

THE STATE IN THE SYSTEM OF BUSINESS ENVIRONMENT ELEMENTS**OLGA SHOLOKH****Polotsk State University, Belarus**

The article deals with the role of the state in the formation of a favourable business environment in the national economics on the basis of the economic order theory by W. Eucken and the social market economy model by L. Erhard.

One of the principles of medium-term development of the national economics is to improve the coordination and efficiency of the activity of the state, private business and civil society, and it is necessary to create an efficient business environment for a more active participation of business community in the sustainable development process, along with public authorities and non-state actors, participating in the formation of market institutions [1, p.175]. Accordingly, for the implementation of this principle, as well as for the development of small and medium enterprises in the priority areas, it necessary to create a favorable business environment first, the main elements of which, in our opinion, are: the business sector, in this case represented by small and medium business entities, the state, the society and educational institutions.

To determine the role of the state in the designated interaction of elements of the business environment, with the main directions of development of the national economy, it is advisable, in our opinion, to appeal to the theory of economic order – one of the major theoretical achievements of the West German school of neo-liberalism – the Freiburg school anyway ordoliberalism, one of the founders of which Walter Eucken considered.

Since 1948 ordoliberalism becomes the official state concept of market reform of Ludwig Erhard, which less than for 10 years made Germany one of the economic leaders in Europe, which in the literature is called «German economic miracle».

So, W. Eucken, who in the activities of a competitive entrepreneur saw the driving force of economic development and its technical capabilities, formulated the basic principles of economic policy aimed to create a «competitive order» in the country. According to Eucken, the state should neither attempt to control the economic process, nor to provide the economy itself. «State Planning Forms – «yes», state planning and regulation of the economic process – «no». «Identify the difference between form and process, and to act in accordance with it – that's the matters». Therefore, the state must, through appropriate legal framework to set the shape of the market, the rules of the game, which is being the economy [2, p. 32].

As a supporter of the free market economy, W. Eucken formulated basic «constituting» principles of competitive order [2, p. 335-378]: ensuring the stability of the national currency; open markets; preservation of private ownership on the means of production; freedom to enter into contracts (except those that restrict competition); bearing of each individual legal responsibility for the decisions and actions; immutability of economic policy; the unity of the constituent principles.

So the state's role in the model of economic development is to create a certain order – the formation of the institutional environment, an appropriate legal framework, which specifies the rules of the game on the market, first and foremost, they are reduced to carry out the antimonopoly policy and protection of competition. This government intervention in economic processes should be minimized.

Later ordoliberalism ideas were developed by other German economists such as A. Muller-Armack, A Rusten, W. Ropke, L. Erhard et al., who subsequently formulated the concept of «social market economy». According to the Russian scientist R. Nureyev for the formation of a market economy is necessary to create the institutional conditions similar to «social market economy» in Germany. German economists have tried to solve the dilemma of the impossibility of spontaneous order and the unacceptability of all-pervasive state intervention. It was necessary to define the boundaries of reasonable and effective methods of state intervention in the economy, on one hand, and actively protect the free market economy from excessive state intervention, on the other. However, as mentioned above, it was L. Erhard, a minister of the economy, and then federal chancellor of Germany, who realized the idea in practice.

The distinguishing feature of a social market economy, according to L. Erhard, in the first place is the special role of the state. The government should establish an economic order to determine the rules of conduct, but not always to regulate and intervene in economic processes. One of the main tasks of the state – the creation of such an order, in which every citizen has the right to free action within its capabilities and desires. «Every entrepreneur can and should be free to make and sell what the market requires. Moreover, he is free to organize

his enterprise, its rationalization and investment, as it should be in terms of competition and freedom of economic enterprise» [3, p. 171].

The main task – to find the most optimal balance between state activities and the activities of private actors. «There is a kind of division of labor, separation of activities between the entrepreneurial economy with a center of gravity to the production and the economic and political activities, it is the task of the government to be responsible for economic policy. The entrepreneur is responsible for the enterprise; then he has every right to demand his actions were free of state pointers and guidance that he enjoyed full freedom of enterprise» [3, p. 231–233].

One of the most effective means to achieve welfare and the social market economy is, according to Ludwig Erhard, the competition. «Competition and the resulting increase in its productivity and facilitate progress should be provided with state activities and are protected against all possible attacks» [3, p. 285]. It is necessary to carry out the fight against monopolies, development of small and medium businesses, to create conditions for the development and manifestation of creative abilities, etc. On Erhard the best way of screening is precise competition that also performs a social function. This competitive environment is optimal for the development of entrepreneurship: «If the employer no longer wants to perform economic tasks – be measured by the free competition, if it legalized the procedure, which no longer requires personal strength, imagination, ingenuity, skills and organizational talent, and if more capable can not have an advantage over less capable – then free enterprise economy can no longer exist» [3, p. 311].

Thus, the main function of the state in the theory and practice of social market economy is to establish economic order, namely, to set the key areas of development, to create the necessary institutions to define the basic rules of the game, and then give the opportunity to develop the economic processes under the laws of the market. Particular attention is paid to social policy, which is primarily directed to establish the necessary minimum conditions and to provide freedom of every individual to some degree of responsibility for their actions, to ensure yourself the desired maximum. It should be stressed that the examination of the concept of «social market economy», in our opinion, is the most appropriate and relevant for the further successful formation of the Belarusian model of socially oriented mixed market economy.

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