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**STATE AND BUSINESS: DEVELOPMENT OF SOCIAL INFRASTRUCTURE
AND PERFORMANCE OF IT IN UZBEKISTAN**

**ГОСУДАРСТВО И БИЗНЕС: РАЗВИТИЕ И СОСТОЯНИЕ СОЦИАЛЬНОЙ
ИНФРАСТРУКТУРЫ В УЗБЕКИСТАНЕ**

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Abstract. The article focuses on the importance of cooperation between state and business to develop social infrastructure. As well as, it is discussed features and condition of entrepreneurship in the social sphere in Uzbekistan.

Meanwhile word economy is showing global appearance, many countries all over the world, particularly developing ones face to some problems in terms of lack of social infrastructure. In this case, it can be seen poor condition of recreation facilities, wearisome forms of nutrition, health care, science and education, as well as, other social spheres need to be reconstructed or repaired. The existence of these problems can lead to a decline in the living standards of the society and cause to social irresponsibility. Therefore, in this case, elimination such social and economic tension and prevention of it is considered as one of the main tasks of the state.

In contemporary situation of the world, it is known that upgrading countries economy with private capital plays a central role in the economy of both developed and developing countries. In particular, the state can create a number of socio-economic conditions by using ability of private sector and through this, private enterprises serve as a provider of social needs to ensure effective market economy. In recent years, private sector has shown as a main force of increasing income of countries, at the same time it has become the main provider of financing and developer of social infrastructure.

Аннотация. В статье основное внимание уделяется партнерским отношениям между государством и бизнесом в развитии социальной инфраструктуры. Обсуждаются особенности развития и состояния предпринимательства в социальной сфере Узбекистана.

В условиях глобализации мировой экономики многие развивающиеся страны сталкиваются с проблемами отсутствия социальной инфраструктуры.

Об этом свидетельствует плохое состояние рекреационных объектов в сфере общественного питания, здравоохранения, науки и образования, а также, необходимость восстановления и ремонта объектов социальной сферы. Существование этих проблем может привести к снижению уровня жизни населения, а также к социальной безответственности соответствующих органов управления в данной сфере. Поэтому, устранение и предотвращение таких социально-экономических напряженностей рассматривается в качестве одной из главных социальных задач государства.

Известно, что в современном мире модернизация экономики стран с частным капиталом играет центральную роль в экономике как развитых, так и развивающихся стран. В частности, государство может создать ряд социально-экономических условий, используя способность частного сектора и за счет этого, частные предприятия служат в качестве поставщика социальных потребностей для обеспечения должного уровня жизни граждан конкретного государства. В последние годы частный сектор показал себя в качестве

основной силы увеличения доходов стран, и в то же время данный сектор экономики стал основным поставщиком и источником финансирования, а также разработчиком социальной инфраструктуры.

Keywords: state and business, infrastructure, socio-economic condition, entrepreneurship, private sector.

Ключевые слова: государства и бизнеса, инфраструктуры, социально-экономические условия, предпринимательство, частный сектор.

Infrastructure is sum of the whole economic entities which serve to establish market relations and activities effectively and efficiently. Although the term of infrastructure is used widely in social life, this term is explained differently by a lot of researchers based on various approaches. Many observers argue that term of infrastructure is a system of spheres including services for production and population.

In another studies, this term is understood as a system of services which to contribute only to ensure continuity of production. [1, p. 2]. The production which is the basis of social life aim at realizing human interest and satisfying their needs, it is acceptable to understand the term of “infrastructure” as a system of the whole spheres of serving to people and production.

By showing wide field of infrastructure, we just pay the whole attention for discussing features of one part of them — “social infrastructure”. For the first criteria, it is taken private infrastructure, because we pay attention to develop it. Administrative command methods of management is common method in lots of countries. Due to being thought about social infrastructure, it is taken internal criteria for it. Social infrastructure is usually appeared as a material one. The aim is to progress social infrastructure, so we want to pay attention developing one without denying others. Finally, the most important function of social infrastructure is coordination of all socio-economic processes.

Infrastructure are classified by the scientists of the CIS as following: [2, p. 41]:

Social infrastructure is a collection of networks based on service sphere in order to satisfy individual needs of the population in the community. These include public transport, communications, health care and social provision services and other networks. High quality of social infrastructure in the community supports economic growth, encourages using human capital effectively and play a key role to provide social stability. That is why it is vital for the countries and to develop it has become main purpose of state policy.

Over the years, private sector has been showing important role to provide economic development. Along with supplier of economic development, as well as entrepreneurs help to overcome unemployment, enrich the state budget with taxes and the most important side—they are active to deliver social services. This process is being done by entrepreneurs, so that it leads to minimize budget expenditures. Of course, to see such a favorable situation depends on effective state and business relations, as well as, it is determined with how convergence of their goals serve for social life.

Table.

CLASSIFICATION OF INFRASTRUCTURE

<i>Classification features of infrastructure</i>	<i>Types of infrastructure</i>
According to the forms of property	–state –municipal – private –community –foreign –mixed forms of property
Management methods of activities of infrastructure organization	– market methods of management – administrative–command methods of management – market–administrative methods of management
According to the spheres of activities	– internal –external –mixed
According to the types of infrastructure	– material infrastructure –operative infrastructure –market infrastructure
Depending on the service sector (appropriate types of infrastructure)	–building infrastructure – social infrastructure –institutional infrastructure –innovation infrastructure –financial infrastructure – customs infrastructure – communal infrastructure –ecological infrastructure
Stages of development	– developing –developed –regressing
According to the around of duties	–information –personnel –financial – related to the production – certification – coordination

At the same time, state as a conductor of principal process, it has attitude to business as following:

- State can slow down entrepreneur activity, if it creates uncomfortable condition for business or prohibit it;
- State can be external observer, if it doesn't establish any prohibition at the same time it doesn't help and support development of business;
- State can accelerate entrepreneur activity, if it supports business multilaterally and focuses on reforms which based on attracting new agents to business [3, p. 96].

In this position, it should be focused on the third feature which state can accelerate business. If it is told precise, it is important to pay attention to develop partnership between business and state. Because, only in that position, both of them can obtain high quality of their goals.

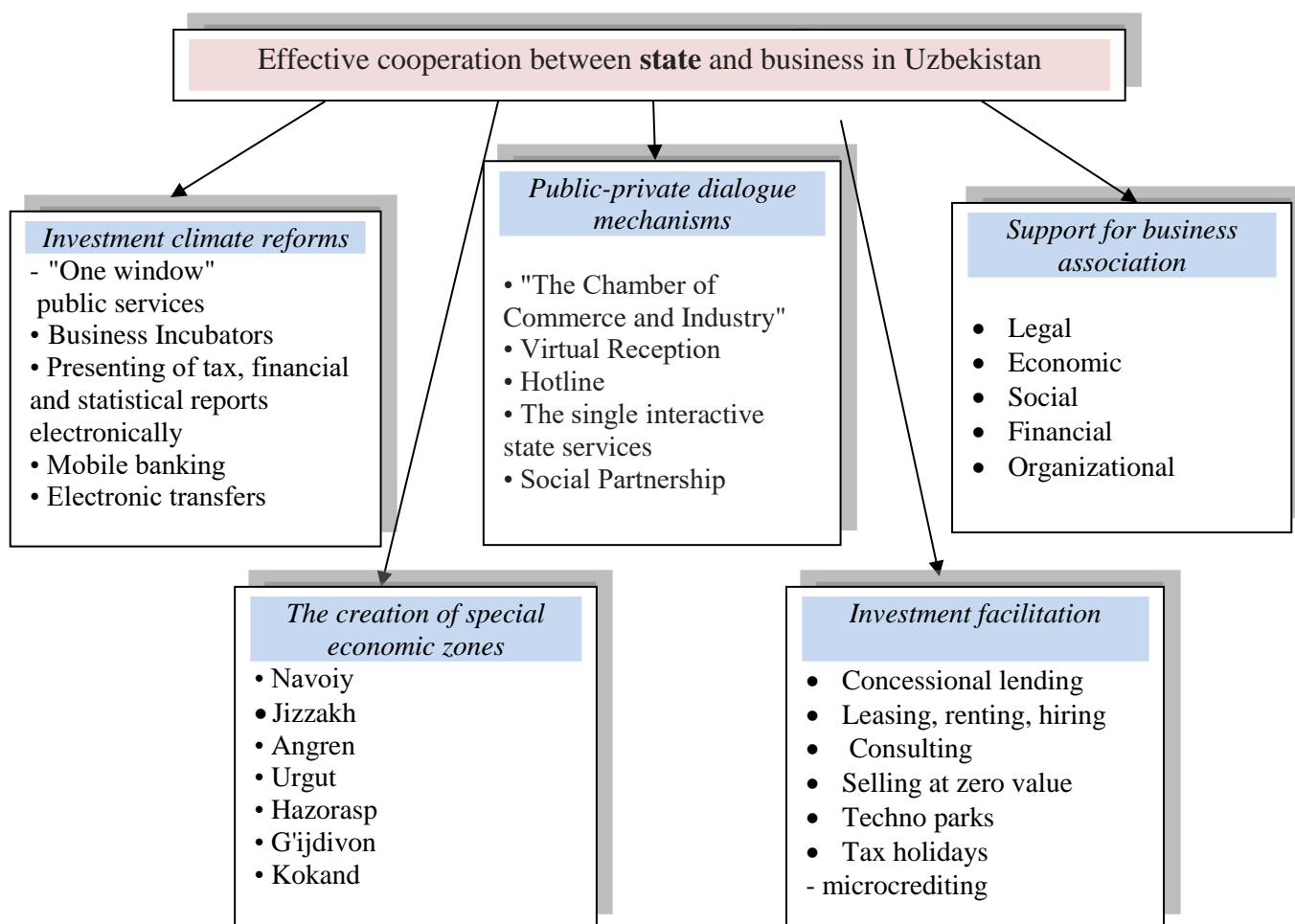
Therefore, many countries of the world are trying to ensure the effectiveness of cooperation between government and business. When the relationship between the state and business is in accordance to the interests of each parts, it can be achieved this purpose. At the same time, compliance of the interests and due to this can provide the full–fledged movement of economy and

high level of development. [4, p. 6–7]. State purpose in that is solving the most important social problems, improving them and creating perfect lifestyle for people in the community by elaborating these relations. State cannot be seen as a passive observer in social and economic processes, it is shown as a guarantee of business activities that protects the owners and consumer's rights and the competition in the market. [5, p. 8–9]. The purpose of the business, through the development of infrastructure, is to earn fixed income, ensure high and stable profit, as well as, to select new directions of activity. State and business goals meet at the same point so that it can be found the best options of achieving the target.

Condition of social infrastructure in Uzbekistan was very poor and painful during the Soviet Union. However, it has taken out one-sided agrarian economy and is continuing new and modern stages of reforms which is characteristic of each independent state. The basic content of the reforms being implemented in Uzbekistan is to ensure a normal life for the population and welfare issues. First of all, interest of all the people in Uzbekistan and their wellbeing lies in the basis of economic reforms. Therefore, the transition to market economy consists of forming socially oriented market economy. Especially, “The Uzbek model of development” developed by the first President of Uzbekistan Islam Karimov is significant in order to implement these goals and economic reforms. There is given some aspects, which require special attention in this model those are “State as a head reformer” and “Strong social policy” principles. These two principles fill the points outlined above. That is, all policy and reforms held by state based on interests of the people or population. There is a particular role of business to develop social infrastructure in Uzbekistan. In particular, small enterprises have become the main supplier to implement that purpose. Hence, nowadays Uzbekistan is carrying out effective cooperation with the business in order to solve socio-economic problems of population in community. Enterprises are playing active role to supply various types of social services. At the same time, it is being provided harmony of state and business relations.

It is noted creating close consultation between the state and business, also establishing reliable and accurate mechanism of them are important. The government of Uzbekistan is supporting all the enterprises by giving additional privileges and opportunities for new forms of business activities which lead to saving cost and time to start their own businesses and in implementation of them.

The following figure explains the implementation of the partnership between state and business in Uzbekistan:



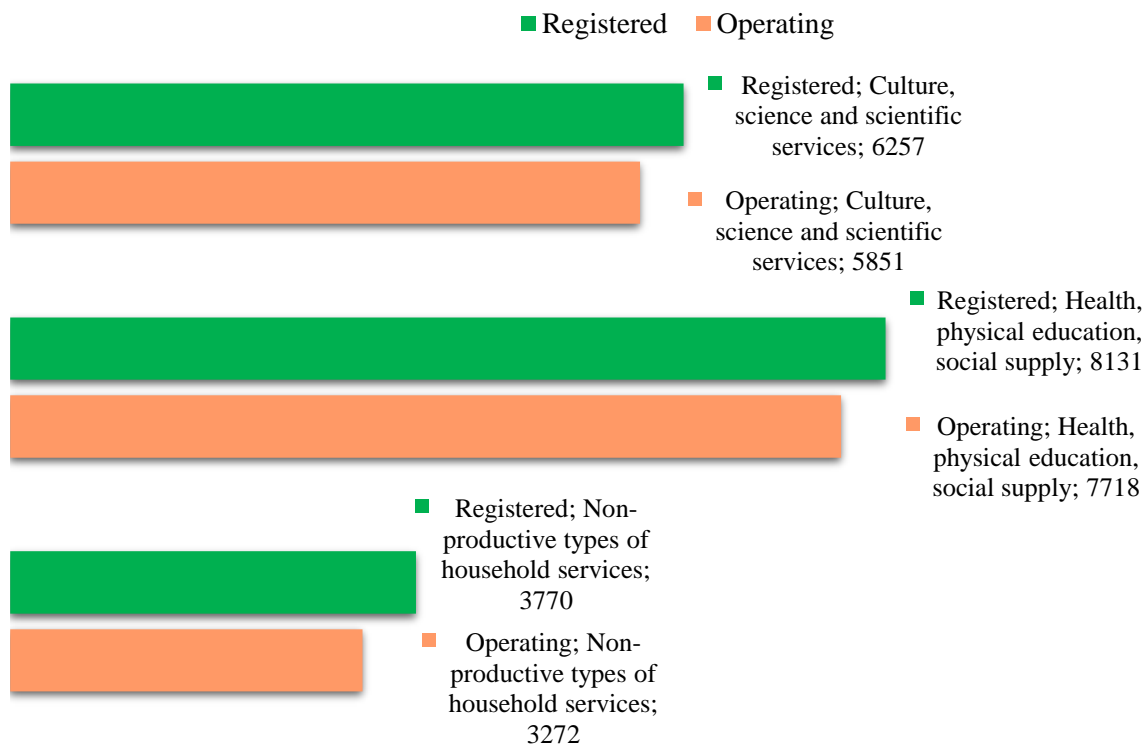
Source: It is improved by the author on the basis of the results of the researches about state and business relations [6].

Figure 1. Effective cooperation between state and business in Uzbekistan.

Social infrastructure in Uzbekistan is usually possessed by the state. But, attracting entrepreneurs to this field is progressing and they are given all the opportunities by the state. Because of the effective cooperation between state and business, the social service has been improving, education, health care, housing have developed. Entrepreneurship is showing great consequence for the changes in society.

In addition, there are some problems in working the whole mechanism of cooperation effectively. One of the problems, although the majority of enterprises registered in the social sphere, there are "survive" related problems in that.

In 2014, the number of registered and operating enterprises and micro firms in some spheres of social services



Source: Prepared by the author based on data from the State Statistics Committee.

It can be seen from the graph, in 2014, the number of registered enterprises and micro firms in the field of education, culture, science and scientific services was 6257, but 5851 of them were functioning. This was shown as 8131 in the field of health, physical education, social supply, the number of non-productive types of household services was 3770 in Uzbekistan. However, the number of operating enterprises and micro firms in the field of health, physical training, social supply was 7718, non-productive types of household services was 3272 respectively.

It is clear that there are significant differences between the number of registered enterprises and operating ones. Business activity index is 93,5% in education, culture, science, scientific services, 94,9% in health, physical education, social supply and 86,8% for non-productive types of household services.

It can be shown some reason for this which embarked entrepreneurship is not being continued:

- Licensing requirements;
- Tax avoidance due to the lack of knowledge about taxes;
- Problems associated with the credit;
- Entrepreneurship skills development, or lack of sufficient knowledge;
- Large number of unscheduled inspections.

Consideration of these problems by the state can lead to shrink the difference in engaged entrepreneurial activity and certainly this increase entrepreneurial ability. In this, reducing the volume of licensing by the state as much as possible, simplifying the processes associated with credit, deepening knowledge of tax and business is thought as the main issues. Overcoming these

problems by the government may lead to the strengthening of cooperation between government and business. In this purpose, government of Uzbekistan is carrying out great number of additional changes in the legislation, have adopted new laws and accomplishing a wide range of reforms. Decree of the President of the Republic of Uzbekistan About measures for ensuring reliable protection of the private property, small business and the private entrepreneurship, removal of barriers to their accelerated development of May 15, 2015 no. UP-4725 “About measures for ensuring reliable protection of the private property, small business and private entrepreneurship, the removal of barriers to their accelerated development”, Resolution of the President of the Republic of Uzbekistan of September 28, 2015 no. PP-2412 “About measures for further enhancement of the procedure for rendering the state services to subjects of the entrepreneurship for the principle “one window”, Decree of the President of the Republic of Uzbekistan adopted of October 5, 2016 no. 4848 “On additional measures to ensure the accelerated development of entrepreneurship, all-round protection of privacy property and qualitative improvement of business climate”, Resolution of the President of the Republic of Uzbekistan of October 28, 2016 no. PP-2646 “About enhancement of system of the state registration and registration of subjects of the entrepreneurship” are the example of those (1–4). According to the Decree of the President of the Republic of Uzbekistan adopted of October 5, 2016 no. 4848 from 1 January 2017 abolished unscheduled inspections over activities of business entities, excluding the inspections in connection with the liquidation of a legal entity, as well as conducted exceptionally by the decision of Republican Council on the coordination of regulatory authorities of short-term inspections based on appeals of individuals and legal entities about the facts of violations of the law.

Development of state and business relations plays an important role in the life of every country. It is clear that infrastructure is not carried out without certain financial assets. In condition of limited financial resources, state can find financial partner or helper for socio-economic spheres by developing state and business relations. Settling cooperation relations truly to develop infrastructure help to reach the purposes of the society. At the same time, entrepreneurial activity do the role of driving the engine and carrying out the changes in society and participate with the state to solve social problems. In other words, the private partner is seen for the state as "Machine of special purposes". Government expands the scope of work for the private sector. Government and business goals meet at the same point, this process will lead to the improvement of the socio-economic situation. In condition of limited state budget and increasing demand of population for a normal life requirements, the development of these relations remains the main challenge in each the country's economy.

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