THE WAYS OF INCREASING COMPETITION IN SOCIAL SERVICES SECTOR

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ABSTRACT

The paper studies methods of calculation of competitiveness of social service providers in Tashkent city (Uzbekistan). Specific factors forming economic-mathematical factors of competitiveness of organizations (providers) of education, healthcare and cultural services are presented. As research shows all social services (public and commercial) of human capital development in Uzbekistan regulated by the same legislation for all citizens (in some cases, according legislation, these services are "free" for particular consumers). The main mechanism of increasing competitiveness of organization is integration to public-private partnerships the research proved. The author suggests this partnership also is effective mechanism to improve competitiveness.

JEL CLASSIFICATION & KEYWORDS

■ Z13 ■ I31 ■ Social policy ■ Labor motivation ■ Human welfare ■ Competition ■ Public-private partnerships ■ Consumers

INTRODUCTION

Social policy as part of government policy considers of increasing welfare, human capital development, supplying social services and improving social infrastructure.

Social policy carries out according to the constitutional rights of the citizens. Legislation, norms, standards, programs, grants, budgetary financing and etc. are the mean instruments of social policy implementation. Also providing social guarantees, increasing labor motivation are the basis for success of social reforms.

The analysis of competition in social services sector in Uzbekistan

Today's existing social services system in Uzbekistan are reliable and proving it's practical social support to all population. Social reforms oriented towards building human centered society in Uzbekistan. The reforms based on factors such as success of problem solving in social welfare area, creating reliable social guarantees and increasing labor motivation. The measures of social development and regulation defines it's main tasks, which are the following:

- Economic activity stimulation,
- human capital development,
- providing social society stability.

As noted by Theodor Shultz [4], within process of seeking new factors of economic growth factory worker can be transformed to leaders who can analyze situation and motivated to find the answers of production problems.

Human capital is defined as:

- Reserves of health, knowledge, news, talent and motivation,
- knowledge, news, talent,
- investments to knowledge improvement, new things and human talent.

Social stability in society will be provided by creating different social services which in turn guaranteed by Constitution of the country. Organizing social institutions

and mechanisms supported by the state to make their work more efficient. Providing stable economic growth, development of national production, creating positive business climate and improving the life level of population are the main goals of socio-economic reforms in Uzbekistan. Of course, the system of social services is main instrument of providing these tasks. Spending on social-cultural activities from state budget is explained as government's social function and provides citizens social guarantees.

Table 1 presents the increasing budget spending on social sector and social welfare during the studied period in Uzbekistan.

№		Years				
		2007	2008	2009	2010	2011
1	State budget expenditure, summary (without other state fund spending)	100	100	100	100	100
2	Social-cultural sector and social welfare expenditure	54,1	53,6	56,5	59,1	59,5
5	Economic sector expenditure	12,1	12,5	11,9	11,5	11,4
6	Financing centralized investments	8,6	7,9	7,5	4	5,6
7	Government, legislation sector expenditure	2,2	2,5	2,4	1,1	2,7
8	Financing self-government organizations	0,7	0,8	0,7	0,9	0,8
9	The reserve fund of government of Uzbekistan	0,4	0,4	0,3	0,4	0,3
	Other expenditure	21,9	22,3	20,7	23	19,7

The source: Ministry of Finance data

The governments program towards easing the affects of global crisis to the uzbek economy for the 2009–2012 years was implemented successfully.

"Creating effective social infrastructure and attraction of internal resources to technologic modernization of important sectors of uzbek economy such as real sectors and transport system within anti-crisis state program taken as main priority"¹. Social justice and social defense system principals are the basis of providing social policy in social oriented market economy. Social equality, providing social guarantees and increasing of human welfare are the tasks fulfilled within society development. Government should give priority to factors of social development, increasing of population welfare, and of course, should create legislation basis of reforms in social service sectors.

State social services will differentiate from other services with some characteristics. For example, social services are the wealth of the society, they are provided to serve to the whole society and anyone in the country can use these services. We study social services first as the activity of

¹ I.Karimov. Asosiy vazifamiz –Vatanimiz taraqqiyoti va halkimiz farovonligini yanada yuksaltirishdir. Tashkent. Uzbekistan. 2010. –43 p.

Table 2: The classification of social services

The signs of social services	The classification of social services
As the process of social services	
According to social sector branches	Social services within formation and development of human capital (service sector), social support services (non- production sector)
According to service sector branches	Education, healthcare, culture, sport and etc.
According to ownership	State social services and municipal social services, private social services
According to financial sources	State and municipal budget resources, other state funds, social services financed by sponsors
According to capital expenditure level	Needs high level of capital expenditure, does not need high capital expenditure
According to material expenditure level	Social services which demand many material expenditure, social services which does not demand many material expenditure,
According to personal specialists	Provided by highly qualified specialists, provided by skilled specialists
Social service as economic wealth	
According to payment	Free and commercial social services
According to consumption characteristics	Collective social services, individual social services
According to standardization	Standard social services, non-standard social services
According to human capital development	Services for forming human capital: healthcare, education, culture
According to consumption status	Highly tailored (exclusive) social services, for public social services

Source: Author

Table 3: Important factors of external and internal competitiveness

Source: Author

formation and development of human capital interconnected with the movement of other members of society, second, the type of national wealth and as it's part (taking into account the characteristics of social services). As a result of our research we classified social services as in Table 2.

"Our main short-term task – actively continuing started reforms – social sector development to increase consumption demand, giving special attention to increase wages, development of services and infrastructure sectors, fulfilling transport and communication projects"². Social services sector needed to employ all opportunities of modernization and innovation and should be developed according to the contemporary requirements. Market relations should be more implied in social services sectors and competition environment should be created among social service providers.

The model

Table 3 provides more important factors of external and internal competitiveness in social services market of human capital development and their share.

Internal and external factors of competition of social services build in compound system (according to their importance) are the basis for evaluation of economic-mathematical model and social services competition management. This method is used to evaluate competitiveness of non-commercial social service organizations.

On first stage, all necessary data about competitors should be gathered, together with trends in demand and supply in markets of education, healthcare services and services in cultural sector.

On the second stage the important external and internal factors of organizational competitiveness should be defined to provide success in markets.

On the third stage, the character and level of effects of these factors to competitiveness needed to be studied together with social and economic variables resulting these factors.

On the fourth stage integrated variable of competitiveness is calculated (given as valuation of target function model) and presented as competitiveness of human capital development social services.

We suggest, integrated rating of competition should be calculated by summarizing all points of evaluation of main factors of competition and coefficients of importance given by experts.

There are manageable internal factors of competitiveness and external factors (unmanageable) in economic-mathematical model of competitiveness evaluation. That's why we need some corrections for unmanageable external factors in this model. The model can be presented as summary of all factors of competitiveness social services of human capital development:

$$KS^{NPO} = (\xi_1 \cdot LI + \xi_2 \cdot LR + \xi_3 \cdot LS) + (\eta_1 \cdot V(P, Q) + \eta_2 \cdot EE + \eta_3 \cdot MP + \eta_4 \cdot ImNPO + \eta_5 \cdot AsNPO + \eta_6 \cdot InNPO + \eta_7 \cdot FNPO + \eta_8 \cdot MC^{NPO} + \eta_9 \cdot RNPO + \eta_{10} \cdot MNPO) \rightarrow \max, \quad (1)$$

where:

KS^{NPO} - competitiveness of human capital development social service organization,

² I.Karimov. Mamlakatimizda demokratik islohotlarni yanada chuqurlashtirish va fukorolik jamiyatini rivojlantirish kontsepsiyasi. The speech of the President of the Republic of Uzbekistan I. Karimov at joint meeting of Parliament and Senate of the Republic of Uzbekistan. November 16, 2010.

LI – the level of partnership between government, municipal bodies, business's and social sector,

LR – the level of legal regulation of economic-legal status,

LS – parameter of social importance of activity,

ξ – share coefficient of competitiveness factors (external factors),

$V(P, Q)$ – the volume of provided services according to "price/quality" measures,

EE – parameter of economic efficiency of social services,

MP – the market share of social services,

ImNPO – image of social services,

AsNPO – budget organization assets,

InNPO – innovation and mobility,

FNPO – fundraising efficiency,

MC^{NPO} – the level of advertisement-marketing communication,

RNPO – stability of social services to risks,

MNPO – motivation component in social services activity,

η – the share coefficient of social services competitiveness (internal factors).

The suggested general model of competitiveness of social services organization presents universal character and can be used within any organization in human capital development market.

The following specific factors taken into account to clarify model implementation to different segments of human capital development social services market: sector specifics of budget organization in education, healthcare, cultural markets to build three economic-mathematical model with variables characterizing all target markets - education, healthcare, cultural markets.

Conclusion

1. The research studies methods of calculation of competitiveness of social service providers of human capital development in Tashkent city. Specific factors forming economic-mathematical factors of competitiveness of organizations (providers) of education, healthcare and cultural services are presented. One of mechanisms of increasing competitiveness of organization is integration to public-private partnerships the research studied. The author suggests this partnership is effective mechanism to improve competitiveness.
2. Human capital development social services are characterized with complex of market and non-market dialects, collective and individual starts, possess specific characters resulted by external effects differentiating them from other services.
3. Social services for the development of human capital are specifies as public welfare and welfare for individual use integrated in market relations, which shows it's dual character.
4. Social services for human capital development provision will be evaluated not only within economic measures, but how it is socially effective.
5. The dual character of social services are resulted from (specifying public and private) external effects. The importance of social services market requires state regulation of these services.
6. All social services (public and commercial) of human capital development in Uzbekistan regulated by the one

legislation for all citizens. In some cases, according to legislation, these services are "free" for particular consumers, which in turn will be paid by state budget.

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