,253*
AlltaxesSD	-0,471*	-	-	-	-	-
PerstaxSD	-	-0,577***	-	-	-	-
CorpptaxSD	-	-	-0,197*	-	-	-
SpeciltaxSD	-	-	-	-0,0379	-	-
SimpletaxSD	-	-	-	-	-0,0162	-
TransptaxSD	-	-	-	-	-	-0,03

Source: compiled by the author

Note:

Variables: EA — entrepreneurial activity (the number of small (including micro) enterprises in the region per 1 thousand economically active population (labor force) of the subjects of the Russian Federation); GRP — the level of regional development (GRP, taking into account interregional differences in price levels) to the population, rubles per person); Unempl — availability of labor resources for entrepreneurship (unemployment rate according to the ILO methodology on average per year, %); POPdensity — agglomeration effects associated with the concentration of economic activity (population density, people per 1 km²); Citizens — agglomeration effects associated with the concentration and diversification of economic activity (the proportion of urban population in the total population, %); ExtractIND — features of the structure of the economy of regions (the share of extractive industry in GRP, %); Perstax/PerstaxSD – the rate of deduction to local budgets from personal income tax / its standard deviation for the period; Corpptax/Corpptaxfact/CorpptaxSD – corporate property tax / its availability / its standard deviation for the period; Specialtax/SpecialtaxSD – total income tax standards / its standard deviation for the period; Simpltax/Simpltaxfact/SimpltaxSD – the standard of tax levied in connection with the application of the simplified taxation system / its presence / its standard deviation for the period; Transptax/Transptaxfact /TransptaxSD – the standard for transport tax / its presence / its standard deviation for the period; Alltaxes/AlltaxesSD – the aggregate standard for the taxes transferred / its standard deviation for the period; Sharegrants – the share of subsidies in the budget of the region

* Indicates significance at the 10 percent level.

** Indicates significance at the 5 percent level.

*** Indicates significance at the 1 percent level.

The results of modeling the dependence of entrepreneurial activity on the size of the transferred norms indicate a negatively significant effect in the case of personal income tax, corporate property tax, tax on total income in general and the tax levied in connection with the application of the simplified taxation system, as well as in general on the aggregate norm of the taxes under consideration. Such a connection can be explained in two ways: either local authorities, receiving additional income in the current circumstances, lose incentives for development, or these standards are transmitted as necessary assistance and can hardly be considered as a real granting of autonomy. In fact, there is a stable relationship between the level of subsidization of the region and the size of the transferred standards (the correlation coefficient is 0.569), as well as the share of the urban population and the size of the transferred standards (the correlation coefficient is -0.422). This indicates that regional authorities use the norms under consideration more often as an aid to local budgets and practically do not use them in the case of cities where the main business activity is concentrated, thereby leaving significant tax sources behind. The desire to leave more revenue sources at the regional budget level, apparently, is due to the fact that the regions as a whole are experiencing a "stable", turning into a chronic budget deficit⁶², despite the fact that the main spending powers are assigned to the regional rather than

⁶² Alexin B. I. Nalogovaya avtonomiya i byudzhety`e balansy` regionov [Tax autonomy and budget balances of regions] // Financial Journal. – 2020. – V. 12. – No. 5. – P. 114–127 (in Russian).

local authorities.

At the same time, the very fact of using the transfer of tax revenues levied in connection with the application of the simplified taxation system has a positive effect, which, despite its relatively small significance in local budget revenues, confirms its meaning and justifies the expediency of its transfer even according to minimum standards. The tax on property of organizations is transferred at even lower standards and is of lesser importance for filling local budgets, but some authors consider property taxes as optimal for transfer to the regional and especially municipal levels⁶³. Apparently, in the current conditions, it also plays a supporting role.

The results of modeling the dependence of entrepreneurial activity on the stability of the transferred standards show that the high volatility of personal income tax and corporate property tax corresponds to a lower level of entrepreneurial activity. A similar effect is not observed either for the tax on comprehensive income in general, or for the tax levied in connection with the application of the simplified taxation system, in particular.

This can be explained in two ways: either even with the reduction of the norm on taxes related to small business, local authorities do not reduce the motivation for its development, since revenues from it remain at some level, or the change in these revenues is really insignificant, since it is also does not worsen the relationship between the volatility of the aggregate standard and entrepreneurial activity. On the whole, despite the fact that the transferred norms can be seen both as an aid and as an empowerment of autonomy, their volatility has a negative impact, which is generally consistent with the theory⁶⁴.

5. A group of hypotheses was tested about the presence of signs of "soft" budget constraints in the system of financial support for the constituent entities of the Russian Federation (during the COVID crisis in 2020).

Against the backdrop of the economic crisis due to the COVID-19 pandemic in 2020, the Russian federal government was forced to provide financial support to regional budgets, as a result of which the volume of interbudgetary transfers increased one and a half times compared to 2019. The main growth of support was carried out at the expense of poorly formalized types of interbudgetary transfers - subsidies for balance (+41.1%) and other interbudgetary transfers (48.5%). The volume of budget loans, which are another non-formalized tool for supporting the constituent entities of the Russian Federation, has also grown.

⁶³ Slack, E., Bird R. M. The Political Economy of Property Tax Reform // OECD Working Papers on Fiscal Federalism. – 2014. – No. 18. – P. 1–36.

⁶⁴ The above conclusions are presented in the article Bukharsky, V.V. Byudzhetnaya decentralizaciya i stimuly mestnyh organov vlasti v Rossijskoj Federacii [Fiscal Decentralization and Incentives of Local Authorities in the Russian Federation] // Financial Journal. – 2021. – Vol. 13. – No. 2. – P. 114–129. (in Russian).

On the basis of theoretical literature, it was determined that the problem of "soft" budget constraints arises in cases where the system of interbudgetary transfers used in the country is based on discretionary decisions. The discretion of decisions in this case may consist in the provision of preferences in the distribution of financial assistance to a separate group of regions. In this sense, the problem of "soft" budget constraints can be reflected in four situations.

The first situation is associated with the size of the region ("too-big-to-fail") and lies in the fact that as the size of the region grows, the probability of its rescue in a crisis situation increases, since the negative externalities from a subnational default will affect too many people⁶⁵. The second situation is associated with an increase in the likelihood of supporting regions with a significant share of funding for such politically and socially important sectors as healthcare and education ("too-sensitive-to-fail"), which are priorities at the national level⁶⁶. In the third situation, regions with low potential for income opportunities ("too weak to fail") are considered, so the central government provides financial assistance on an ongoing basis⁶⁷. The fourth situation implies a group of regions with increased political influence or influence at the national level ("political clout of sub-central governments"), which also increases the likelihood of receiving financial assistance⁶⁸.

Based on these provisions, the following hypotheses were formulated and tested:

(1) The size of a constituent entity of the Russian Federation⁶⁹ had a positive effect on the amount of intergovernmental transfers distributed to it from the federal budget (subsidies for balancing and/or other intergovernmental transfers) and budgetary loans;

(2) The higher political importance of certain regional authorities⁷⁰ contributed to the faster growth of intergovernmental transfers and budgetary loans from the federal budget (subsidies for balancing and/or other intergovernmental transfers);

(3) The importance of the subnational government in financing such politically and socially important sectors as health care and education⁷¹ had a positive effect on the amount of

⁶⁵ Wildasin, D. E. Externalities and bailouts: Hard and soft budget constraints in intergovernmental fiscal relations. Policy research working paper No. 1843. Washington, DC: World Bank.

⁶⁶ Bordignon, M., Turati G. Bailing out expectations and public health expenditure //Journal of Health Economics. – 2009. – Vol. 28. – №. 2. – P. 305-321.

⁶⁷ Ahrend, R., Curto-Grau, M., Vammalle, C. Passing the Buck? Central and Sub-national Governments in Times of Fiscal Stress. OECD Regional Development Working Papers, 2013/05, OECD Publishing. [Electronic source]. – URL: <http://dx.doi.org/10.1787/5k49df1kr951-en> (Access date: 01.03.2020).

⁶⁸ Rodden, J. Comparative federalism and decentralization: On meaning and measurement //Comparative politics. – 2004. – P. 481-500.

⁶⁹ To estimate the size of the subject of the Russian Federation, the population indicator as of 01/01/2020 was used.

⁷⁰ To determine the political influence of subnational authorities, expert assessments of the Petersburg Politics Foundation were used to "balance the current heads of regions between obtaining preferences and avoiding repression in relations with the federal Center".

⁷¹ To assess the importance of health care and education in the distribution of transfers, we used indicators of the share of expenditures under the items "Healthcare" and "Education" in the expenditures of the consolidated budgets of the constituent entities of the Russian Federation in 2019.

intergovernmental transfers distributed from the federal budget (subsidies for balance and / or other intergovernmental transfers) and budgetary loans;

(4) The low income potential of the subject of the Russian Federation⁷², for which financial support is provided on an ongoing basis, contributed to the receipt of large volumes of intergovernmental transfers (subsidies for balancing and / or other intergovernmental transfers) and budgetary loans from the federal budget.

The results of multivariate regression analysis, on the basis of which the above hypotheses were tested, are presented in Table 2.

Table 2 – The results of a multivariate regression analysis of the influence of the factors of "softness" of budget constraints on the types of financial assistance to Russian regions in 2020.

Dependent variables			Independent variables			
Types of financial assistance			Region size	Political significance	Social budget	Low income potential
Balance grants	When separately included in the model	ShDOTob	+++	+++	+	_*
		DinShDOTob	++	++	+	+
	When included in the optimization model	ShDOTob	+++	++	+++	Her
		DinShDOTob	+++	Her	Her	Her
Other intergovernmental transfers	When separately included in the model	ShINMBT	+++	+++	_-***	_-***
		DinShINMBT	++	+	+	+
	When included in the optimization model	ShINMBT	+++	+++	_-***	Her
		DinShINMBT	+++	Her	Her	+++
Budget loans	When separately included in the model	BKsum	+	++	+	-
		BKinspend	-	-	+	-
	When included in the optimization model	BKsum	Her	+++	+	Her
		BKinspend	Her	Her	+	Her

Source: compiled by the author

Note:

(1) ShDOTob - the share of the region in the total volume of the allocated amount of subsidies to budgets to support measures to ensure budget balance in 2020; (2) DinShDOTob is the difference between the shares of the region in 2020 and 2019 in the total amount of the allocated amount of subsidies to budgets to support measures to ensure budget balance; (3) ShINMBT - the share of the region in the total volume of the distributed amount of other intergovernmental transfers in 2020; (4) DinShINMBT is the difference between the shares of the region in 2020 and 2019 in the total volume of the distributed amount of other intergovernmental transfers; (5) BKsum - the volume of budget loans in the source of financing the budget deficit of the constituent entity of the Russian Federation in 2020, billion rubles; (6) BKinspend is the share of budget loans (by source of deficit financing) in the expenditures of the consolidated budget of a constituent entity of the Russian Federation in 2020.

"+" - positive value of the coefficient for the regression analysis factor.

"-" - negative value of the coefficient for the regression analysis factor.

* Denotes significance at the 10 percent level.

** Denotes significance at the 5 percent level.

*** Denotes significance at the 1 percent level.

⁷² To determine the constituent entities of the Russian Federation with low budget independence, the indicator of the share of subsidies for equalizing budgetary security in 2019 was used.

The empirical results of this study, obtained on the basis of regression analysis, to some extent confirm the hypotheses from the theoretical literature. In particular, the following was found: (1) the size of the region had a positive impact on the receipt of intergovernmental transfers and did not matter in the case of budget loans; (2) the factor of political loyalty to the regional authorities on the part of the federal level had a positive impact on the distribution of the total amounts of all types of support under consideration; (3) the factor of the significance of social spending (health and education) had an ambiguous effect: there are signs that both regions with an explicit “social” budget (through subsidies for balance and budget loans) and regions with an allegedly underfunded level of public health were supported. This direction (through other intergovernmental transfers), which, apparently, is a characteristic feature of this particular crisis; (4) the factor of high subsidization of regional budgets did not have a stable significant relationship in the distribution of financial support, which, apparently, is due to the fact that underdeveloped regions in terms of filling their budgets with their own revenues went through the crisis in 2020 relatively calmly.

6. Recommendations have been formulated to improve the intergovernmental relations in the Russian Federation in terms of economic incentives and to eliminate the problems of "soft" budget constraints.

The results of the paper showed that the Russian practice is characterized by the absence of "hard" budget constraints. This follows both from a comparison of the domestic system of intergovernmental fiscal relations with foreign practice, and from a detailed empirical study.

To create real budgetary autonomy at the subnational level, it is necessary to significantly increase the share of tax revenues, the rate and base of which are fully or partially regulated by regional and municipal authorities (in stages, up to 80% and up to 100% in the long term). This will allow them to make independent decisions, creating a link between income generation and the provision of services, the conduct of economic policy.

The issue of lack of own budgetary revenues is most acute for the municipal level. As the results of the work show, one of the most important taxes for the decentralization of income to the local level are taxes on SMEs. It is recommended in federal legislation to establish minimum standards for the transfer of these revenues to local budgets and gradually bring them to the maximum reasonable level (possibly up to 100%). According to estimates for 2020, in the structure of income of the consolidated budgets of the constituent entities of the Russian Federation, income from taxes on total income did not exceed 4%.

Another promising source for decentralization, according to foreign experience and academic views, is property tax revenues and, in the case of the Russian Federation, corporate

property taxes could also be transferred to the local level more actively than now. According to estimates for 2020, in the structure of income of the consolidated budgets of the constituent entities of the Russian Federation, income from property taxes of organizations exceeded 6%.

The lack of own budgetary resources and their withdrawal can even more negatively affect the economic incentives of local authorities for such developed and highly urbanized areas as cities, where the main economic activity takes place. In this case, it makes sense to approach decentralization in an asymmetric way and give more budgetary autonomy to cities (especially large ones). Separate studies also consider an increase in the minimum standard for deductions from personal income tax to 30% as an additional source of income⁷³.

VAT can be considered as the additional sources of decentralization of budget revenues for the level of regional budgets (including to compensate for losses from decentralization to the local level). An example of such experience is Canada, where VAT is credited at two rates to the national and regional budgets. According to estimates for 2020, in the structure of income of the consolidated budget of the Russian Federation, VAT receipts exceeded 11%.

According to the theory, to some extent confirmed in this study for domestic practice, the volatility of the rules for the transfer of sources of income has a negative impact on the economic incentives of local authorities. The fixation of uniform additional norms for deductions for a long period makes it possible for local authorities to forecast their own revenues and implement long-term economic policy programs, while due to the lack of withdrawal of revenues, additional incentives appear to develop their own tax base. Thus, at the federal level, it is recommended to establish restrictions on the reduction of deductions to local budgets for up to 5 years. In parallel, the use of the substitution mechanism should be limited to the amount of equalization subsidies, which circumvents the important principle of unity of standards. The unity of norms must be observed within a certain type of municipalities.

This stability is important not only for tax revenues, but also for intergovernmental transfers. The "hardness" of intergovernmental transfers should be tied to the own revenues of regional and local budgets and not disturb their positive dynamics. With regard to subsidies for equalization, the possibility of reducing the volume of subsidies due to the growth of own income should be limited. Changes to the methodology itself at the federal level and regional methods should also be limited to a certain time horizon.

The "softness" of budgetary restrictions in the case of the Russian Federation is also typical for such financial support instruments as: subsidies for balancing budgets, other intergovernmental transfers and budgetary loans, which have a discretionary distribution,

⁷³ Zubarevich, N. V. Razvitie rossijskix aglomeracij: tendencii, resursy i vozmozhnosti upravleniya [Development of Russian Agglomerations: Trends, Resources and Management Opportunities] // Social Sciences and Modernity. – 2017. – № 6. – P. 5–21. (in Russian).

especially manifested during the "coronacrisis". A significant part in the structure of intergovernmental transfers of the Russian Federation is also targeted transfers, which do not imply the autonomy of local authorities. Against this background, it is advisable to formalize the current distribution of discretionary transfers and reduce the share of targeted funds while increasing the share of subsidies to equalize budgetary security.

In terms of spending obligations of regional and local authorities, the overregulation of the higher level should be reduced, as a result of which:

- subnational authorities will be able to reliably predict the amount of expenses for the exercise of authority, which is financed from their own budget;
- regulation of financial support, forms and methods of exercising the authority, carried out at the expense of regional and local budgets, will not be exclusively regulated by the NLA of a higher level of government;
- vague or ambiguous wordings and unsettled points (gaps) in the vested powers will be excluded;
- additional or new powers will be supported by appropriate additional sources of income for its financial support.

In general, in the long term, in order to increase the "hardness" of budget restrictions in the Russian Federation, the ideas of moving away from the current model of splitting tax revenues by budget levels to the principle of "one tax - one budget level" and the development of real local self-government at the settlement level can also be considered⁷⁴.

Some of the above recommendations are hardly new on their own - in one form or another, some of them have been mentioned in studies, while others have been featured in policy documents for some time. Meanwhile, these recommendations have not yet been implemented in practice and their relevance remains at the same level. However, the question also remains: for what reasons have these reasonable steps not been taken so far? One of the possible restrictions on the further development of budgetary decentralization is seen as significant territorial disproportions in the Russian Federation, as a result of which the need to redistribute financial resources leaves little room for additional fair allocation of tax revenues to regions and municipalities. In addition, at the regional level, there are signs of financial insecurity of spending obligations, as a result of which the regional authorities minimize the decentralization of tax revenues to the local level, and most developed municipalities (large cities) are forced to make do with local tax revenues only. The existing imbalance of expenditures and incomes at the

⁷⁴ Lavrov A. M. Logika i perspektivy` byudzhetyx reform v Rossii: v poiskax "optimal`noj decentralizacii". Cikl publikacij i dokumentov (1998–2019 gg.) [The logic and prospects of budget reforms in Russia: in search of "optimal decentralization". Cycle of publications and papers (1998–2019)] / A. M. Lavrov. – M.: Ed. Higher School of Economics. – 2019. – 832 p. (in Russian).

subnational level can be caused by a whole range of reasons, however, limitations to its elimination may include a lack of understanding at the federal level of the real cost of exercising powers on the ground, together with a lack of full confidence in the performance of duties at the subnational level. Therefore, registers of the cost of regional and local spending obligations are currently being formed, and additional tax revenues to subnational budgets are to some extent offset by a decrease in subsidies. The desire to increase the share of non-targeted transfers in the structure of gratuitous receipts is limited by the parallel desire of the federal authorities to implement priority national tasks that are financed by targeted transfers. Changes in national priorities, in turn, affect the stability of intergovernmental transfers to the regions. All of the above leads to the fact that the regional authorities fall into the conditions of "soft" budget constraints, and therefore they themselves have limited opportunities and interest in creating "hard" budget constraints for local budgets. In the absence of a stable regime for regional budgets, it is rather difficult from the federal level to establish any requirements for the "hardness" of budget restrictions in relation to local budgets, since there are risks of problems similar to the situation of unfunded mandates.

In other words, for the implementation of "hard" budget constraints in the system of intergovernmental fiscal relations, it is not individual decisions that are important, but a set of interrelated measures supported by the political will of national and subnational authorities.

KEY PUBLICATOINS OF THE AUTHOR RELATED TO THE TOPIC OF THE DISSERTATION

The most significant research results are described in 6 scientific articles, 2 of which were published in Scopus-indexed journals, 3 in a journal from the Higher School of Economics' list D. The total volume of the publications by the author reached 12.81 printer's sheets, while the author's personal contribution amounted to 9.38 printer's sheets.

Publications in Scopus-indexed journals:

1. Bukharsky, V.V. Intergovernmental Relations and Public Administration: Opportunities and Limitations of Decentralization / V. V. Bukharsky, A. M. Lavrov // Public Administration Issues. – 2021. – No. 2. – P. 126–153. – 3,42 printer's sheets (author's contribution – 2,40 printer's sheets) (Q4, 2020, SJR⁷⁵).
2. Bukharskiy, V.V. Hard Budget Constraints: Theoretical Foundations and Problems of Russian Cities / V. V. Bukharsky, A. M. Lavrov // Public Administration Issues. – 2020. – No. 1. – P. 7–40. – 4.16 printer's sheets (author's contribution – 3,0 printer's

⁷⁵ URL: <https://www.scimagojr.com/journalsearch.php?q=21100778766&tip=sid&clean=0> (Access date: 01.02.2022).

sheets) (Q4, 2020, SJR⁷⁶).

Publications in journals from the Higher School of Economics' list D:

3. Bukharsky, V.V. Fiscal Decentralization and Incentives of Local Authorities in the Russian Federation // *Financial Journal*. – 2021. – Vol. 13. – No. 2. – P. 114–129. – 1,43 printer's sheets
4. Bukharsky, V.V. Correlation Analysis of the Debt Burden on the Budgets of the Russian Federation Subjects in 2005–2016 / V.V. Bukharsky, E.Y. Vetrova, A. M. Lavrov // *Financial Journal*. – 2017. – No. 4. – P. 9–25. – 1.35 printer's sheets (author's contribution – 0,65 printer's sheets).
5. Bukharsky, V.V. Impact Evaluation of the Equalizing and Stimulating Effects of Intergovernmental Transfers to the Subjects of the Russian Federation / V.V. Bukharsky, A. M. Lavrov // *Financial Journal*. – 2017. – No. 1. – P. 9–21. – 1,10 printer's sheets (author's contribution – 0,55 printer's sheets).

Other publications related to the topic of the dissertation:

6. Bukharskiy, V.V. Debt Policies in Russian Regions: Institutional Framework and Best Practices // *International Journal Of Management Theory And Practice*. – 2019. – No. 12. – P. 6-12. – 1,35 printer's sheets.

⁷⁶ The same.