



MECHANISMS FOR ATTRACTING ECONOMIC RESOURCES BY SMALL BUSINESSES AND PRIVATE ENTREPRENEURSHIP

Mirzakholikov Bobir Bakhtierovich

Namangan Institute of Engineering and Technology, Assistant of the Department of Accounting and audit.
E-mail: mirzahalikovbobur@gmail.com

Article history:	Abstract:
<p>Received: July, 10th 2021 Accepted: August 11th 2021 Published: September 22th 2021</p>	<p>The article considers the importance of the development of small business and private entrepreneurship in the development of the national economy, its organizational forms. Special emphasis is placed on the consideration of newly formed mechanisms for attracting financial sources for the further development of the activities of small businesses and private entrepreneurship. The article considers the controversy of foreign scientists about the essence and importance of public-private partnership in attracting financial sources for the further socio - economic development of the region.</p>
<p>Keywords: Private entrepreneurship, small business, private business entities, public-private partnership, concessions, agency, risk, tender, private partner, private investor, financial support mechanism, project, property, property complexes, public infrastructure, design, construction, creation, supply, financing, reconstruction, modernization, operation.</p>	

INTRODUCTION.

The influence of small business and private entrepreneurship in GDP and some sectors is increasing. From the experience of countries with developed market economies, it is well known that the creation of the necessary conditions for the development of small business and private entrepreneurship is one of the decisive factors determining the further socio-economic development of the country. The development of small business and private entrepreneurship is one of the important issues for the economy of our republic, which is on the path of deepening market reforms and building a free civil society. At the same time, the issue of improving small business support schemes in this regard seems to be one of the most urgent. And in the context of modernization, it is natural that the issues of small business development, their financial and economic stability are becoming more important.

The above points of view substantiate the fact that the issue of financial and economic support of the state for small businesses is crucial for ensuring their further economic growth. One of these mechanisms is a public-private partnership. It has emerged and is developing at the intersection of the interests of the state and business in solving the problems of dynamic socio-economic development of the regions, provided that the efficiency of using budget funds and increasing the quality and volume of public sector services through attracting investments from extra-budgetary funds is increased.

MATERIALS AND METHODS.

The study was built in accordance with the system-functional approach, which allows us to identify the qualities, properties, and consequences of systemic actions to create opportunities for public-private partnership in development regional infrastructure, ensuring the use of the potential of the regions to achieve the set goals. When studying the problems of scientific research, theoretical and empirical methods of scientific cognition were widely used. In particular, such methods as scientific abstraction, observation, generalization, grouping, comparative, correlation and regression analysis, economic and mathematical modeling and forecasting were widely used.

LITERARY REVIEW.

A significant contribution to the development of problems of attracting economic resources and interaction between the state and private business was made by Russian scientists-economists A. A. Alpatov, V. G. Antonov, O. S. Belokrylova, V. G. Varnavsky, A.M. Vorotnikov, A. G. Zeldner, A. K. Kazantsev, S. A. Kochetkova, etc. However, the issues related to the study of attracting economic resources for the further development of the activities of small businesses and private entrepreneurship and their role in the development of the region's infrastructure remain insufficiently studied, there are no unified theoretical and methodological approaches in public-private partnership projects, the models of project implementation based on public-private partnership, mechanisms for managing regional infrastructure are not fully developed.



THE RESULTS OF THE STUDY.

The experience of using mechanisms for attracting economic sources by small businesses and private entrepreneurship to further increase their economic development in Uzbekistan proves the possibility of more effective implementation of the most significant industrial and social projects. In the modern national economy, when new economic relations are gradually being formed and it is becoming more and more integrated into the world community, there is an urgent need for structural changes and closer interaction between the state and the private sector. A new, effective structure, such as public - private partnership, is beginning to play the most significant role. It is one of the main directions of attracting private capital to various sectors of the economy. The increased interest in this interaction between the state and private business is explained by the fact that in many countries it allows us to effectively solve major social and economic problems by combining the resources of the public and private sectors.

The mechanism of public-private partnership has emerged and is developing at the intersection of the interests of the state and business in solving the problems of dynamic socio-economic development of regions, provided that the efficiency of using budget funds and increasing the quality and volume of public sector services through attracting investments from extra-budgetary funds is increased. There is an increasing number of countries in the world that have mastered the mechanisms and tools of public-private partnership for the development of public infrastructure and the provision of socially significant services. A public-private partnership agreement is a long-term contract that is concluded between a public and a frequent partner to create a public service or product. At the same time, the private party assumes responsibility for the management of the object and shares the risks with the state party.

Let's consider the concept of the term "public-private partnership" and the definitions of scientists engaged in scientific research in this area. In the economic literature, along with the concept of "public-private partnership", the term "private-public partnership", "public (public)-private partnership" is quite often used. However, according to scientists, and, in particular, the Russian scientist V. Kabashkina, it is necessary to "adhere to the terminology close to the original (Public-Private Partnership) and use the term "public-private partnership", while understanding that along with state authorities, local self-government bodies can also act as partners" [2].

However, according to V. G. Varnavsky, the use of the term "public-private partnership" is much more appropriate, because "it more accurately reflects the place of the state in a new system of relations for it" [3]

. In defense of this point of view, the following justification can be given. Within the framework of the implementation of this mechanism at the micro and macro levels, that is, in the process of implementing regional projects, the relations of partners should be based on the principles of equality. However, in the process of implementing this mechanism at the macro level, the state acts not only as a partner, but also as an expression of the integral interest of society – the public of this region. The regional community-the population-is also the main customer of the benefits for the purpose of generating which the partnership is carried out. Also, in this case, the society of the region acts as one of the fundamental components of the environment in which the partnership is carried out. At the same time, representatives of the region's business and civil servants, in turn, are part of the society – the population of this region, which is subject to the action of formal and informal institutions.

Thus, by implementing their private interests in the process of public-private partnership, business representatives satisfy the public needs of the region. Accordingly, it is necessary to conclude that in the process of implementing public-private partnership, there should be an implicit dominance of public interests – it is society that acts as the main customer of the benefits produced by the PPP system. Therefore, it seems logical to talk about public-private partnership. "However, since at present the definitions of "public sector of the economy" and "public sector of the economy" can largely be considered equivalent concepts, and legally the partners are the state, represented by public authorities, and business representatives, and, given that the phrase public-private partnership can already be attributed to the category of stable expressions, we propose to use the name "public-private partnership" to designate the studied socio-economic phenomenon [4].

Another Russian scientist, E. R. Kiyamova, in his research formulates PPP as: "public-private partnership is a system of institutionally organized interaction between the state and business, created on a long-term and mutually beneficial basis to achieve common goals based on the synthesis of material and non-material resources of these two institutions in order to increase the efficiency of the country's economic development and increase the quality of life of the population" [5]. The choice of the most optimal model of interaction between the state and business largely depends on the depth of scientific study of the project, the investment model, its participants and other criteria. P. V. Ponizov identified a system-forming element in the concept of public-private partnership: "PPP is a mechanism of organizational and economic interaction between state and business structures in relation to objects of state and municipal property with a legitimate division of



powers, responsibilities and risks"[6]. In the scientific study of Kadan (Kesler) A. I. PPP is defined as: "Public-private partnership is an agreement on mutual benefits. The cost effectiveness of PPP, as well as in the usual sense of consumption, is the result of designing a financial structure, coupled with a "lowered from above" management system and financing. All this is a consequence of the remuneration system based on further payment for the services provided and risk reduction"[7]. Orlov V. V. PPP reveals the essence of PPP as: "a category of economic science: PPP expresses the relations that arise between its subjects regarding the assigned and perceived economic responsibility for the sustainable socio-economic development of society (country) on the basis of formalized cooperation of public and private structures (capital), which allows forming a common economic interest of the government, business and the population, which, in turn, is a condition for the formation of a new quality of economic relations as a characteristic of civil society" [8].

It is proved that PPP (as an organizational and economic form of combining the resources of the state and non-state structures) is characterized by a high degree of flexibility, which allows solving a wide range of tasks, and at different levels of organization and management of the economy (a variety of types of resources used and results obtained; variability in the economic content and organizational and legal form; solving both entrepreneurial and non-entrepreneurial tasks; a variety of ways to activate entrepreneurial and labor activity, etc.

In our republic, the topics related to public-private partnership are poorly studied. The legislative and legal framework is just being formed. The first law on this topic was developed and published in 2019. The Law of the Republic of Uzbekistan "On Public - Private Partnership", adopted by the Legislative Chamber on April 26, 2019 and approved by the Senate on May 3, 2019 in Article 3 "Basic concepts" of Chapter 1, defines PPP as follows: "public-private partnership is a legally formalized cooperation between a public partner and a private partner for a certain period of time, based on combining their resources for the implementation of a public-private partnership project" [1].

The concept of a public-private partnership project is presented as: "a document prepared by a public partner and (or) a private initiator, justifying the choice of an implementation solution, determining the cost and description of a public-private partnership project, containing a justification for its effectiveness and relevance, the main characteristics and features of its implementation, as well as mechanisms for ensuring the return on attracted investments" [1].

According to the law, the state partner is the Republic of Uzbekistan, on behalf of the state

administration bodies, local executive authorities, as well as other bodies (organizations) authorized by the Cabinet of Ministers of the Republic of Uzbekistan, or their associations act. A private partner is a business entity registered in accordance with the legislation of the Republic of Uzbekistan or a foreign state, an association of such entities with which the state partner has concluded an agreement on public-private partnership.

According to the law, the main principles of public-private partnership are:

- equality before the law of the public partner and the private partner;
- transparency of rules and procedures in the implementation of public-private partnership;
- competitiveness and objectivity in the selection of a private partner;
- the inadmissibility of discrimination;
- the inadmissibility of corruption.
- The public partner and the private partner are equal parties.

CONCLUSION AND SUGGESTIONS.

Having considered the above views of scientists on the definition of "public-private partnership", in our opinion, for the most complete reflection of it, it is necessary to give it the following wording: "Public-private partnership is an organizational form of economic relations between the state and business entities in relation to the use of entrepreneurial potential on mutually beneficial terms, within the framework of which a positive multiplier effect is formed."

At the same time, its development has a multiplicative effect on the functioning of the entire socio-economic system. It should be emphasized that public and private investments are spent on the maintenance of infrastructure, in some cases even in conditions of a state budget deficit. But at the same time, we should not forget that investing public funds in infrastructure allows us to create new jobs, increase the demand for products and services of domestic producers and give the greatest multiplicative effect. In other words, investing in the creation and development of infrastructure has a multiplier effect, since most infrastructure facilities are public facilities and their improvement will have a positive impact on the work of several economic entities.

REFERENCES:

1. The Law of the Republic of Uzbekistan "On Public-private partnership". May 3, 2019, chapter 1, article 4. <https://lex.uz/pdfs/4329272>, 22.01.2021.
2. Kabashkin V. A. Formation and development of partnership relations between the state and business structures in the Russian Federation.



3. // Abstract of the dissertation for the degree of Doctor of Economics / / V. A. Kabashkin. - M.:, 2007. - 44 p. <https://www.dissercat.com/content/razvitie-gosudarstvenno-chastnogo-partnerstva-v-sovremennoi-ekonomike.23.01.2021>.
4. Varnavsky V. G. Public-private partnership in Europe // Modern Europe. - 2005. - No. 2. - pp. 62-71.
5. Makarov I. N., Spesivtsev V. A., Sokolov V. P. Public-private partnership and interests of regional development: system-institutional analysis. Economics, entrepreneurship and Law Volume 9. No. 4 October-December 2019. pp. 371-384.
6. Kadanya (Kesler) A. Ya. Economic foundations of public-private partnership. Moscow State University. 2007. Abstract of the dissertation for the degree of Candidate of Economics. <https://www.dissercat.com/content/razvitie-gosudarstvenno-chastnogo-partnerstva-v-sovremennoi-ekonomike.23.01.2021>
7. Kiyamova E. R. Development of public-private partnership in the modern economy. Abstract of the dissertation for the degree of Candidate of Economics, M. 2013. <https://www.dissercat.com/content/razvitie-gosudarstvenno-chastnogo-partnerstva-v-sovremennoi-ekonomike.23.01.2021>.
8. Ponizov P. V. Economic mechanisms for attracting investment in the region's economy on the basis of public-private partnership. Abstract of the dissertation for the degree of Candidate of Economics, M. 2011. <https://www.dissercat.com/content/razvitie-gosudarstvenno-chastnogo-partnerstva-v-sovremennoi-ekonomike.23.01.2021>.
9. Orlov V. V. Public-private partnership in the system of economic relations. Abstract of the dissertation for the degree of Candidate of Economics Ivanovo 2012. <https://www.dissercat.com/content/razvitie-gosudarstvenno-chastnogo-partnerstva-v-sovremennoi-ekonomike.23.01.2021>
10. Pardaev, M. Q., & Mamayunusovna, P. O. (2020). The 7P model of self-employment. American Journal of Economics and Business Management, 3(2), 45-54.
11. Pardaeva, O. M. (2017). HOME-BASED ENTREPRENEURSHIP AS A SOURCE OF REVENUE GENERATION IN THE SERVICE SECTOR. International Journal of Innovative Technologies in Economy, (5), 16-19.