

## The Importance of Market Mechanisms in the Development of Social Infrastructure

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### Abstract

*The development of social infrastructure services is important in improving the standard of living and quality of life of the population. To do this, first of all, it is necessary to determine its structure and classification. In the article, the market mechanism of social services is based on a system of socio-economic relations, classification types are highlighted.*

**Keywords:** *infrastructure, social infrastructure, service, economy of city management, city management.*

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In the following years, based on the principle of "For human dignity", reforms aimed at further increasing the well-being of our people, transforming economic sectors and rapidly developing entrepreneurship, unconditionally ensuring human rights and interests, and forming an active civil society, based on the in-depth analysis of complex global processes and the results of our country's progress The goal is to determine the priority directions.

The social sector is a system of mechanisms in the economy with its own resources, labor force, technology, entrepreneurship and management skills. Its main purpose is to develop the human factor, to study problems specific to the needs of society, and to explain the perspective. Studies show that such a complex process is realized through the production, distribution, exchange and consumer relations of goods and services as an economic phenomenon.

For the highly effective performance of these tasks of a comprehensive nature, investment for social services performed by the state, private capital for social services provided by commercial networks, investment for services provided by non-profit organizations, funds belonging to the family budget for social services provided by the family, mixed, investment and sound effective management of partner national social service entities will be required. The economy of social services is driven by its consumers, providers of social services and the state. This action is carried out by the market mechanism in the existing system. By the market mechanism, we understand the set of organizational and economic forms, legal norms, economic levers and management methods used for implementation and regulation (of work activities in all spheres of society).

In concrete terms, the market mechanism is the use by society of the requirements of economic laws through a complex of organizational structures (content), forms of economic management, management methods, legal norms and economic levers. The elements of the market mechanism include:

- organizational (content) structure of planning, management,
- assessment, legal norms, tools (tax, credit, sanctions, payments to the budget, salary, incentive fund).

The market mechanism of social services operates within the system of socio-economic relations. Therefore, we believe that it is appropriate to explain the essence of its market mechanism from the theoretical and methodological point of view as follows.

The essence of the market mechanism of social services is manifested in the unified system of economic activities of market entities in the process of production, distribution, exchange and consumption of free and paid services. In this process, the market mechanism performs a number of functions. They can include organization-management, distribution, exchange, formation of consumer structure, assessment, promotion, ensuring the social and economic responsibility of the participants of reproduction in the society. Proceeding from the above, it is necessary to clarify the interrelationship of the market mechanism of social infrastructure objects with socio-economic relations as follows.

First, the relationship of social infrastructure objects with the sphere of production relations of the market mechanism. In this area, the market mechanism of social services covers all economic relations related to the production process:

- ✓ relations on the organization and management of production;
- ✓ relations of cooperation of production enterprises at the level of branches, regions, state and interstate;
- ✓ relations of use of natural, material, labor and financial resources;
- investment relations;
- product evaluation relationships, etc.

Secondly, relations in the field of distribution of social infrastructure objects:

- distribution of natural resources, labor, and material resources among market entities (this distribution is expressed in the distribution of monetary income, labor force, material technical capacities, and natural resources);
- distribution of income between the state and market entities;
- market intersubjects, within them, that is, distribution of income between market subjects and employees, shareholders, etc.

Thirdly, relations in the process of exchange of social services.

- formation of exchange organizational structures of social infrastructure objects and relations related to commercial management;
- means that regulate the commercial activity of social infrastructure objects, situations that arise in the use of economic levers;
- contractual relations with product manufacturers;
- relations with competitors.

Fourth, relations in the field of consumption of social infrastructure objects.

- relations related to the organization of marketing (study of supply and demand, advertising, sale of goods, price formation);
- relations related to the formation of rational consumption.

These relations are closely related to each other, merge into each other, become each other.

Research shows that these four relationships are manifested at the macroeconomic, mesoeconomic, and microeconomic levels.

For example, at the macro-economic level, the market mechanism of social services is closely related to the organizational structure of society management and the functions that perform them, and its movement is regulated by organizational structures.

The composition of social infrastructure objects in the national economy

(in diagram 1) and it is possible to express the organizational structure of management of social infrastructure objects in the society.

**Figure 1**



Networks and branches can be divided into 4 different large groups.

The first is the networks that transport natural resources, agricultural products, rivers, seas, and oceans, forest resources to the manufacturing and processing industries.

The second is industries that recycle natural resources, agricultural products, rivers, seas, oceans, and forest resources.

The third is the industries serving the industries of the first and second groups (transport, communications, utilities, trade, commerce, supply, etc.).

The fourth is administration, jurisprudence, health care, education and other public service sectors.

At this level, ministries, committees and other structural structures are created, programming, planning, management of state-owned enterprises, regulation of economic relations in society, ensuring money circulation, implementation of credit and tax systems, execution of state orders, education, health care, defense, provision of external communications and other works are carried out.

In the conditions of the market economy, studying the activities of social service economic entities, conducting scientific research, identifying their problems, and finding their solutions is a complex process.

At this level, ministries, committees and other structural structures are created, programming, planning, management of state-owned enterprises, regulation of economic relations in society, ensuring money circulation, implementation of credit and tax systems, execution of state orders,

education, health care, defense, provision of external communications and other works are carried out.

In terms of organizational structure, social services are divided into different forms and types in world practice.

Based on the form of ownership, social services are divided into private, collective (cooperative, joint-stock) state and mixed forms.

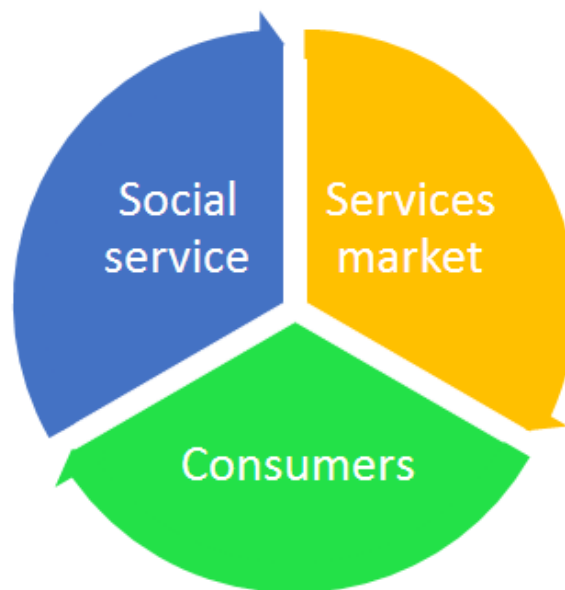
From the point of view of shifting from providing social services to consumers, they are divided into free and paid social services.

The market mechanism of social services derives from the characteristics of its role in society and the functions it performs.

Social services are an integral part of the economy of service industries in the market economy

As a sector of the "market of services", it performs the perfect function of delivering the necessary services to the consumer of social services through the process of offering them. This process can be represented in Figure 3 as follows:

**Figure 2**



All elements of the market are involved in the process of offering social services, i.e. supply, price and demand. These elements are aligned through competition in the services market.

In this process, social services enter economic aloha with many branches of society's economy and various consumers, create their management organizational structures, types of social services (such as state, mixed, import) are created.

In this process, services related to the provision of social services to the population are implemented. Entrepreneurship specific to the social sphere will develop. Relations with financial entities are established, economic and financial tools are used.

Depending on the exchange process, legal instruments and norms are reflected. In this process, social tools are activated, psychological environments are created;

And finally, socio-economic, financial, legal relations related to commodity-money circulation are formed.

Thus, the market mechanism of social services, an integral part of the economic mechanism of society, appears as an active tool that moves it.

The market mechanism of social services is a set of management methods, organizational structure, concrete forms of economic management, legal, psychological tools and norms necessary for its activity.

The market mechanism of social services consists of the following elements:

First, forms of organization of free and paid social services, forms and types of enterprise and entrepreneurship, their specialization, cooperation, association, etc.

Secondly, the structure, methods and forms of its management. This element refers to the management aspect of economic relations and includes administrative and economic methods used to influence production.

Thirdly, financial, credit, monetary relations and economic relations of social services with state bodies and other subjects of the economy.

Fourthly, the forms, methods, economic incentives used in social services (such as evaluation, salary, benefits).

Fifth, legal forms and methods of regulating the activities of social services, legal laws, normative documents of state bodies, instructions, charters and charters of trade organizations and enterprises, etc.

Sixth, socio-psychological factors affecting social service relations.

Seventh, forms and methods of social services competition, courage, security, commerce, secrets.

The basis of the elements of the market mechanism in the social sphere is the legal base.

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