



## "PUBLIC PROCUREMENT: A TOOL FOR ECONOMIC SECURITY OR A SOURCE OF THREATS?"

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**Annotation:** Conflicts of interest and corruption in public procurement are worldwide problems that can negatively affect the economic stability of the country. This article analyzes the main challenges facing the public procurement system in the world and offers recommendations for overcoming them. In addition, the description of the best practices used in various countries that allow for more effective management of public procurement is given. In conclusion, the results are summarized and possible directions for improving the public procurement system in various countries of the world are outlined.

**Keywords:** security, transparency, public procurement, corruption, economic security, competition, efficiency, risks, control.

Public procurement can have an impact on the economic security of the country. Public procurement is one of the tools that governments use to support their economies, ensure the competitiveness of domestic producers, and also ensure the security of the state.

As part of public procurement, the state can establish requirements for the quality and safety of products, as well as provide preferences to local producers in the procurement. This can contribute to the development of domestic industry, the creation of new jobs and the improvement of the economic situation in the country.

However, if procurement is not carried out in a transparent and competitive manner, this can lead to corruption and adversely affect the economic security of the state. Therefore, it is important that public procurement be carried out in accordance with the law and the principles of fair competition in order to ensure the economic security of the country.

Corruption and poor governance are among the main obstacles to the economic development of many countries. Public procurement can become a tool to support the economy and ensure the security of the state, but only if they are carried out in a transparent and fair competition.

Public procurement is a powerful tool that governments use to support their economies. This mechanism consists in the fact that the state purchases goods and services from private companies, which are then used to carry out government tasks. Public procurement can become a tool to support domestic producers and create new jobs.

However, public procurement can also become a source of corruption and disruption of the economic security of the state. Corruption in the public procurement process can result in the state paying inflated prices for goods and services, which negatively affects the budget and reduces the availability of public services to the population. As a result, public procurement can become a source of threats to the economic security of the state.

In order for public procurement to become a tool for ensuring economic security, it is necessary that they be carried out in compliance with the principles of transparency,

competition and fairness. Transparency should be ensured through the openness of the public procurement process and the availability of information about them to the public. Competition should be stimulated by creating equal conditions for participants, including foreign companies. Fairness must be ensured by providing equal opportunities for all participants in public procurement.

One important aspect of public procurement is its role in the development of small and medium businesses. In many countries, small and medium-sized businesses are the driving force behind the economy, creating jobs and spurring innovation. Public procurement can be an effective tool to support small and medium-sized businesses, enabling them to compete with large companies for government contracts.

However, many small and medium-sized companies do not have sufficient resources and knowledge to successfully participate in public procurement. Therefore, it is necessary to develop training and support programs to help them understand the procurement process and gain the necessary knowledge and skills. In addition, it is necessary to improve the availability and transparency of information on public procurement so that small and medium-sized companies can learn about opportunities to participate in them.

Thus, public procurement can become a tool to support small and medium-sized businesses and a way to develop the economy. However, for this to happen, barriers that prevent small and medium-sized companies from participating in public procurement must be removed. These can be problems with the availability of information, lack of knowledge and skills, lack of competition and problems with corruption. Solving these problems will allow public procurement to become an effective tool for supporting small and medium-sized businesses and developing the economy as a whole.

In addition, public procurement can have an impact on the economic security of a country. Through the procurement process, government agencies acquire goods and services that may be critical to a country's security. For example, these may be goods and services related to national defense, cybersecurity, energy and transport.

If the procurement process does not take into account economic security criteria, this can lead to serious problems. For example, you can buy goods or services from vendors that don't perform well or have ties to untrustworthy organizations. This can lead to serious consequences, such as the leakage of confidential data or accidents at facilities of national importance.

Therefore, public procurement must take into account the criteria of economic security. First of all, this means that government agencies must determine which goods and services are critical to the country's security. Next, it is necessary to establish the criteria that suppliers must meet in order to be eligible to bid for a government contract. These criteria may include requirements for the quality, security and confidentiality of information.

Thus, public procurement is an important tool for supporting small and medium-sized businesses and can have an impact on the country's economic security. The correct use of this tool will help not only develop the economy, but also ensure the security of the state.

Consider some of the problems associated with public procurement and economic security, and possible ways to solve them.

Issue #1: Corruption and lack of transparency in the public procurement process.

Corruption and lack of transparency in the public procurement process can lead to the selection of inefficient and insufficiently secure suppliers. This can lead to loss of public funds, as well as threats to national security.

**Solution:** It is necessary to improve the mechanisms of control over the public procurement process. This can be achieved through the establishment of independent control and monitoring bodies that will monitor every stage of the procurement process and ensure its transparency. It is also necessary to raise public awareness of the public procurement process, publish reports on completed contracts and hold public hearings.

**Problem #2: Lack of qualified suppliers.**

Often there is a problem of lack of qualified suppliers for certain tasks, for example, in the field of national defense or cybersecurity. This can lead government agencies to choose less qualified suppliers, which can threaten national security.

**Solution:** It is necessary to invest in the development and support of innovative technology companies and start-ups specializing in the provision of services and products in the field of security. It is also necessary to create competence centers that will train specialists and develop technology companies in this area.

**Problem #3: Insufficient protection of sensitive data.**

When conducting public procurement, it is necessary to ensure the protection of confidential data and information related to national security. Insufficient data protection can lead to confidential information leaks and national security breaches.

**Solution:** It is necessary to implement modern data and information protection systems, as well as train personnel working with confidential information in the correct use of these systems. It is also necessary to conduct regular audits and checks for compliance with safety standards.

**Problem #4: Insufficient competition among suppliers.**

Insufficient competition between providers can lead governments to contract with inefficient or expensive providers, which can lead to inefficient use of public funds.

**Solution:** It is necessary to create conditions for the development of competition between suppliers. This can be achieved by reducing barriers to market entry, holding auctions with maximum participation of suppliers, and improving the quality of procurement information and documentation.

**Issue #5: Lack of transparency and openness in the public procurement process.**

Lack of transparency and openness in the public procurement process can lead to corruption, dishonest practices on the part of suppliers, and violation of consumer rights.

**Solution:** It is necessary to increase the transparency and openness of the public procurement process by increasing the availability of information on procurement, expanding the rights of consumers to participate in the public procurement process, increasing the level of control by independent bodies, as well as conducting training programs and educating the public about the public procurement process.

In general, the solution of problems related to public procurement and economic security requires the joint efforts of government agencies, scientific and business communities, as well as the public in general. The key success factor is the openness and transparency of the public procurement process, as well as strict adherence to legislation and standards in this area[11].

For clarity, you can use a case showing an example of a problem related to public procurement and its solution. For example, consider the following case:

Company X participated in a tender for the supply of equipment for state enterprise Y. After summing up the results of the tender, company X was not selected as the winner, despite the fact that its proposal was more profitable and met all the requirements of the terms of reference. Later it became known that the winner of the tender was a company associated with a relative of one of the officials responsible for the tender[12].

To solve this problem, it is necessary to introduce an effective system of control and transparency of public procurement. For example, you can use the following measures:

Development of transparent criteria for selecting the winner of the tender, which will be based on objective indicators, such as price, quality and deadlines.

Implementation of an electronic platform for public procurement, which will reduce the intervention of officials and ensure maximum transparency and competition.

Creation of an independent body responsible for control and monitoring of the public procurement process, which will have sufficient powers to make decisions and punish in case of violation of the law.

**In conclusion,** it can be noted that public procurement plays an important role in the economic security of the country, as it allows government bodies and enterprises to obtain the necessary goods and services to carry out their functions and tasks. However, conducting public procurement may face a number of problems that can negatively affect the economic security of the country, such as corruption, non-compliance with legal requirements and the violation of transparency and competition.

To ensure the economic security of the country, it is necessary to conduct public procurement in accordance with the law, ensure competition and transparency in the procurement process, and establish strict control measures for the fulfillment of contract terms. In addition, the use of new technologies, such as electronic procurement platforms, can help reduce corruption and improve the transparency of the procurement process.

Thus, public procurement plays an important role in ensuring the economic security of the country, and in order to effectively solve the problems associated with public procurement, it is necessary to introduce appropriate measures and technologies to ensure transparency, competition and effective control over the implementation of contract terms.

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