

STUDYING PUBLIC SECTOR BUDGETS AT THE UNDERGRADUATE AND GRADUATE LEVEL

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Abstract. *Europe demands that its people be culturally and intellectually equipped in the ways that are suitable for their present and future. Only in this way they will be able to live meaningful lives in person and together. Higher education institutions play a key role in developing appropriate strategies as they are responsible for preparing their students for viable development of career and citizenship. Universities and other higher education institutions are increasingly realizing that their movement is a moving target and their leadership in the field of knowledge and understanding development and transfer means a new sensitivity to a society change. They are increasingly consulting their customers. Education inspires societal progress, but at the same time, it must respond with discernment to society by developing appropriate strategies for future study programs.*

Graduate studies in human resource management and national security programs prepare students for an independent national budget evaluation (acting as public finance specialists) which requires high qualification. The managers of human resource in the public sector are in charge of public finance expenditure accounting and budget matters in an institution and, besides typical knowledge of the budget, must demonstrate deep knowledge of public finance and the ability to combine human resource management and public expenditure issues.

In order to achieve this goal, the Master study programme in National Security at General Jonas Žemaitis Military Academy of Lithuania (MAL) partially provides the study of specialized subjects in the fields of public finance and budget planning. One of the most important subjects is the national budget which requires from the students a lot of prior knowledge in the field of budgeting and taxation systems.

Estimating that the main purpose of governmental sector's human resource management could be public finance, it is useful to show students the differences in the approach of national budget operations and tax revenue purposes. The teaching process should be based on accurately selected cases obvious for students. From a didactic point of view, a properly selected case is the one that contains a lot of differences among national, government and municipal budgets and their records in the national legal system.

One of the examples that meets the above criteria is revenues collected from different taxes. Settled income from taxes are one of the most important revenues for the national budget. Moreover, the principles of diversification of government and municipal budgets could be clearly understandable for graduate students.

The paper presents the advantages and disadvantages of choosing different taxes for national, state and municipal budgets concerning tax burden for different groups of society. Furthermore, the purposes of teaching students public budgeting and the principles of

taxation are discussed. Amid the many preferences, the most important one could be a pattern that clearly shows different approaches to budget expenditures and tax diversification as an interrelated issue that is the amount of budget expenditures strictly correlating with taxable and non-taxable income in the public finance and depending on the budget legislation. Certainly, the indication of such relations is the essence of public finance budgeting.

Practical applications are constructed from years of practice in teaching public finance, national and municipal budgets. Taxation theories were also indicated by the results of a survey carried out in a group of students studying public finance in the last academic year.

Keywords: *national budget, public finance, financial literacy, government spending, graduate studies.*

Introduction

A wide range of teaching techniques are used by universities. A set of teaching techniques strongly depends on the instructional form of education (personal education, correspondence education or distance learning). In addition to the ubiquitous lecture, consultations revealed the following list (which is not exhaustive): seminars (small group teaching), tutorials, research seminars, exercise classes or courses, workshops (classroom-based practical classes), problem-solving sessions, laboratory teaching, etc.

Master studies in management and other programs develop students' competence for independent financial management using research seminars and workshops (Spigarska, 2017). The economic image of each state could be represented by revenues and expenditures of the government also described as a national budget. The economic assessment of the state is based on the share of national budget revenue and expenditure from the gross domestic product. Nations moving from planned to market economy face unique challenges in many areas, including taxation and public finance. The methods of collecting the revenue required to finance government services varied widely within the centrally planned authoritarian system.

Recently, Lithuania has been spending more resources than revenues, thus forcing the country to borrow which does not benefit its prosperity. In this context, the revenue and expenditure of the government budget is a relevant issue as it concerns not only leaders of the state but also ordinary citizens (Ministry of Finance of the Republic of Lithuania, 2018).

A government budget is the main instrument through which governments collect resources from the economy in a sufficient and appropriate manner and allocate them responsively, efficiently and effectively. Public finance management is an instrument of government policy. The economic profile of each state is the revenue and expenditure otherwise described as the national and governmental budget (Djurovic-Todorovic, 2009). The economic assessment of the state is based on the share of national budget revenue and expenditure to domestic product.

This paper presents the advantages and disadvantages of different tax choices for national, government, and municipal budgets in relation to the tax burden on different segments of the society. It also aims to teach students the principles of government budget and taxation. Of the many benefits, the most important one might be that the scheme illustrates very clearly the different treatment of budget expenditure and tax diversification as an interrelated issue (OECD, 2012). That is, the amount of budget expenditure is strictly correlated with and dependent on taxable and non-taxable revenue structure. Overall, the results are promising and show that these educational resources make the learning process more efficient and dynamic.

Methodology

On the basis of the materials prepared and presented by different budgets in groups, an overview is offered of how certain specified generic competences are perceived, what teaching/learning methods are or could be used to encourage their development, and how they are assessed. Further aims are to see how they are perceived by or, possibly, what their importance is for students and to investigate whether there are teaching-learning methods used in financial areas or in some countries or institutions. It can usefully be proposed as models of good practice or be of interest more generally in developing new insights into competence-based curriculum design and delivery. Additional research methods include the analysis of scientific literature, comparative analysis, visual representation and statistical data analysis. Methodology also used case studies and comparative budget analysis.

The methodological analysis used qualitative and quantitative research methods in the paper. The data were taken from the Statistics Lithuania and European financial institutions. Modification of full-time and part-time students and cadets was used for informal surveys. Moreover, an individual discussion with a group of students was used for implementing working syndicates for different budgetary projects. An additional value probably was created for students from the graduate studies at human resources management classes when they were included in the case analysis and study of the national and governmental budgets, particularly for studying public sector management. In the future, similar studies could also be implemented to students of other social sciences programs.

National Budgets

A case study in the undergraduate and graduate programs analyzes national and government budgets assessment from 2014 to 2018. Government budget revenue is a revenue to the state that the budget receives from taxes paid in the country, i.e. value added, profit, personal income, excise duties, etc. and non-tax revenue (property, income of budgetary institutions, etc. (Dubauskas, 2019). The overviewed Master study covers a five-year period of the government budget revenue (Ministry of Finance of the Republic of Lithuania, 2014-2018). Table 1 below presents a more detailed

examination of the structure of budget revenue and briefly analyzes each fiscal year.

Table 1. Structure of the government budget revenue (percent).

<i>Revenue</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Total taxes	65.3	64.6	67.3	69.4	68.0
Personal Income Tax (PIT)	5.6	4.8	4.5	4.0	3.4
Profit Tax	6.4	6.5	7.2	8.0	7.7
Value Added Tax (VAT)	37.4	36.8	37.9	38.7	39
Excise Duties	13.3	13.8	14.6	15.8	16
Other Taxes	2.6	2.7	3.1	2.9	1.9
Non-taxation Revenues	5.5	5.6	5.6	5.2	5.9
Asset Transactions	0.8	0.7	1.0	0.7	0.8
European Union Support	28.4	29.1	26.1	24.7	25.3
In total:	100	100	100	100	100

Source: author's calculations taken from the Statistics Lithuania, 2014-2020.

Finally, the research on government budget assignments is analyzed in the study program. An appropriation is the amount approved by the government budget (or the municipal budget) for expenditure and the acquisition of long-term tangible and intangible assets (hereinafter referred to as the “assets”) which the assignment manager is entitled to receive from the government or municipal budgets to finance approved programs (Ministry of Finance of the Republic of Lithuania, 2014-2018).

The further step describes the assignments of the government budget for the period 2014-2018. A detailed examination of the structure of the budget appropriations is presented in Table 2. It briefly analyzes each financial year of the state budget allocation.

Table 2. Government budget assignments (percent).

<i>Assignments</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
General Government Services	19.22	17.94	18.65	17.25	15.74
Defence	4.94	5.95	8.11	9.84	1.07
Public Order and Public Protection	8.28	7.34	7.21	7.74	7.88
Economics	25.31	26.59	25.44	22.89	24.01
Environmental Protection	3.38	3.21	1.66	1.76	1.90
Housing and Utility	0.29	2.02	1.37	0.94	0.82
Health Protection	7.16	6.94	7.00	7.21	7.45
Recreation Culture and Religion	2.63	2.71	3.10	3.26	3.27
Education	17.24	15.44	14.72	15.17	13.93
Social Security	11.55	11.86	12.75	13.93	14.93
In total:	100	100	100	100	100

Source: author's calculations taken from the Statistics Lithuania, 2014-2020.

The feedback of the Master programs students on the study may allow us to adapt training programs to changing conditions (Durband, 2012). The knowledge gained enables us to adapt the implemented training programs to the expectations of students and the labor market. Nevertheless, it should be noted that the choice of teaching methods and techniques primarily depends on the implemented content of the program and the type of recipients. As this will allow us to adapt and select the methods and techniques of conducting didactic classes to the intended goals, knowledge in this area should be the subject of future research.

Conclusions

Learning about government budget and public finance could be necessary for Human Resource Management and National Security graduate program students and their independent thinking. Budget is a revenue and expenditure plan for a current state of the year consisting of state and municipal budgets. Correct budgeting requires the compliance with the basic principles of budgeting: reality, integrity, publicity, completeness, generality, balance and programming. Each budget has its own functions: economic regulation, redistribution of national income and gross domestic product, control of centralized monetary resources and financing of state functions. Budget revenue comprises tax and non-tax revenues.

Tax revenue is further divided into direct and indirect taxes. Most of the revenues of the Republic of Lithuania comes from taxes, such as value added tax, personal income tax, excise duties and corporation taxes. There are several ways to classify costs: departmental, branch, economic, mixed, target, functional, and economic. Government budget expenditure includes public investment, social benefits, consumption expenditure, and debt service. Moreover, public expenditure is shaped not by how it is but by following certain principles. Government budget revenue comes from taxes paid in the country (value added, profit, personal income, excise duties, etc.) and non-tax revenue (property, income of budgetary institutions, etc.).

Value added tax and excise taxes accounted for the largest share of the state budget revenue in the period 2014-2018. Also, a large part of the revenue comes from the European Union support. In the mentioned period, the largest share of the allocations for all periods was made by the economy, i.e. 22-26 percent. There is also a great deal of attention paid to other general government services as well as to education and social security. Housing and utilities are the smallest ones, with only 1-2 percent of total allocations for all periods.

The research may allow the adjustment of the teaching programs to the changing conditions. The knowledge gained allows tailoring of the implemented teaching programs to both the students' expectations as well as to the labor market expectations. However, it should be noted that the selection of the teaching methods and techniques primarily depends on the program content realized and the type

of recipients. It will allow the adaptation and selection of the methods and the techniques of conducting didactic classes to the targets assumed.

This study could be innovative in the sense that it investigates the relevance of using the specific approaches to attract students to the studies and, at the same time, to motivate them to learn the subject in order to obtain a better final grade.

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Santrauka

Europos šalys nori, kad jų piliečiai būtų aprūpinti ir išsilavinę, prisitaikę ir dabarčiai, ir ateičiai. Tik tokiu būdu jie galės gyventi prasmingą gyvenimą individualiai, tiek bendrai. Tuo požiūriu aukštojo mokslo įstaigos atlieka svarbų vaidmenį kurdamos tinkamas strategijas, nes jos yra atsakingos už studentų parengimą perspektyviam karjeros ir pilietiškumo ugdymui. Universitetai ir kitos aukštojo mokslo institucijos vis labiau supranta, kad jų ugdymas yra kintantis procesas, o lyderystė žinių ir studijų plėtros srityje reiškia jautrumą visuomenės pokyčiams. Todėl ugdymo įstaigos turėtų dažniau konsultuotis su savo paslaugų vartotojais. Švietimas skatina visuomenės pažangą, tačiau tuo pačiu metu jis turi ugdyti ir visuomenę, kurdamas tinkamas ateities studijų strategijas.

Žmogiškųjų išteklių valdymo ir nacionalinio saugumo programų magistrantūros studijos paruošia studentus nepriklausomam nacionalinio biudžeto vertinimui (galimai leidžia įvertinti kaip viešųjų finansų specialistams), kuriam reikalinga aukšta kvalifikacija. Žmogiškųjų išteklių valdytojai viešajame sektoriuje yra atsakingi už viešųjų finansų išlaidų apskaitą ir biudžeto reikalus institucijoje, todėl, be įprastų biudžeto žinių, jie turi parodyti galias valstybės finansų žinias ir gebėjimą derinti žmogiškųjų išteklių valdymą ir viešąsias išlaidas.

Siekiant šio tikslo, Generolo Jono Žemaičio Lietuvos karo akademijos (LKA) Nacionalinio saugumo magistrantūros studijų programa iš dalies įtraukia specializuotų dalykų studijas valstybės finansų ir biudžeto planavimo srityse. Vienas svarbiausių dalykų yra nacionalinis biudžetas, reikalaujantis iš studentų daug išankstinių žinių biudžeto ir mokesčių sistemos srityse.

Įvertinus, kad valstybinio sektoriaus žmogiškųjų išteklių valdymo pagrindinis tikslas galėtų būti viešieji finansai, naudinga parodyti studentams nacionalinio biudžeto operacijų ir mokesčių įplaukų skirtumų vertinimus. Mokymo procesas turėtų būti pagrįstas tiksliai parinktais studentams pavyzdžiais. Didaktiniu požiūriu tinkamai parinktas atvejis būtų toks, kuriame yra daug skirtumų tarp nacionalinių, vyriausybių ir savivaldybių biudžetų ir jų teisinių aprašų šalies teisinėje sistemoje.

Vienas minėtiems kriterijams tinkančių pavyzdžių yra pajamos, surinktos iš skirtingų mokesčių. Pavyzdžiui, pajamos iš mokesčių yra svarbiausia nacionalinio biudžeto sudedamoji dalis. Be to, vyriausybės ir savivaldybių biudžetų kartais skirtingi tvarkymo principai turėtų būti aiškiai suprantami magistrantams.

Straipsnyje pateikiami privalumai ir trūkumai renkant skirtingus mokesčius nacionaliniams, valstybės ir savivaldybių biudžetams, atsižvelgiant į mokesčių naštą skirtingoms visuomenės grupėms. Be to, aptariama studentų mokymo apie valstybės biudžeto sudarymą ir apmokestinimo principus programa. Tarp daugelio svarbiausių aspektų galėtų būti modelis, aiškiai parodantis skirtingą požiūrį į biudžeto išlaidas ir mokesčių skirtumus kaip tarpusavyje susijusią problemą. Tuo požiūriu tokių skirtumų nurodymas galėtų būti viešųjų finansų ir biudžeto esminis aspektas. Praktinio viešųjų finansų ir biudžeto studijų pritaikymo pavyzdžiai yra pateikiami remiantis daugelio metų praktika mokant viešųjų finansų, nacionalinių ir savivaldybių biudžetų teoriją.