

FACTORS FOR EFFECTIVE MANAGEMENT IN THE NONPROFIT SECTOR: GOVERNMENT SUPPORT

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Abstract. In countries with economies in transition, the development of the “third” sector is very important for solving social problems in society. The government needs to find an effective mechanism for financing and effective management of the non-profit sector. Undoubtedly, the final result depends on the socio-economic policy of each country, the quality of reform implementation and the level of economic growth. In this article, discussed the features of state support for NGOs in the Republic of Uzbekistan.

Key words. Non-profit organizations, state support for NGOs, the social sector, non-profit management.

Introduction

It goes without saying that increasing effective management of non-government organizations is one of the most important issues facing us today.

First of all, it is worth considering with a definition of what an NGO is and how it behaves, and then to make welfare comparisons among alternative policies that might be adopted.

Article 2 of the Law “On Non-Governmental Non-Profit Organizations” of the Republic of Uzbekistan states that “Non-governmental non-profit organization is a self-governing organization created on a voluntary basis by individuals and (or) legal entities, not pursuing the extraction of income (profit) as the main goal of its activity and not separation of the received income (profit) between its participants (participants)". [1]. A non-governmental non-profit organization is created to protect the rights and legitimate interests of individuals and legal entities, other democratic values, achieve social, cultural and educational goals, satisfy spiritual and other intangible needs, carry out charitable activities, and for other socially useful purposes.

According to the Civil Code of the Republic of Uzbekistan (§ 3. Non-profit organizations), non-profit organizations include consumer cooperatives, public associations, public funds, institutions, associations of legal entities (associations and unions), self-government bodies of citizens (but not NGOs). [2]

The UN Interagency Committee on Integrated Rural Development for Asia and the Pacific (1992) listing six defining characteristics of NGOs: they are voluntary, non-profit, service and development-oriented, autonomous from the government or political parties have a high degree of motivation and commitment, and some form of formal registration. However,

this list encompasses such a broad range of organizations that it is difficult to make precise positive predictions or, on that basis, normative prescriptions.

In our country, the legislative framework for the activities of NGOs is gradually being improved. According to official statements, over the years of independence, more than 200 legislative acts have been adopted aimed at strengthening the role and importance of civic institutions and solving pressing social and economic problems of citizens.

Over the past two years, on the initiative of the President of the Republic of Uzbekistan Sh. Mirziyoyev, practical reforms have been carried out to further improve the activities of NGOs. For example, in 2017, separate decrees and decisions were adopted on improving the activities of non-governmental non-profit organizations such as the Nuroniy Foundation, the Youth Union, the Council of Farmers, Dekhkan Farms and Owners of Private Lands, the Chamber of Commerce and Industry, the Republican Council for Coordinating the Activities of Self-Government Bodies citizens, their support. As President S. Mirziyoyev asserted: "... Secondly, today we expect from non-governmental non-profit organizations and other civil society institutions that they will more actively draw the attention of state bodies to problems that concern citizens, as well as to their reasonable proposals". [3].

However, despite such measures, the participation of non-profit organizations in a systematic study of the problems of the population, their solution, especially in supporting women in difficult social situations, preventing crime and crime among youth and women, and their employment is not felt to a proper degree. These organizations are mainly involved in informal events.

Nowadays, In Uzbekistan, non-governmental non-profit organizations, NGOs as an institution of civil society are growing quantitatively and qualitatively. Currently, there are more than 9 thousand NGOs in the country; there are branches and representative offices of 29 international and foreign non-governmental organizations. The following tables provide a statistical analysis of the development trends of NGOs in Uzbekistan, their classification and role in various areas of life.

According to the Ministry of Finance of the Republic of Uzbekistan, in the first quarter of 2020 the state budget revenues amounted to 28.5 trillion soums and expenditures - 27.7 trillion soums. The state budget surplus amounted to 0.8 trillion soums or 0.5% of GDP. [4]. If we look at the structure of government spending, we will see how the government of Uzbekistan supports the social sector. During the reporting period, 15,550.0 billion UZS or 56.6% of total expenditures were allocated from the state budget to finance social expenditures. The increase in social spending compared to the same period last year was 18.5 %.

According to Table 1 below, the funds allocated from the state budget for the activities of some large non-profit organizations in the first quarter of 2020 may give an idea of how the state supports "third" sector organizations.

In addition, to ensure the implementation of the Decree of the President of the Republic of Uzbekistan [5] to mitigate the negative impact of the global crisis on the pandemic COVID-19 and the global crisis in the first quarter of 2020 were allocated 343.6 billion sums to the "Anti-Crisis Foundation" from the State budget.

Indicators of financing of some non-profit organizations from the state budget as distributors of primary budget funds (execution of the first quarter of 2020, billion soums).

Table 1. Compiled by the author on the basis of the Ministry of Finance.

Funds allocated from the national budget for some non-profit organizations	Limited amounts of funds allocated for 2020	Execution of the first quarter of 2020	In relation to the annual plan (in %)
Transfers to the "El-Yurt Umidi" Foundation	57,1	1,4	2,45
"Nuroni" Foundation for Social Support of Veterans of Uzbekistan	1,7	0,03	1,76
Youth Union of Uzbekistan: current expenses	172,1	37,5	21,79
Transfers to the Fund "Youth is our future"	200,0	20,0	10,00
Women's Committee of Uzbekistan: Current Expenditures	1,5	0,3	20,00
Transfers to the Public Fund for Women and Family Support	120,0	3,0	2,50
Federation of Trade Unions of Uzbekistan	120,0	60,0	50,00
Republican Center for Spirituality and Enlightenment	9,7	3,2	32,99

In our country, funding from international, foreign donors and commercial structures is very limited. Over the past two decades, state financial support for non-profit organizations is carried out in the following three areas: a) government order; b) subsidies; c) grants.

The fact is that state funding is the almost alone source of "survival" of non-profit organizations, but we have several problems can be highlighted at the moment, such as:

- low awareness of NGOs about the possibility of obtaining state financial support and about the activities of the Public Foundation under the Oliy Majlis;
- the long term for considering applications for subsidies and grants;
- a fairly narrow range of grant programs;
- a small number of state grants and subsidies;
- poor elaboration of the mechanism of social order.

Given the importance and necessity of the non-profit sector in realizing the tasks of socio-economic development of Uzbekistan, we propose three options for the government's support for the development of this sector:

1. **The inertial strategy**, involves the further development of the NGO sector in the same direction and at the same pace and means as it is currently. In particular, this strategy

provides for measures such as raising public awareness of NGOs, continuing state financial support for quasi-state NGOs, improving and somewhat simplifying state financing mechanisms, reducing the time for considering grant applications, subsidies, expanding state social orders), as well as further improving legislation in the field of support of NGOs.

2. **An active strategy**, requires more active government measures to promote the development of the NGO sector, including not directly. The most important task here is to develop a new vision of the role and place of NGOs in the processes of economic and political modernization of the country, namely: what status NGOs have, in what areas they can work, how a social partnership with the state and the private sector is realized, and so on.

3. **An innovative strategy**, in addition to measures of an active strategy, involves increasing the role of the private sector in the development of NGOs, developing and implementing effective partnership mechanisms between the state, business and civil society. In particular, here you can take advantage of the experience of countries with economies in transition in Central and Eastern Europe in financing from the private sector (the “1% Law”), as well as cooperation between the private sector and NGOs, the social orientation of business services, and increasing the income from commercial activities of NGOs.

In the future, one of the most pressing issues for the development and effective management of non-profit organizations is to increase their professionalism and competitiveness of managerial and core personnel, strengthen the organizational, material and technical base, as well as strengthen the legitimacy of non-profit organizations in society.

To this end, we must establish a social partnership with non-governmental non-profit organizations at the republican and regional levels, and increase the volume of grants and social orders. Social partnership is also necessary to expand ministries and departments. Therefore, it is necessary to improve the activities of the Oliy Majlis Public Fund to Support Non-Governmental Non-Profit Organizations and Other Civil Society Institutions.

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