



DEVELOPMENT TENDENCIES OF THE PUBLIC PROCUREMENT SYSTEM

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Abstract

Keywords: public procurement, auction, electronic store, direct purchases, budget customers, corporate customers, tender, contract, fiscal year.

In this research, the theoretical foundations of the organization of public procurement, the role of budget funds in the implementation of procurement, their advantages and disadvantages, the analysis of the current state of public procurement in our republic, and the existing problems have been discussed in detail. Scientific proposals and practical recommendations were developed as a result of studies conducted on the effective use of public procurement to increase the competitiveness of the national economy.

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INTRODUCTION

International practice shows that the state procurement system is of great importance in the development of social, economic and other spheres of the country. According to the data of the World Bank, today "public purchases of the countries of the world amount to 11 trillion. US dollars or 12% of the total world GDP"¹. It is considered important to further increase the efficiency of state budget expenditures and improve the activities of state financial control bodies, and in this regard, to improve the field of public procurement, which is important, and to take measures to prevent violations of the law in the field.²Development of competition in

¹ Daydjest. Gosudarstvennye zakupki v period pandemii COVID-19. <https://ach.gov.ru/upload/pdf/Covid-19-procurement.PDF>.

² Decree of the President of the Republic of Uzbekistan dated January 28, 2022 No. PF-60 "On the Development Strategy of New Uzbekistan for 2022-2026"



the markets of goods and services, creation of equal conditions for the activity of all economic entities, ensuring transparency and further improvement of the state procurement system are one of the important directions of the reform of the state administration system. Reasonable and effective use of budget funds in the implementation of public procurement, creation of an electronic system of public procurement in the context of the transition to a digital economy, ensuring the openness and transparency of public services, establishing effective state and public control over public procurement, and within the framework of the fight against corruption issues such as the application of procedures for the fair implementation of public procurement are relevant.

In Uzbekistan, "Today, only 4 percent of entrepreneurs participate in state procurement. Next year, open requirements for state procurement will be introduced to 24 large state enterprises. As a result, our local entrepreneurs will be able to sell products worth at least 10 trillion soums to these enterprises every year. From now on, all public purchases will be under the control of the public and the Parliament."³. It was also established that "...the practice of publishing information on income and expenses of non-budgetary funds of state agencies, purchases of organizations with a state share, state subsidies and grants" was established.⁴At the same time, there are many problems in the process of public procurement: ensuring the openness and transparency of procurement, avoiding corrupt situations, creating equal conditions for the participation of all subjects in public procurement, reducing the human factor, introducing more modern innovative information technologies into the process. such as increasing the number of alternative trading platforms, increasing the choice of goods, works, and services for state customers. Eliminating these problems will serve to increase the efficiency and transparency of the public procurement system. Law of the Republic of Uzbekistan No. O'RQ-684 of April 22, 2021 "On State Procurement", President of the Republic of Uzbekistan No. PF-5729 of May 27, 2019 "System of Combating Corruption in the Republic of Uzbekistan Decrees of December 5, 2019 No. PQ-4544 "On measures to further improve the state procurement system and wide involvement of business entities in the state procurement process" serves to further improve the procurement system.

³Address of the President of the Republic of Uzbekistan to the Oliy Majlis of the Republic of Uzbekistan dated December 29, 2020. <https://prezident.uz/uz/lists/view/4057>

⁴Address of the President of the Republic of Uzbekistan to the Oliy Majlis of the Republic of Uzbekistan dated December 29, 2020. <https://prezident.uz/uz/lists/view/4057>



LITERATURE REVIEW ON THE TOPIC

The theoretical foundations of public procurement have been studied in the researches of T.V. Freiberg, D. Etse, A. McMurray, N. Muenjon from the scientists of far foreign countries, who in their researches state procurement, sustainable public procurement and goods with the ultimate goal of achieving the results of sustainable development of the country. and researched the relationship between procurement of services and works in the public sector⁵.

Practical aspects of public procurement in countries where market relations are being formed were studied by V.E. Belov, L.M. Davleshina, V.S. Gladkov, A.F. Nozdrachev, L.M. Davleshina⁶.

In this regard, the opinions of R.A. Nabiev and R.K. Arikbaev deserve special attention. They used the concept of "state order" to explain the needs arising in the provision of state defense and security, and "state procurement" to explain other needs of the state⁷.

The Russian scientist L. V. Andreeva, while studying the legal issues of public procurement, singled out "state needs" as a legal concept with an independent meaning. It was noted that the needs of the state, which are necessary for the implementation of the relevant functions and tasks within the authority of the budget orderers, include the needs for goods, works and services.⁸.

Local economists-scientists A. Vakhobov, T. Malikov, N. Khaidarov, N. Jumaev, U. Burkhanov, E. Makhmudov, T. Atamuradov, T. Eshnazarov, G. Kasimova, Z. Srojiddinova, D. Pulatov, M. Haydarov M. Olloyorov, J. Umarov, D. Gafurov studied the theoretical and practical aspects of effective organization of public procurement in the national economy⁹.

⁵Frayberg T.V. Gosudarstvenniy (munitsipal'nyy) zakaz kak forma organizatsii byudjetnogo finansirovaniya: Dis. kand. ek. nauk: 08.00.10. Irkutsk, 2006. S. 66.; Daniel Etse, Adela McMurray, Nuttawuth Muenjohn Comparing sustainable public procurement in the education and health sectors. // Journal of Cleaner Production 279 (2021) 123959

⁶Belov V.E. Pravovoeregulirovanierazmesheniya gosudarstvennogo zakaza // Pravoiekonomika. 2005. № 2; Davletshina L.M. Gosudarstvenniy zakaz kak instrument provedeniya promishlennoy politiki (na primere Respubliki Tatarstan): Diss. kand. ekon. nauk. Kazan', 2007. S. 47; Gladkov V.S. Gosudarstvenniy zakaz vsfer Rostov-na-Donu, 2008. S. 14.; Nozdrachev A.F. Gosudarstvokak zakazchik produkcii // Gosudarstvoipravo. 1994. № 7.; Nabiev R.A., Arikbaev R.K. Povishenie effektivnosti byudjetnix rasxodov sistem gosudarstvennykh zakazov i zakupok // Buxgalterskiy uchet v byudjetnix inekommercheskix organizatsiyax. 2008. № 15.

⁷Nabiev R.A., Arikbaev R.K. Povishenie effektivnosti byudjetnix rasxodov sistem gosudarstvennykh zakazov i zakupok // Buxgalterskiy uchet v byudjetnix inekommercheskix organizatsiyax. 2008. № 15.

⁸Andreeva L.V. Zakupki tovarov dlya federal'nykh gosudarstvennykh nujd: pravovoe regulirovanie. M.: Volters Kluver, 2009. S. 24.

⁹Vahobov A.V., Malikov T.S. Moliya: Umum davlat moliyasi. O'quv qo'llanma. T.: «Iqtisod-moliya» - 2010, - 595 b.; Xaydarov N.X. Davlat moliyasi niboshqarish. O'quv-uslubiy qo'llanma. T.: Akademiya, 2005. 84 b., Burxanov U., Atamuradov T. Davlat xaridi. O'quv qo'llanma. –T.: «Fanva texnologiya», 2012 yil. -152 b.; Eshnazarov T.S.H. O'zbekiston Respublikasida g'aznachilik tizimi asoslari. O'quv qo'llanma. T.: «Iqtisod- moliya», 2012. -304b.;



This research and research is the scientific-research source of the dissertation topic. In these scientific studies, taking into account the specific features of our country's development, the problems that arise in the implementation of state and corporate purchases and their reasons have not been thoroughly studied, which became the basis for the selection of this research topic. Therefore, in modern conditions, identifying problems in the practice of state and corporate procurement, comparative analysis of the priority aspects of the practice of foreign countries, development of specific mechanisms and approaches for the application of advanced foreign experiences in the practice of Uzbekistan is a unique priority of this research. shows its importance.

The solution of these urgent issues serves as a basis for choosing the topic of the dissertation, defining its goals and tasks.

DISCUSSION AND RESULTS

As a result of the fierce competitive environment in the world economy today, as a result of the expansion of the scope of innovative development and the use of financial technologies, scientific research is being carried out on the effective organization of procurement in connection with the implementation of state and corporate procurement. International financial organizations and rating agencies are also announcing the results of research on the issues of effective organization and management of state and corporate purchases. For example, in the developed countries of Europe, public purchases make up 15-20 percent of the country's gross domestic product. The issues of determining the efficiency indicators of state and corporate purchases implemented by state organizations are widely covered in the research. However, the issues of achieving the economy of budget funds through the effective organization of state and corporate purchases have not been sufficiently disclosed. This, in turn, requires conducting scientific research on the international level, on a regular basis, on the management of budget funds on the basis of high efficiency.

Qosimova G.A. G'aznachilik. O'quvqo'llanma. T.: «Iqtisod-moliya», 2013.- 448b.; Srojiddinova Z. O'zbekiston Respublikasi boshqaruvi. T.: «Infocom.uz». 2010. -480b.; Pulatov D.X. Nurmuxamedova B.I. G'aznachilik. O'quvqo'llanma. T.: «Sano-standart», 2014. -272b.; Haydarov M. va boshqalar Davlat boshqaruvi. T.: «Iqtisod-moliya», 2010. -235 b.; M. Olloyorov, D. Xolmuradov. Sistema Gosudarstvennykh zakupok v Uzbekistane, <http://publicfinance.uz/materials.uz/>; J. Umarov «Davlat xaridlaritizimini takomillashtirishning metodologik jihatlari» mavzusidagi iqtisodiyot fanlaribo'yicha falsafa doktori ilmiy darajasini olish uchun tayyorlangan doktorlik dissertatsiyasi avtoreferati, D. Gafurov «O'zbekistonda davlat va korporativ xaridlar jarayonini takomillashtirish» mavzusidagi iqtisodiyot fanlaribo'yicha falsafa doktori ilmiy darajasini olish uchun tayyorlangan doktorlik dissertatsiyasi avtoreferati, J. Atamurodov «O'zbekistonda davlat xaridlaritizimini takomillashtirish» mavzusidagi iqtisodiyot fanlaribo'yicha falsafa doktori ilmiy darajasini olish uchun tayyorlangan doktorlik dissertatsiyasi avtoreferati



In recent years, a number of changes have been implemented in our country to improve the process of state and corporate procurement. The main goal of the state policy in the system of state and corporate procurement is to create a favorable environment for all subjects of state procurement, as well as fight against corruption and other violations during the implementation of state procurement.

The field of public procurement is important in the development of the economy of every country. In the third direction of the Action Strategy on the five priority directions of development of the Republic of Uzbekistan in 2017-2021, "Increasing the competitiveness of the national economy, aimed at further development and liberalization of the economy, modernization and rapid development of agriculture, small business and a number of important tasks, such as "promoting the development of private entrepreneurship" have been defined. In order to ensure the effective implementation of the tasks defined in the reforms being implemented, it is important to improve the state procurement system and introduce a modern mechanism in the organization of state procurement.

It is important to study the experience of countries with developed market relations in the implementation of the state procurement mechanism being formed in the country. In particular, it is important to study the practice of development of public procurement of the USA, Japan, Canada, Germany, Great Britain, France and other EU countries and to use their positive experiences to improve the public procurement system of our country.

The study of international experience in the organization of public procurement provides an opportunity to improve the system of public procurement in the country, to explore new innovative forms and methods in the field. According to the results of the studies, it can be seen that a number of development directions with certain characteristics have been formed in the international practice of public procurement. According to the results of the analysis, we can distinguish the following main forms of public procurement, which are common to all: procurement selection based on unlimited and limited participants; purchase from a single customer. The purpose of the public procurement system is to provide the necessary needs for the performance of functions and tasks assigned to state bodies. Over the next few years, large-scale reforms in the regulation of the state procurement system are being carried out in the country.



Table-1

Directions of state procurements formed in world practice²³

| № | Organization of public procurement directions | The main features of the public procurement system | Implementation of public procurement forms |
|---|---|--|--|
| 1 | Europe | Based on the legislation of the WTO and the UN Commission on International Trade Law on public procurement, implementation in a decentralized and centralized form, giving preferences to local producers, price policy in the results of the competition, impact on the environment, important quality indicators consideration of responsiveness, existence of a single electronic information system, etc. | competition (open or closed, one or two stages); request for proposals; single source procurement. |
| 2 | Asia | State procurement processes have a high digitization rate, modern technologies are applied, preferences are given to local manufacturers, the level of compliance with the law is high, a single public procurement site is established, etc. | competitive bidding, limited competitive bidding, voluntary agreements, concluding a contract with a sole contractor |
| 3 | Anglo-sakson | Having a strong legal basis, establishing a special state body for the implementation of public procurement, placing information on public procurement on the Single portal through the Internet system, maintaining a centralized register of contracts concluded on public procurement, | contest, electronic store, tender, direct purchase |
| 4 | Scandinavia | It is based on European principles, a decentralized state procurement system is formed, each state body and organization conducts state procurement independently. | open competitions, closed competitions, competitive negotiations, competitive interview |
| 5 | Africa and Latin America | The modern state procurement system is in the process of formation, restrictions or preferences in state procurement are also applied to local producers, the system of state procurement is not centralized, uniform procedures and rules have not been established, criteria for evaluating and including participants in state procurement have not been developed, in some cases to participate in the competition payment is made | Open contests, social contests, public contests, private contests, direct purchases |



In order to fulfill the above-mentioned tasks, budget organizations make their purchases through the following types of state and corporate purchases.

Table-2

Types and characteristics of state and corporate purchases¹⁰

| Purchase type | Purchase subject | Budget orderer | Corporate customer |
|------------------|----------------------------|-----------------------------|------------------------------|
| Electronic store | goods | up to 25BCA | up to 250 BCA |
| | work, service | up to 25BCA | up to 250 BCA |
| Auction | goods | up to 2500BCA | up to 5000 BCA |
| Contest | goods | from 2500-up to 6000 BCA | from 5000- up to 25000BCA |
| | work, service | from 25–up to 6000BCA | from 25–up to 25000BCA |
| Tender | goods, work, service | above 6000BCA | above 25000BCA |

Currently, there are more than 35 thousand budget and more than 4.5 thousand corporate organizations in our country.

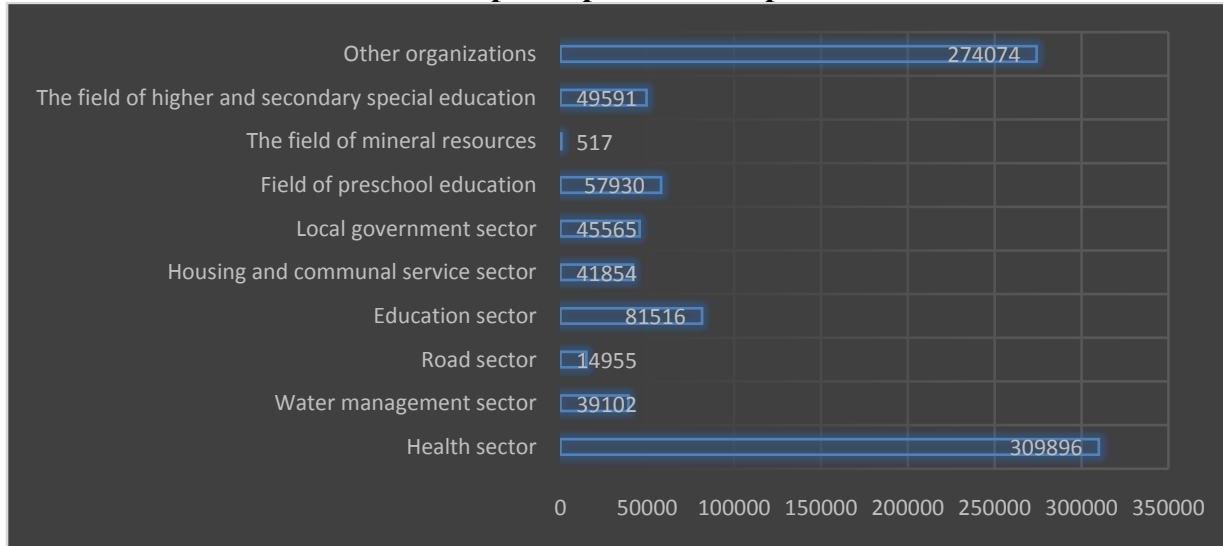
The main goal of the state policy in the field of public procurement is to create a favorable environment for all subjects of public procurement, as well as fight against corruption and other violations during the implementation of public procurement. State procurement is necessary for the implementation of the main goals and tasks of the public sector, and these goals and tasks include: the implementation of state programs, the fulfillment of social tasks of the state, the provision of public services, the achievement of other strategic goals and tasks of the state, as well as the budget of budget organizations. One can cite an example of meeting the needs of recipients in the form of goods (work, services).

It should be noted that in 2022, in order to meet the needs of budgetary institutions, the transactions made in connection with the delivery of goods (works and services) to them will amount to 42 trillion 104 billion. The lowest number of transactions was carried out by the field of higher and secondary special education, i.e. 1037 billion according to 495591 contracts. Some purchases were made.

¹⁰It was prepared by the author based on the requirements of the Law on State Procurement

Table-3

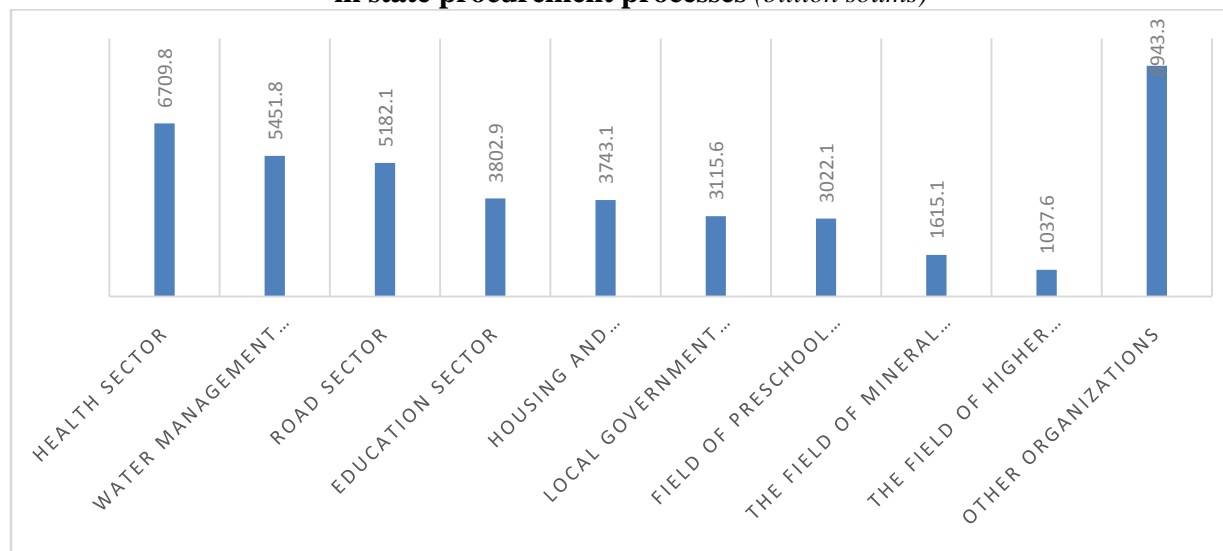
In 2022, the number of contracts executed by budget organizations that are the most active in public procurement processes



Based on the data in the above table, we can see that the largest number of purchases corresponded to the healthcare sector. Soha has signed more than 300,000 procurement contracts. In the next place, the public education system has signed more than 80,000 contracts.

Table-4

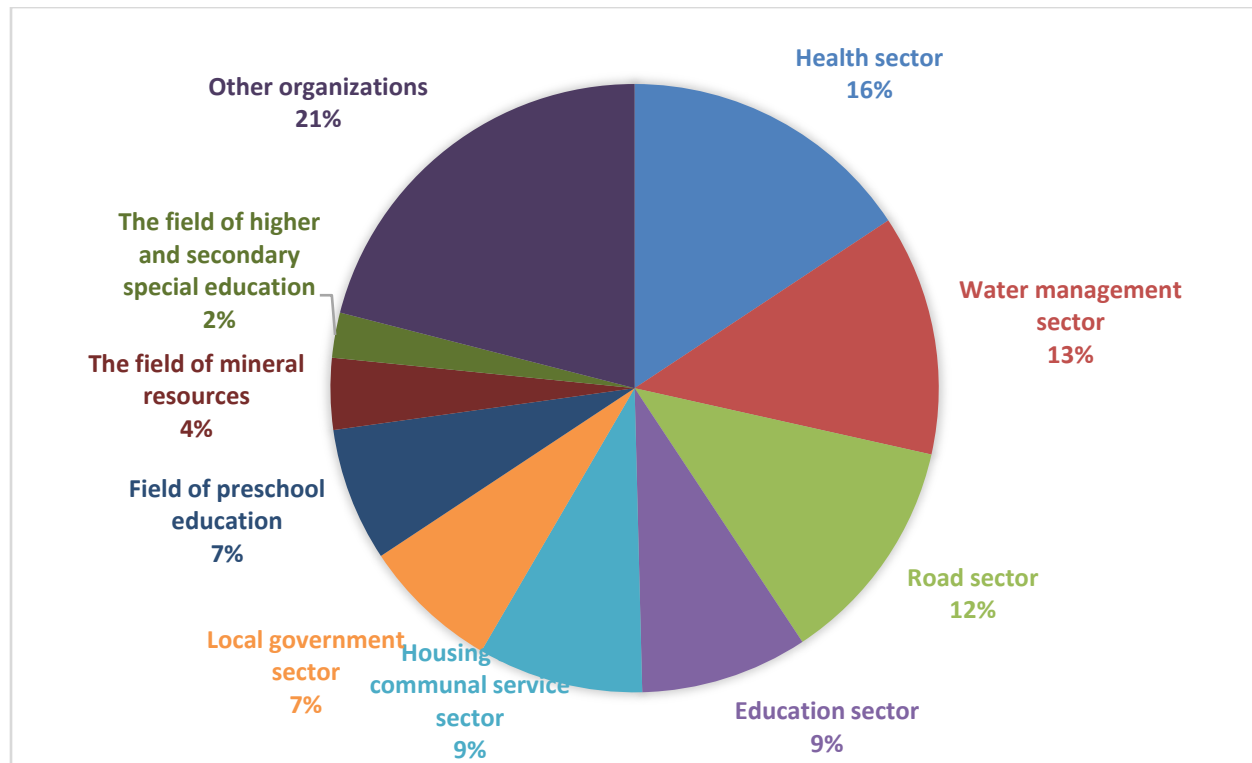
In 2022, the amount of purchases made by budget organizations that are most active in state procurement processes (billion soums)



The next table shows purchases in terms of quantity. In particular, the healthcare sector spent 6.7 trillion soums from the budget for procurement. More than 5 trillion soums were spent on water management and highways.

Table-5

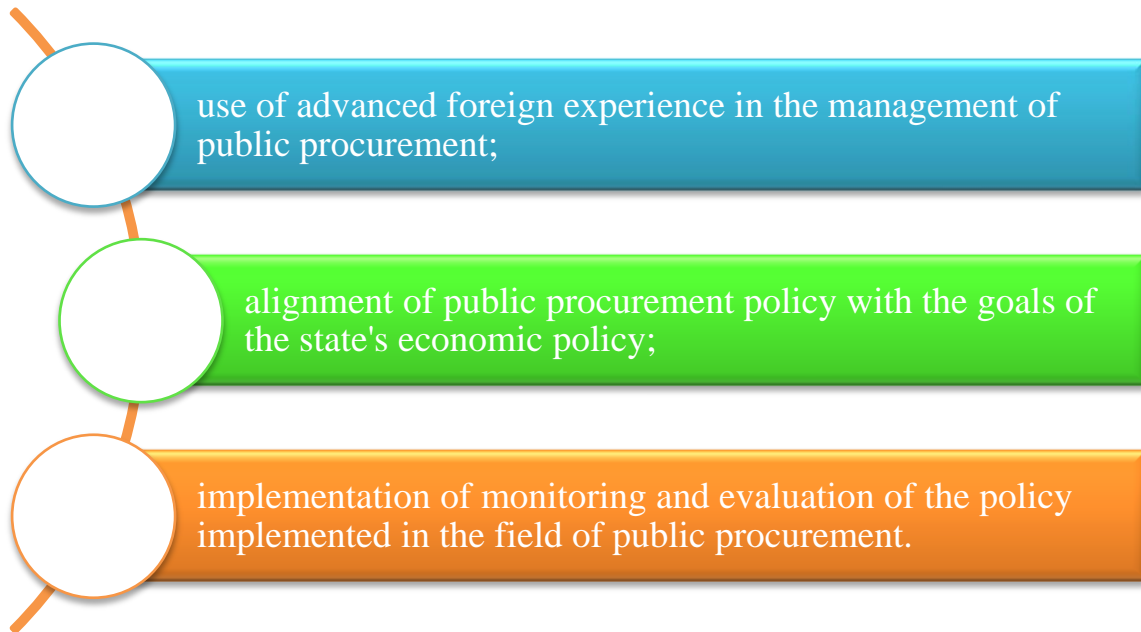
Budget organizations most active in public procurement processes in 2022 (in percent)



It can also be seen that the main part of the budget funds is directed to the institutions of the Ministry of Public Education, which is one of the largest objects of the social sphere, that is, a total of 81516 contracts were implemented by these institutions, and the sum of these contracts 3802.9 billion amounted to soum. In short, the main part of the state budget allocated for public procurement, 21% of the procurement share, corresponds to the contribution of other sectors. Currently, the process of public procurement in the country is carried out and regulated by the Law "On Public Procurement", which was adopted in a new version in 2021. According to this law, the state customer means state bodies, budget organizations, and recipients of budget funds directed to the implementation of procurement procedures, as well as state trust funds. Public procurement consists of stages of public procurement planning, implementation of procurement procedures, conclusion and execution of contracts and monitoring of public procurement. Also, in 2022, a total of 1,037,710 contracts were signed by state customers in the country through state procurement, the total amount of which is 124,089.4 billion.

The volume of public procurement in Uzbekistan is 11% of GDP, which shows that it is an important factor affecting economic growth. Government procurement has a direct impact on the formation of GDP.

The use of the following elements to improve the public procurement management system is an effective direction:



According to G. Kasimova¹¹, the attention to public procurement comes from its importance. First of all, public procurement provides the necessary goods, services and works for the activities of the public sector in a timely manner, which is important for ensuring socio-economic development. Secondly, state procurement, which makes up a large part of state budget expenditures, directly affects its stability. Therefore, it is very important to ensure their high efficiency in order to maintain the amount of public procurement at the optimal level. Thirdly, it is noted that public procurement is a powerful tool used in the implementation of the priorities of the state economic policy.

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Qosimova G.A. G'aznachilik tizimida davlat xaridining huquqiy asoslarini takomillashtirish masalalari // Xalqaromoliy avahisobilmiiyelektronjurnali. – T., 2019. – №2 (aprel).



CONCLUSION

Effective organization of public procurement and rational use of budget funds are of great importance. The formation and development of state procurement was directly related to the strengthening of the state's position, transformation and improvement of state structures. As the state procurement system develops, it has become an important pillar regulating the national economy from a means of meeting the current expenses of the state apparatus and the needs of national defense. The development of the state procurement system depends on the level of development of the economy, the structure of the foundations of statehood, the economic policy conducted in the country, including the budget policy.

Financial relations in modern state procurement are characterized by the processes of globalization and economic liberalization of the world economy. In this process, the state customer becomes an active subject of the economy, taking an important place in the creation of GDP in production, services, construction, agriculture, investments, innovations and other economic processes.

At the modern stage of the development of public procurement, the role of its social and incentive functions has significantly increased. Public procurement plays an important role in creating new jobs in the country, providing employment, supporting the agricultural sector, and forming state reserves, and large state programs and projects, in particular, new innovative economic sectors and large It plays an important role in the successful implementation of industrial enterprises, transport and railway systems, energy, oil and gas industry, education system development and other social programs. Targeted, correct and effective organization of public procurement becomes a source of growth of the national economy.

In recent years, comprehensive measures have been implemented in the country to regulate the state procurement system, to form its legal base and to ensure its rapid development. In the development of the system, the Laws of the Republic of Uzbekistan "On State Procurement" adopted in 2018 and the new version "On State Procurement" adopted in 2021 are an important legal foundation. Also, about 10 Presidential Decrees and Decisions issued for the direct regulation of this system serve the effective organization and development of public procurement in our country. Innovative development of the economy, development of new software for public procurement, reduction of the number of documents, transparency and transparency of the procurement process are the main criteria of the state policy. The legal documents adopted in the country and the measures taken regarding the development of the public procurement sector remain the main factor in the development of the sector.



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