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"IMPACT OF PUBLIC-PRIVATE PARTNERSHIP ENHANCEMENT ON SUSTAINABLE ECONOMIC GROWTH"

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Abstract
Nowadays, countries are making great efforts to bring sustainable development to a new level. Our government uses all available factors to further increase the economic potential of the country. In particular, measures are being actively implemented to develop the private sector in the economy of Uzbekistan.
This study is aimed at studying and analyzing one of the factors influencing the economic growth of the country, a factor adopted as a new measure - improving the mechanism of public-private partnership and increasing its impact on our national economy.

Keywords: Action strategy, PPP mechanisms, PPP development agency, infrastructure projects, private partner, transport, tourism, public services, medicine, construction, GDP, economic employment.

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Introduction

Аннотация
Сегодня страны прилагают большие усилия для вывода устойчивого развития на новый уровень. Наше правительство использует все доступные факторы для дальнейшего увеличения экономического потенциала страны. В том числе, активно реализуются меры по развитию частного сектора в экономике Узбекистана.
Данное исследование направлено на изучение и анализ одного из факторов, влияющих на экономический рост страны, фактора, принятого в качестве новой меры - совершенствования механизма государственно-частного партнерства и увеличения его влияния на нашу национальную экономику.

Ключевые слова: Стратегия действий, механизмы ГЧП, агентство развития ГЧП, инфраструктурные проекты, частный партнер, транспорт, туризм, общественные услуги, медицина, строительство, ВВП, экономическая занятость.

Paragraph 1.2 of the Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021, approved by Presidential Decree No. 4947 of February 7, 2017, calls for a modern public-private partnership aimed at enhancing the effectiveness of mutually beneficial cooperation in socio-political and socio-economic development. the need to introduce mechanisms has been identified.
In accordance with the Resolution of the President “On priority measures to create a legal and institutional framework for the development of public-private partnership” signed on October 20, 2018, the Public-Private Partnership Development Agency was established under the Ministry of Finance.
Conceptual rules that reveal the content and mechanism of the topic, the organization of public-private partnership, the direction of socio-economic life of the country, the development of which complements a number of sections of modern theory.
The result of the research is the development of theoretical principles and scientific-practical measures that determine the direction and content of the

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necessary changes, taking into account the specifics of the development and management of PPP.

Today, countries are making great efforts to bring sustainable development to a new level. Our government is using all available factors to further increase the economic potential of the country. In particular, measures are being taken to develop the private sector in the economy of Uzbekistan.

This study aims to study and analyze one of the factors influencing the economic growth of the country, the factor adopted as a new measure - improving the mechanism of public-private partnership and increasing its impact on our national economy.

The object of scientific research work. The object of research is the mechanism of public-private partnership between the Ministry of Economy of the Republic of Uzbekistan, the State Agency for Development of Private Partnership, state and local self-government bodies involved in addressing socio-economic issues and other similar entities.

Goals and objectives of scientific research. The purpose of the study is to analyze the theoretical laws, highlight the mechanism of public-private partnership, develop scientific and methodological proposals on the impact of GDP on economic growth, and develop solutions to problems in its practical application.

Conceptual rules that reveal the content and mechanism of the topic, the organization of public-private partnership, the direction of socio-economic life of the country, the development of which complements a number of sections of modern theory.

The practical significance of the study is determined by the fact that the recommendations and conclusions sent to public authorities and businesses can be used in national, regional and public programs related to PPP, as well as in specific projects aimed at their development.

There are external factors that have a positive impact on the sustainable development of the national economy, for example:

- Reduction of the burden on the state budget;
- There is transparency in public spending on PPP facilities;
- The introduction and exploitation of new innovative technologies will accelerate;

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- Services and goods for consumer needs are produced precisely and in accordance with the requirements;
- Capital is targeted in stabilizing the social life system;
- Banking and other financial systems.

Analysis of the literature on the subject.

There are 24 decrees of the President of the Republic of Uzbekistan, 65 resolutions of the President of the Republic of Uzbekistan and 43 resolutions of the Cabinet of Ministers of the Republic of Uzbekistan were inventoried to ensure the implementation of PPP projects. As a result, it was proposed to amend 3 decrees of the President of the Republic of Uzbekistan, 5 resolutions of the President of the Republic of Uzbekistan and 8 resolutions of the Cabinet of Ministers of the Republic of Uzbekistan. [1]

Different views on the relationship between public and private expression have been reflected in the work of modern Russian scholars. On the economic and organizational potential of public-private partnerships, O.S. Belokrylova, B.G. Varpavsko, L.I. Efimova, O.A. Lomovtseva, V.A. Mixeeva, T. Sannikova, Б. Stolyarova, A. Shmarova have studied in their work.

According to Russian expert N. Agazaryan, the global development of public-private partnership is divided into three stages. [2]

First step: There are Latin America, Eastern Europe, as well as CIS countries. They are working on the development of legal documents and standards for the partnership, the formation of a market in this area, first of all, the identification of projects to be implemented. The analyst noted that these countries are trying to establish such a partnership without sufficient understanding of how to implement a public-private partnership and the consequences of the risks.

Second step: It covers developed countries such as USA, Canada, New Zealand, Japan, Russia, Germany, France, Spain, Italy. They have formed a public-private partnership structure, created a regulatory framework, expanded the scope of projects in this area with the addition of new sectors.

Third step: just the United Kingdom, Australia, South Korea and Ireland occupied it. In these countries, the mechanism of public-private partnership has improved, legal barriers to its development have been removed, there is a certain flow of

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partnership projects, the number of investors willing to join such cooperation in the field of infrastructure has increased.

The Main Principles of Public-Private Partnership are as Follows: [3]

- equality of public partner and private partner before the law;
- transparency of rules and procedures in the implementation of public-private partnerships;
- debate and impartiality in choosing a private partner;
- non-discrimination;
- prevention of corruption.

Public-private partnership is a concept of attitude of the private sector to meet the needs of society. That is, the state unites with the private sector in the implementation of its social and infrastructure projects, the powers are distributed and the interests of both parties are protected on a contractual basis. The partnership is two-way, but the interest is three-way. These three benefits are that, first, the State performs the function of social life at no cost and has an additional source of income; creates an additional source of income, third, society. Social welfare and infrastructure for society will be improved, new jobs will be created naturally, and at least a small part of unemployment will be eliminated. The interests of the population are partially or completely satisfied. From both a social and economic point of view, this PPP approach is the optimal way to ensure sustainable economic growth.

From an economic point of view, PPP requires a separate institutional and managerial relationship. The development of society is based on the partial partnership of institutions, along with private entities of production and services that manage state property, organized on the basis of maintaining the institutional base of society.

In the case of management, the initiative for the proper use of state property in public-private partnerships should be taken by the private sector. There is a specific specialized organizational relationship between the public and private sectors. Representatives of the private sector, on the other hand, receive income as a result of the consumption of services rendered or products created.

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Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 13.12.2018 No. 1009 on the organization of the Agency for Development of Public-Private Partnership under the Ministry of Finance of the Republic of Uzbekistan. The tasks of this agency are to regulate PPP relations, conduct tenders in the selection of private partners and monitor project implementation, conclude contracts, amend them and protect the interests of the two partners, and participate in similar organizational work as a state representative.

Analysis and Results

In the scientific and practical study of the factors influencing the economic growth of the country, scientific conclusions were formed on the basis of statistical data, selective determination, theoretical, philosophical, objective approach, the use of methods of economic analysis. Methods such as a systematic and logical approach were used effectively based on the data collected.

PPP relations can be formed in any direction of the economy in which the state can participate as a customer, they are;

- Construction and reconstruction of infrastructure facilities (road construction, power lines, construction and maintenance of airports ...);
- In the social sphere (education, health, social services);
- In the field of public utilities;
-In the performance of public services;

At the same time, PPP relations can be implemented in the fields of science, technology, medicine, culture and others.

PPP relations can be institutional or contractual. Institutionally, the public-private partnership management package is implemented in a mixed manner.

In the case of PPP relations in the form of a contract, PPP relations are carried out on the basis of a number of trade agreements:

- Lease or purchase of state property;
- Contract for the right of gratuitous use of state property;
- Trust management;
- Preferential settlement agreement;
- Service Agreement;

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Technological discoveries, preparation of experimental samples, preparation of industrial experiments and production of low-series products can be formed by the terms of the contract.

Projects implemented by the Agency for Development of PPPs in Uzbekistan[1]

№	Branch	Designed		Being designed	
		Type	Number of projects	Type	Number of projects
1	Healthcare	Establishment of hemodialysis centers	1	Establishment of the Oncology Center in cooperation with the Farm Committee	1
				Establishment of a rehabilitation center	1
				Build a multidisciplinary hospital	1
				Diagnostic Center	1
				Establishment of a sterilization center	1
2	Transport	Build bridges	2	Modernization of bus terminals	1
3	Communal services		3	Water and heat supply works (in separate areas)	2
4	Energy	Construction of thermal and solar power plants	9		
5	Education system			Modernization of 11 schools in Sergeli district	1
6	Agriculture			Multidisciplinary agricultural service centers	1

According to the database of the State Private Partnership Agency, about $ 6.8 billion projects are currently being implemented under 15 major PPP mechanisms. Of these, 9 projects are being implemented in the energy sector, 2 projects in the field of transport, 3 projects in the field of utilities and 1 project in the field of health.

In the energy sector, the private partner of the project in Navoi region with a capacity of 100 MW in the Navoi region is the UAE company “Masdar”, which won the tender with a bid of 2.67 cents per 1 kW/h of electricity, and construction is currently underway.

In addition, it is planned to establish 10 more projects with the agency. Of these, 5 are being designed in the field of health, 1 in the field of education, another 1 in the field of transport and 2 projects in the field of public utilities.

[1] Developed by the author on the basis of data from the PPP Development Agency under the Ministry of Finance of the Republic of Uzbekistan.

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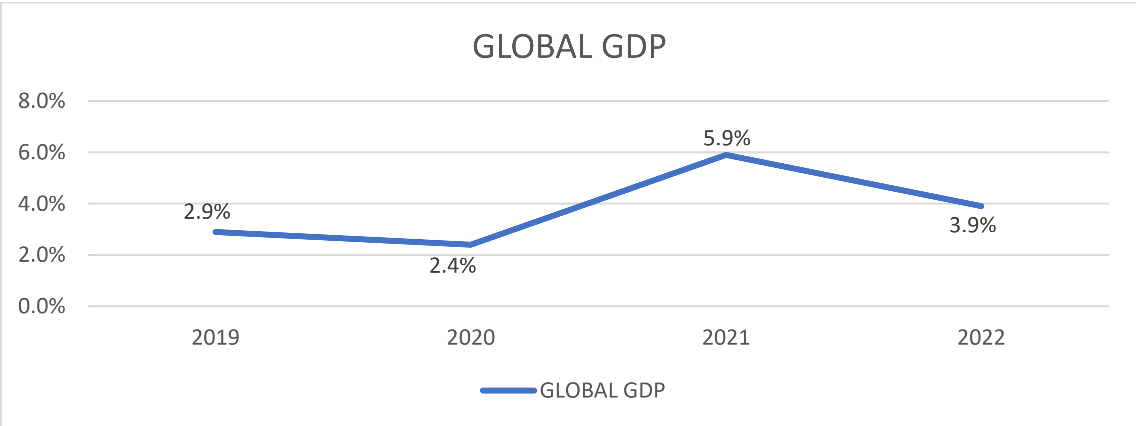
Today, the pandemic conditions observed in the world have shown that the need to improve the health care system has been addressed. As part of the economic impact of the coronavirus pandemic on the PPP mechanism, it is natural that projects will place heavy burdens on stakeholders, the private partner and the public sector for months, years.

In the context of declining economic activity, PPP projects (transport, tourism, utilities, medicine, construction ...) face great difficulties in generating income. In many cases, the risk of force majeure in PPP projects that rely on revenue from consumer payments is poorly expected or not taken into account at all. It is necessary to consider the impact of quarantine on the lack of cargo at seaports, lack of flights, lack of refueling fees, lack of income of road service providers (hotel, catering and other paid services) due to quarantine, reduced solvency of new patients in private hospitals.



Picture №1. Global GDP growth forecast for the near future
Source: S&P International Agency

The international agency S&P forecasts that world GDP will decline by 2.4% in 2020 compared to the previous year. According to the analysis of the international agency S&P, international economic growth is expected to be 5.9% in 2021 and 3.9% in 2022.

According to The Economist, if we reach the level affected by the Spanish flu pandemic in each country, GDP could fall to 5% and there is a risk that part of the global economic forecast for 2020 will disappear. [5]

The consumer price index in Uzbekistan rose by 1.7% in April alone. In April 2019, it increased by 0.9%. In turn, compared to the previous year, food prices rose by 3.3%, non-food products by 0.7% and services by 0.3%. [6]

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In the rest of the world, the consumer price index in France rose 1.5% in the US in April, 4.3% in China, 2.5% in Russia, 2.3% in Iceland, 9.5% in Pakistan and 0.6% in Belgium. In Egypt, it increased by 10%.

Conclusions and Suggestions

It can be concluded that inflation is higher than in developed countries and in countries whose economies depend on tourism or transport.

As a result, the demand of the population for consumer goods will fall sharply, and some economic sectors and services will be out of order. In the context of this crisis, it is necessary to strengthen the process of local food and raw material production., it is advisable to invest in the same industries, large or small, to do this.

The role of the PPP mechanism in mitigating the global epidemic and its aftermath is significant. Economic organizations that are fully state-owned need to further increase the attractiveness of domestic and foreign investment by improving the mechanism of PPP. There is an opportunity to attract foreign investment, but it would be appropriate to invest in organizations that are lagging behind due to a pandemic or other reasons.

To get out of the economic crisis and prevent the situation from escalating further, the state and banks will need to increase their intervention in key sectors of the economy and make their own investments. The state does not have the capacity to cover all sectors. At the same time, organizations established on the basis of public-private partnership will need to increase their activity.

In our view, innovative organizational growth of the economy within the framework of new organizational forms and mechanisms of interaction between business and government will be the basis for further acceleration. We believe that public-private partnership should be seen as an accelerating mechanism for innovative development.

At the same time, we conclude that projects based on the PPP mechanism need to be reformed, taking into account their environmental, economic, political and, of course, social consequences. The reason is that for the next generation, they should not spend time and money to correct the mistakes made by us today and

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to fight the global problems that arise on the basis of wrong decisions. Otherwise, humanity will not be able to reach the level of sustainable development.

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