

Advantages of Using Public-Private Partnership for the Parties in Uzbekistan

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Abstract: The article highlights the role of public-private partnership in the socio-economic life of the countries and the importance of these relations in ensuring the welfare of the population in Uzbekistan. As well as, the importance of public-private partnerships for parties substantiate theoretically.

Keywords: public, private sector, partnership relations, infrastructure projects, economic development.

1. INTRODUCTION

In the modern world, public-private partnerships have been developing in new content in many countries through the reform of the infrastructure, as well as finding new sources of funding and the use of effective managerial methods. In turn, these relationships have led to widespread changes in the world, and have shown the path of development in many countries. Around the world, there is a steady increase in the number of countries which are developing by using various forms of partnerships between the public and private sectors.

In the current period, the private sector's involvement in public-private partnerships enhances their economic activity and leads to new changes in the society. At the same time, this partnership shows their attractiveness for the state, to solve social problems, the creation of social facilities, the implementation of public services, the most important of which is the role of this partnership in addressing the rational use of the limited budget and many other opportunities. As well as, this partnership is more attractive for private sector to create high scale of opportunities. In other words, it can be explained by the fact that recently this concept has started to be called the "innovative partnership" formed between the government and the business community.

The notion and mechanism of public-private partnership is absolutely new for Uzbekistan. However, it is so important for the country to apply to this partnership because of some reasons. For instance, the number of population has increased nearly twice since years of independence. In 1991, the number of population was 20607.7 million people, whereas the number increased and reach to 33254, 1 people in 2018. That is 61,4 % more compared to the number in 1991. In that case, the problem of providing population with infrastructure is becoming more actual problem for the country. As well as, it should be considered not only providing population with infrastructure but also quality of it should be considered. The most important social infrastructure and economic infrastructure are owned by the state in Uzbekistan. Meanwhile, the state budget is limited and cannot provide with all types of infrastructure alone.

On the other hand, private sector has not got enough capability to implement and invest most of the infrastructure projects alone in Uzbekistan. Because, most of the infrastructure demand high level of investment and return only is expected for long-run period. It may be difficult for private sector to invest for infrastructure without state support.

The public-private partnership models will be the best option for parties to obtain their goals because of the following advantages of using this mechanism:

The advantages of using the public-private partnership mechanism for parties are as follows:

For public sector	For private sector
The opportunity to engage private investors to build a facility will help to implement infrastructure projects in the current period without increasing the debt burden, even in the absence of sufficient budgetary funds.	Strengthening the conditions for cooperation with the public sector within the framework of the long-term agreement.
Not just the ability to buy the object, but also the ability to purchase services through bundles associated with its size and quality, which in turn promotes competition in the market of socially significant services.	The possibility of co-financing the project and the availability of additional safeguards.
Distribution of project risks among partners.	The presence of a government partner's contribution to the risk-sharing project.
The resources and powers of the private partner can provide socially significant services, improve quality and look for different	Providing additional paid services that reduce costs in the process of setting up or managing a project, and the ability to increase its profits

solutions that reduce the cost of customer service and the high intensity of attracting new technologies.	through the use of various solutions.
Supporting effective market mechanism in reducing state involvement in the economy.	Establishment of safeguards in the areas traditionally functioning by the state.
The possibility of a broader access to innovation in the design of the project, and the immediate solution of issues related to investor involvement with the private initiative.	The private partner seeks to find out how to independently examine the project structure, propose a draft, and reduce the term of the contract.

As well as, the government is planning to solve the following problems by using this model in Uzbekistan:

- increasing the amount of private investment by uniting the resources of the public and private sectors;
- improving employment and quality of life of the population;
- attracting foreign financial, material, intellectual and other resources and rational use modern foreign management methods;
- promoting the effectiveness of state property management.

In conclusion the condition of limited state budget and unlimited demand for quality of service and normal living of the population, development of these relations remains as a main task of the country's economy. Consolidation of partnership relations can lead to significant socio-economic changes in the country.

Using this mechanism is more attractive for both parties. Mutual relations between state and private sector can give a lot of opportunities for parties to reach their goals.

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