

THE ROLE OF THE PRIVATE SECTOR IN ACHIEVING ECONOMIC DEVELOPMENT

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Abstract: *In this article, the study of the economy and the market economy through the privatization of state property, as well as the economic situation of our country today. The opinions of a handful of economist scientists were analyzed. A number of pressing issues in the privatization of property have also been identified and appropriate proposals and conclusions have been made to address them.*

Keywords: *public property, private sector, market economy, liberalization, investment.*

Introduction

As we live in the era of global development, we can witness that according to world practice, the privatization of state property is the cornerstone of economic development. Privatization of state property is the state's disposal of internal means, property objects, enterprises, housing, vehicles, natural resources, and its disposal to citizens, communities, as well as non-state legal entities; is to create various (joint, private, family, joint, mixed, corporate) forms of ownership on the basis of state property.

Privatization has a special place in the transition from the administrative-command system of economic management to the economic management system based on market relations. The experience of economically developed countries confirms that private property ensures economic growth without allowing social upheavals. The general content of the period of transition to a market economy is not to reform individual elements of economic relations or to introduce amendments to economic policy, but to change the entire system of economic relations.

Main part

Today, the field of privatization of state property is regulated on the basis of the Law "On Expropriation and Privatization" adopted in the early years of state independence, as well as on the basis of more than 20 other normative legal documents is getting married. In this draft law, state unitary enterprises and state institutions, state real estate objects, including property complexes, are considered state property objects in which state shares can be privatized, as well as state property that cannot be privatized as defined in the legislation on state property management. full or partial privatization of property is clearly indicated. [1] There is no single legal document that fully covers the processes of privatization of state property. According to the initiators of the law, a new draft



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law was developed due to the large number of legal documents related to the regulation of processes in the field and the existence of conflicts between them.

The decree "On measures to accelerate the reform of state-owned enterprises and privatization of state assets" signed by President Mirziyoyev on October 27, 2020 is a comprehensive document consisting of 22 paragraphs. Implementation deadlines for each of the measures defined in the presidential decree are set, the latest deadline is July 1 next year.

According to the presidential decree: 274 state-owned enterprises, 109 newspapers, publishing houses and magazines, 26 information technology enterprises and computer service centers, 27 private sector medical institutions, 12 oil industry enterprises, 31 wineries and wine businesses are sold entirely to the private sector through public auctions. [2]

As long as we are moving towards progress through free market relations, why are we still not abandoning the bureaucratic interference that destroys economic freedom, why are state monopolies that serve the interests of individuals rather than the people still in place, and why are most decisions made against economic freedom? However, why their implementation in practice is grossly violated or their implementation remains related to the interests of some categories?

Small business, private sector and social development of the population have not been fully reformed. Therefore, in the coming years, several programs should be implemented in order to further develop and regulate the relations between the owners, and further strengthen the rights of the owners.

Literature analysis

In the literature related to the economy, there are researches and analyzes on the liberalization of the economy through the privatization of property, current problems, especially the expropriation of property from the state and a number of factors that are obstacles to it and their elimination.

Many economists emphasize that the main reason for our problems is the continuous intervention of the state in the economy. That is, they repeatedly emphasize that the state should abandon various monopolistic actions that prevent market relations from functioning, and that the necessary market relations can be formed only if the free market is left to determine the price. [3]

According to Y. Cao, a number of reforms should be implemented in order to increase the efficiency of state enterprises, among which privatization of state enterprises was one of the most effective. [4]

According to Megginson and Randenborgh, since the 1980s, various countries have introduced private capital have privatized state-owned enterprises through work permits, and most have had positive results, such as Italy, but negative results have also been observed in some countries, such as Russia. [5]

According to the researches of Xia Pan, Wenyin Cheng, Yuning Gao, firstly, the privatization of state-owned enterprises significantly stimulates innovation and has a great effect in the long run, mainly by reducing the agency costs of firms. Second, considering whether state-owned enterprises are privatized or not, we have two new conclusions: only if the privatized enterprises are controlled by local non-state capital, the privatization of state-owned enterprises promotes innovation, and



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innovation is more beneficial than radical privatization. Third, the innovation-stimulating effect of privatization of state-owned enterprises is highly effective for commercial state-owned enterprises, central state-owned enterprises, large state-owned enterprises, and state-owned enterprises in high-tech industries. [6]

Methodology

This article analyzed the scientific-theoretical views of foreign and domestic scientists on the privatization of property and a number of factors that currently prevent it and measures to prevent them. Several methods such as assessment, monitoring, analysis, synthesis were used during the research.

Analysis and results

The scale of privatization in a particular country depends on the extent to which nationalization of the private sector was used earlier. In countries where the nationalization method has been partially implemented (USA, Germany, Japan), privatization is rare.

Privatization of public property in Great Britain, the forerunner of privatisation, is the free allotment and sale of shares; service contracts; sale of public housing to apartment renters; in order to develop competition, methods such as giving up state monopolies were used. World experience shows that there are 22 ways to transfer state property and its functions to the private sector in whole or in part. Privatization is a long, long-term process. It lasts 10 years in Japan and 10-15 years in Western Europe.

In 2021, private sector investments in infrastructure in the developing world (PPI) stood at \$76.2 billion — marking a 49% increase from the previous year. In fact, 2020 was particularly dismal: COVID-19 brought the infrastructure sector to a near standstill, with investment levels at historic lows not seen since the inception of our database. In this context, the 49% year-over-year increase of PPI is a long-anticipated signal of a return to normalcy.

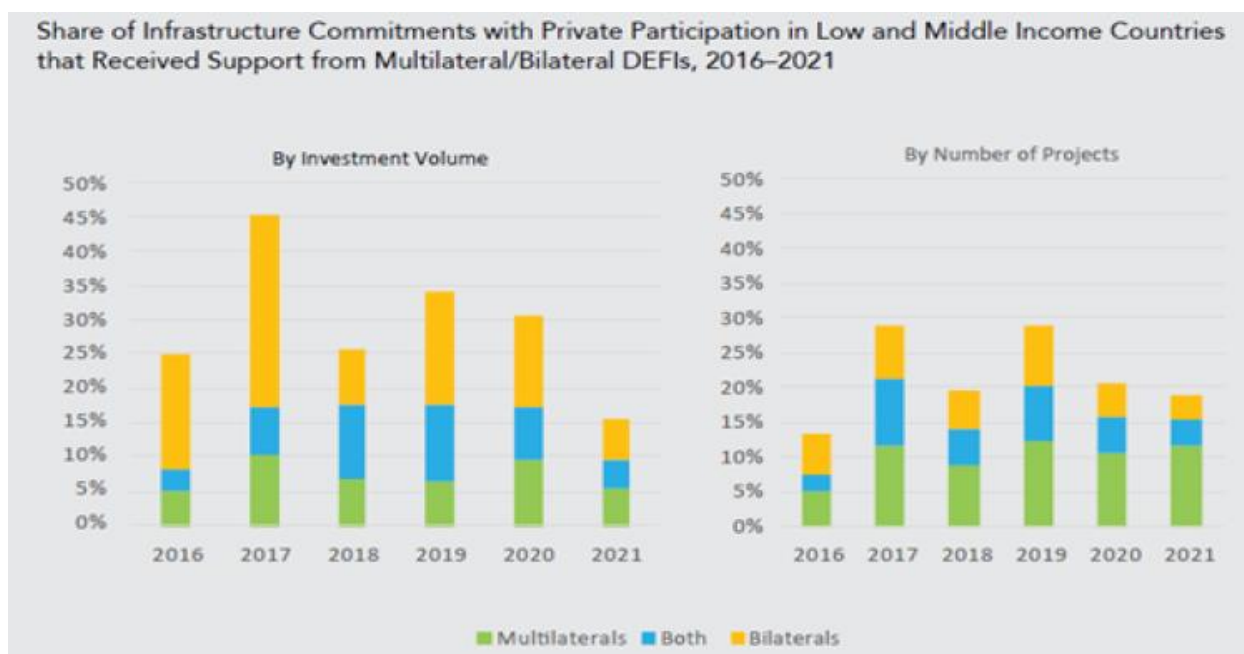
The 2021 recovery in PPI was led by the transport sector, which committed \$43.8 billion in private investments, despite emerging variants and global policy uncertainties, up 58% from 2020. This was a return to the pre-pandemic trend of transport infrastructure leading global PPI investments. Private investment in airports drove this increase, reaching \$20.3 billion in 2021. This 39-fold increase from 2020 marked the first time since 2015 that investment in airports outpaced investments in roads. The sudden decrease of air travel drove a drastic decline in airport PPPs in 2020, with several projects in the pipeline being delayed. In 2021, air travel returned, but fiscal constraints due to COVID persisted. As a result, some governments divested from national airports and sought private investment to cover their management or leases. This could be the start of a longer-term trend.

But is the 2021 increase in PPI cause for a sigh of relief? Well, not exactly. It might be too early to say that recovery is here to stay. Investment recovery from the deep recession triggered by the COVID-19 pandemic has been uneven across regions, and this is further complicated by the recent intensifying of overlapping crises with global impact.



Latin America and the Caribbean, East Asia and the Pacific, and Europe and Central Asia saw a strong recovery in investment levels from 2020. Nevertheless, South Asia, Middle East and North Africa, and Sub-Saharan Africa saw decreases in investment levels as the pandemic raged on. Against this background of an uneven global recovery, the number of PPI projects that reached financial close dropped even though there was an increase in total investment. The world’s poorest countries noted a decrease in investment levels as well compared to 2020, with the majority of IDA countries situated in the regions that were harder hit by the pandemic this year.

What does the PPI data suggest we can do to sustain the recovery during 2022? Private investment commitments in the energy sector in 2021 were by far below their past five-year average, implying that the sector has room for improvement this year. This might be due to many possible reasons such as the lack of strong projects in the pipeline for the private sector or the fragile financial state of the private energy companies around the world.



This year will be a pivotal one for private investment commitments in infrastructure, with many opportunities to progress from the pandemic. But, with overlapping global crises, a global rate-hike, and the anticipation of further increasing interest rates, private investment commitments are also highly tentative. The post-pandemic recovery efforts from 2022 onwards will rely strongly on both signals and actions from governments and multilateral partners to rally private capital across every region.

Conclusion

Therefore, by removing the property from the state and transferring it to the private sector, it is necessary to develop commercial and trade activities in our country, ensure the effective use of financial resources, create favorable conditions for privatized industries and organizations, investments and innovations, expand jobs and production in our country. we can achieve such goals



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as development. Also, the privatization of state property is of great importance in accelerating the transition to a market economy and economic liberalization.

In addition, in order to eliminate existing problems, conclusions and suggestions were formed based on the analysis:

1. The business environment and financial support for investors should be further improved.
2. It is necessary to ensure more transparency in the implementation of statutory and regulatory legal documents.
3. For privatized industries and organizations, the state's financial support should be further strengthened in order to create favorable conditions.
4. Legal and financial assistance should be provided for privatized sectors and organizations.
5. The active role of the state in creating favorable conditions for privatized industries and organizations, for investments and innovations should be strengthened.

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