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Organizational and Economic Mechanism of Private Business Activity Based on Public-Private Partnership in Namangan Region

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ABSTRACT

The purpose of this article is to eliminate problems related to the improvement of forms and methods of financial support of business entities operating on the basis of PPP, a number of influencing factors, as well as an analysis of public-private partnership projects implemented in the country are described.

Keywords: public-private partnership, business activity, healthcare, education, investment project, public procurement, business risks.

Introduction. In recent years, positive results have been achieved by introducing a system of private entrepreneurship on the basis of public-private partnership in order to solve many problems accumulated in economic sectors in our country. Also, we can see that today, social sector organizations that conduct private business activities on the basis of public-private partnership, especially in remote areas, have organized compact kindergartens and schools with all amenities and are operating effectively. In particular, the development of the organizational and economic mechanism of private entrepreneurship on the basis of public-private partnership in order to develop the remote areas of our country remains one of the urgent issues.

Analysis of literature on the topic. The term public-private partnership is used for any form of association or collaboration between the public and private sectors for the purpose of providing a project or service. For example, one of the foreign economists Marina Mashchenko, according to her research, stated that "public-private partnership (PPP) is important in developing entrepreneurship, supporting a favorable business environment, accelerating infrastructure projects, and stimulating economic growth through cooperation between the government and the private sector." According to foreign economists Scott E., Grasman, Xavier, Faulin, Fernando, Lera-Lopez, public-private partnership (PPP) is a financing mechanism for the development of large infrastructure such as transportation projects, hospitals, schools, and public works facilities. In addition, the benefits of public-private partnerships are widespread in the field of engineering management.

Analysis and results. Development of entrepreneurship on the basis of PPP is the main issue in the formation of cooperation between the state and private sector in the economic and social

development of Namangan region. However, in Namangan region, there are several problems related to the organizational mechanism of private entrepreneurship within the framework of PPP

- The absence of a single local management system in the implementation of private business activities within the framework of PPP;
- the existence of restrictions on institutional grounds in the organization of private business activities on the basis of PPP;
- Lack of infrastructure development in the organization of private business activities on the basis of PPP.

We believe that the following should be implemented in order to solve the above problems.

First, in Namangan, we can see the problem of coordination between different government agencies in the implementation of PPP projects. In the region, the approval of the PPP project is required by several bodies. This, in turn, leads to delays in the implementation of PPP projects and inefficiency. It also hinders the participation of entrepreneurs who want to participate in the PPP project. In addition, there is almost no independence of decision-making related to the implementation of PPP projects in Namangan region. In particular, PPP decision-making is centralized, which in turn causes delays in decisions related to PPP projects. As a result, it serves to slow down the implementation of PPP projects in Namangan. Therefore, we believe that it is necessary to organize the coordination of state bodies and decision-making processes in the implementation of PPP projects in Namaganda.

In general, in order to solve the problems related to the mechanism of organizing private business activities on the basis of public-private partnership (PPP) in Namangan region, it is appropriate to implement the following. In our research, we propose a step-by-step implementation mechanism. In each of the presented stages, problems are shown and their solutions are proposed. This table provides an overview of the step-by-step approach to each problem (Table 1).

Mechanism of the first stage of organizing private business activities based on public-private partnership (PPP) in Namangan region

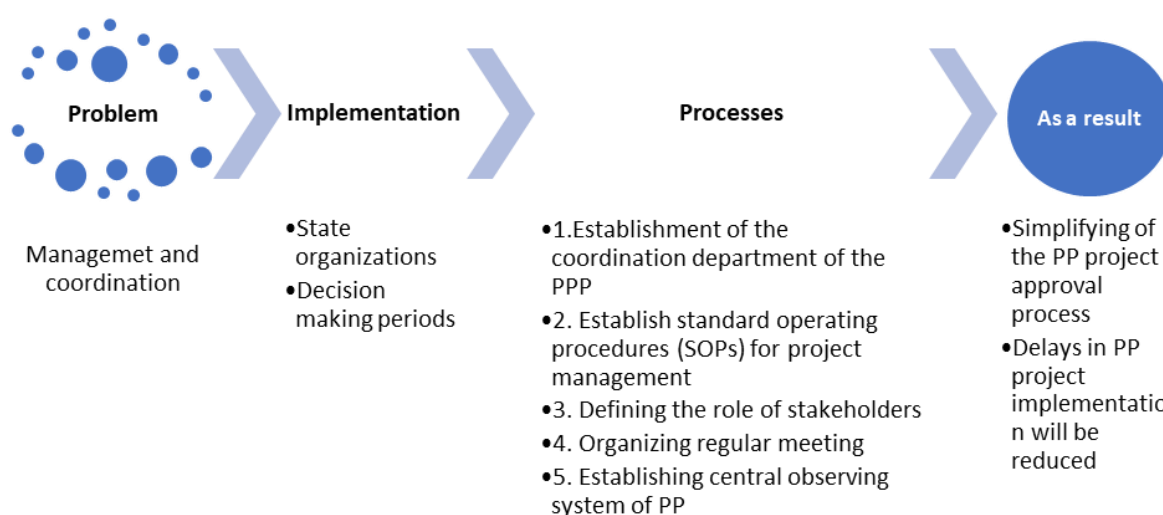


Table 1 shows that it is necessary to organize a single local management system in the Namangan region in the implementation of the project of DSHS. The reason is that this system is an important component of the PPP and serves to simplify the process of project implementation. It also ensures the accuracy of information between the state and private entrepreneurs. In particular, in the implementation of projects, the DHS is implemented through single centralized units in the region, making it easier to make decisions on projects. As a result, it controls the planning, approval, monitoring and evaluation of PPP projects, leading to unification of management. It also ensures project compliance, resolves stakeholder issues, and provides a single point of contact for public

and private partners. It is determined who is responsible for the main activities such as project approval, performance monitoring, risk management and contract execution. In particular, it defines the obligations of state structures, private partners and regulatory bodies.

Procedures in standard operating procedures (SOPs) help formalize project workflows and provide consistency, which is essential for managing multiple PPPs. Standard operating procedures define the stages of project planning, implementation and ongoing monitoring, improving efficiency and transparency. Also, public reporting, audits and independent evaluations help to ensure transparency and strengthen public trust. Using digital project tracking systems, government agencies should make information about project timelines, costs, and milestones available to public and private partners. In conclusion, it should be noted that by establishing a unified management and coordination system, the projects organized on the basis of PPP in Namangan region will become more efficient and transparent. Also, in turn, it creates an opportunity to create a cooperative environment for the public and private sector to work towards common goals.

Secondly, in Namangan, solving institutional constraints in organizing private entrepreneurship on the basis of PPP, especially in organizing private entrepreneurship within the framework of public-private partnership (PPP), is convenient for regulatory frameworks, capacity building, and cooperation between the public and private sectors. requires a multifaceted approach that considers the issues of creating the environment.

1. It is necessary to revise the legal framework related to PPP in Namangan region. Clarification of PPP regulations: Uncertainty in the legal framework for public-private partnerships can hinder private investment. Therefore, the implementation of PPP laws can increase the confidence of private businesses to participate in these projects. Also, it should simplify the procedures for approval of PPP. Lengthy bureaucratic processes can hinder initiatives and discourage private partners. Optimizing clearance procedures through the "single window" system can speed up PPP projects and increase their attractiveness for private investors.

2. It is necessary to expand the possibility of financial stimulation of capital and the use of subsidies. To promote entrepreneurship, the government can provide financial incentives, such as tax breaks, subsidies, and co-financing alternatives, to private enterprises willing to engage in public-private partnerships (PPPs).

3. It is necessary to guarantee transparency and accountability. Open bidding procedures for PPP projects increase confidence in private sector participants and ensure project fairness. In addition, comprehensive monitoring and reporting systems will need to be established to assess the effectiveness of PPP projects and ensure accountability.

By eliminating the above-mentioned institutional restrictions, Namangan will create a favorable environment for the development of private business activities based on PPP. This, in turn, provides an opportunity for economic development, job creation and infrastructure improvement in Namangan region.

Thirdly, the development of infrastructure development in the establishment of private enterprise activities on the basis of PPP in Namangan includes several strategic steps.

1. Development of the regulatory framework. PPP Laws and Regulations Need to be Revised Ensuring that Uzbekistan's PPP laws are clear and transparent will include clarifying roles, responsibilities and benefits for private investors and adapting these regulations to the needs of entrepreneurs in Namangan region. Simplification and digitization of processes for obtaining licenses, permits and authorizations will make it easier and faster for private entrepreneurs to start and expand their projects. The government of Namangan region should be encouraged to establish special PPP units to plan and implement projects, monitor agreements, and act as a bridge between the public sector and private enterprises.

2. Infrastructure investments and development are necessary. In particular, it is necessary to

develop business parks and industrial zones with infrastructure (roads, water, electricity and internet) to support business in various sectors in the region. These zones should offer shared resources and services that reduce start-up costs for entrepreneurs. Also, technology centers, innovation labs and incubators should be created in Violiyat, where start-ups and small businesses can receive mentoring, training and financial support. Investments should be made in modernizing public services, including reliable power, water and internet access. Efficient public services facilitate the smooth running of businesses and encourage investment.

3. It is necessary to introduce a system of financial support and incentives for PPP projects. In particular, PPP financing schemes will need to be targeted at start-ups and entrepreneurs through state-backed loans and PPP-financed grants. In addition, the development of the local venture capital ecosystem will provide private entrepreneurs with alternative sources of financing. In particular, in order to protect private investors, it is necessary to implement risk sharing mechanisms within PPP contracts, especially high-risk, high-profit projects.

Fourthly, it is necessary to implement systematic approaches to eliminate the limitations of regulatory legal documents for public-private partnership (PPP) in Namangan region. Standardized PPP contract templates and guidelines should be developed to reduce PPP time and ensure legal certainty. Templates will need to cover common PPP structures, risk allocation and performance indicators. It provides an opportunity to establish a framework for fair sharing of risks between the public and private sectors, reducing conflicts and encouraging private investment. In Namangan region, it is necessary to create a special PPP unit to control, manage and support PPPs. This department will need to focus on project preparation, risk assessment and project monitoring. In order to ensure transparency and accountability of PPPs in the province, it was necessary to make PPP contracts public. Transparency will also be increased by making PPP contracts publicly available, increasing accountability and trust among stakeholders. Third-party monitoring is required. As a result, encourage independent audits and evaluations of PPP projects by neutral third parties to ensure that projects comply with contractual obligations and benefit the public. In addition, it is necessary to improve the means of reducing the financial risks of PPP projects in the region.

Development of private entrepreneurship within PPP If we look at the country of Kazakhstan, since the beginning of 2000s, Kazakhstan has actively participated in public-private partnership (PPP) for the development of private entrepreneurship. Kazakhstan has implemented the following in this field:

1. Attention was paid to the legal and regulatory foundations of business activity based on public-private partnership (PPP). In particular, in Kazakhstan, a comprehensive legal framework has been created for PPPs, with instructions on planning, implementation and management of PPP projects adopted in Kazakhstan in 2015. This foundation is aimed at creating a favorable environment for private sector participation. The government has developed various strategic documents such as "Kazakhstan-2050 Strategy" and "National Development Plan", in which they emphasize the importance of public-private partnership in diversifying the economy and achieving sustainable development.
2. It paid attention to the development of infrastructure of business activities based on public-private partnership (PPP). In Kazakhstan, a significant part of the FDI projects is focused on infrastructure, especially transport, energy and housing construction. Projects such as the "Astana" international financial center and the improvement of road networks are a vivid example of attention in this regard. In the social sphere, both in health and education, private organizations have seen a significant participation of DSHS by partnering in building and operating hospitals and schools, providing services and improving their access.
3. Attention was paid to the financing of business activities on the basis of public-private partnership (PPP). The government has introduced various financial instruments, such as guarantees and subsidies, to attract private investment in PPP projects. These measures help

to reduce risks for private entrepreneurs. Kazakhstan also cooperated with international financial institutions (for example, the World Bank and the Asian Development Bank) to increase the viability of private entrepreneurship, to finance and conduct expertise in PPP projects.

4. On the basis of public-private partnership (PPP), attention was paid to increasing opportunities for entrepreneurship and using innovations. Partnerships with foreign companies and experts have helped build knowledge and capacity in the local private sector.

This influence has helped local entrepreneurs to adopt best practices and innovative approaches. The government encourages the involvement of local SMEs in PPP projects, which will lead to entrepreneurship growth and job creation. Initiatives such as the Entrepreneurship Development Fund have supported local businesses with access to financing and expertise.

Conclusions and suggestions. Based on the above analysis, it can be concluded that it is necessary to develop entrepreneurship based on public-private partnership and to expand the scope of projects and to effectively implement such projects. In particular, public-private partnership plays an important role as the main means of reducing budget expenditures in the priority directions of the economy, attracting private investments in the development of entrepreneurship in the implementation of infrastructure projects, and improving the quality of services provided to the population.

As a result of studying the theoretical aspects of comprehensive development of entrepreneurship on the basis of public-private partnership, the following suggestions were formulated:

- in the implementation of projects of social importance for the development of entrepreneurial activity based on the SSC, first of all, the theoretical and organizational-legal foundations should be clearly defined;
- it is necessary to further expand the activity of the state institutional structure that coordinates and controls the public-private partnership system, studying the experience of world operations.

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