

Theoretical Aspects of the Development of the Socio-Economic Infrastructure of the Country

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ABSTRACT

In terms of theoretical aspects of Housing and development of production, social and economic infrastructure. Analyzed concepts formed and developed infrastructure and joint development of theoretical solutions. The existing interpretations by modern scientists of the concept of "infrastructure" are systematized. the scientific arguments of leading economists on the socio-economic infrastructure are presented, the impact on the economic sphere, but also on the social one, is substantiated. The paper highlights the main factors affecting the investment process in the infrastructure sector, describes its conditions and problems. It is not possible to invest in the economy, but also in the private sector in the realization of such investment projects.

ARTICLE INFO

Article history:

Received 27 Oct 2022

Received in revised form

27 Nov 2022

Accepted 28 Dec 2022

Keywords: infrastructure, regional economy, regional development, infrastructure classification, infrastructure investments.

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Infrastructure begins to play an increasingly important role in the development of economic systems in the country. It forms the conditions for economic activity of individuals and firms, as a sector of the economy it creates jobs, contributes to the growth of the regional product and improves the quality of life of the population.

The understanding of the influence of infrastructure entered the economic science long ago, but there was no full-fledged concept. Adam Smith noted the role of the transportation system in the development of the economy, but for many years, infrastructure was not a separate category, and was included in the general concept of "capital".

It is believed that the term "infrastructure" was originally used in the military sphere. Having transplanted the term into the economy, economists for a long time could not form its clear definition, only naming separate assets, which are included in the infrastructure system. World Bank experts suggested a set of characteristics of infrastructure objects:

1. The objects of fixed capital must be consumed indirectly with other factors of production, to provide services.
2. The return on infrastructure is discontinuous, not gradual.
3. Duration of use.
4. Infrastructure is territorially bound.
5. Infrastructure is directly related to market failures and government intervention.
6. Both final consumption and intermediate consumption are present.

The most common approach is related to the concept of J. Baldwin and J. Dixon about the characteristics

of infrastructure assets, such as:

1. Long life cycle.
2. Creation takes a long time.
3. a small number of substitutes in the short term.
4. Ensuring the creation of goods for which it is difficult or impossible to maintain inventory.
5. Intermediacy for other goods, services, and factors of production.

However, these are only characteristics. Many authors of the 20th and 21st centuries attempted to formulate a definition of the infrastructure, but could not cover the comprehensive aspects of this category.

After analyzing the definitions and approaches proposed by various researchers and organizations, A.E. Lantsov derived the definition of an infrastructure in a broad sense: “a set of tangible and intangible assets that ensure the implementation of economic activity and the living conditions of economic entities and have a set of certain distinctive characteristics, such as: capital intensity, long-term creation and use, manifestation of market inefficiency, attachment to a certain territory, a small number of substitutes in the short term, the possibility of use in intermediate and final consumption by both households and companies”.

But the infrastructure is patchy. In addition to material objects, traditionally mentioned by economists in definitions, an important place is occupied by an infrastructure based on intangible objects and phenomena. Objects are quantitatively immeasurable, which creates a number of difficulties for practical description and assessment of effects, but also have the characteristics of infrastructure assets.

Many authors distinguish two types of infrastructure: production and social. The first type creates conditions for the production and transportation of economic benefits. These are all forms of transport systems, energy, water, gas supply systems, etc. Social infrastructure forms the person himself, his capabilities and abilities. It reflects the systems of education, health care, law enforcement, etc.

Experts of the International Economic Forum offer a similar classification to attract private investment: social infrastructure (facilities necessary to provide socially significant services to the population) and economic infrastructure (facilities necessary to ensure growth and development).

Another classification is proposed by R. Yochimsen. He considers, in addition to material institutional and personal infrastructure. The institutional infrastructure, the allocation of which is caused by the rapid development of institutionalism in the 20th century, is characterized by a system of norms and rules enshrined in legislation that regulate relations between economic entities. Personal infrastructure is based on the ability of people to participate in improving the integration of various types of economic activities.

A completely different classification includes the basic and complementary infrastructure. The first involves the general sharing of its objects, extreme importance for other sectors of the economy, non-bargaining, the "jump" nature of investments, technical and territorial indivisibility. Complementary infrastructure, as the name implies, is complementary in nature, ensures the availability of basic infrastructure for more economic entities, increases its effects for various spheres of society.

Due to the vagueness and multivariability of the definition of the infrastructure, an unlimited number of classifications of its objects can be distinguished, which from different sides will characterize them and detect new properties.

Aschauer D.A. tried on the basis of mathematical methods to assess the relationship between the development of the economy and investment in infrastructure and came to the conclusion that the coefficient of elasticity of output to the volume of investment in key infrastructure is approximately 0.39. This estimate is clearly overestimated, but gave ground for further research and attempts to assess the contribution of infrastructure to economic growth.

In contrast, Evans P. and Karras G., based on a study of the statistics of seven OECD member countries from 1963 to 1988, concluded that increasing public spending on infrastructure does not increase

efficiency and economic growth: "there is no empirical evidence that public spending is highly productive".

Another point of view was expressed by Canning D. and Pedroni P. Using the econometrics methodology, they justified the existence of an optimal point of investment in infrastructure, in which the return on them is maximized and long-term economic growth is observed. A further increase in investment entails a diminishing return, in other words, an increase in infrastructure capacity, diverting economic benefits and production factors from other industries, will bring less economic benefits. Currently, the role of infrastructure is not in question.

The "Concrete Economic Law of Structural Conformity and Coherent Interaction" requires the balanced development of the economic economy itself, producing economic benefits, and the infrastructure that supports and serves it, for the sustainable growth of the economic system.

From the point of view of the regional approach, the developed internal infrastructure becomes an important competitive advantage of the territory, a factor in attracting investments in its economy. Providing access to economic benefits and information to various personal market entities, the developed infrastructure reduces the transaction costs of economic agents, thereby increasing the margin of economic activity, stimulating the growth of entrepreneurial activity and attracting new entities, including to innovative sectors of the economy. In addition, a developed infrastructure contributes to the integration of the region with neighboring territories, and removes the possibilities of trade, the exchange of intellectual and material resources. Transport infrastructure plays a key role here.

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