

Optimization of the Public Procurement System in The Context of Ensuring Economic Security

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Abstract

This study examines the role of public procurement system optimization as a key factor in ensuring economic security. Public procurement accounts for a significant share of public expenditures and therefore represents a critical area of potential economic risk. The article analyzes major threats to economic security arising within procurement processes, including corruption, inefficient allocation of budgetary resources, and limited competition. Using a qualitative analytical approach based on international reports and best practices, the study identifies core optimization mechanisms such as digitalization, procedural standardization, and enhanced institutional control. The findings indicate that the implementation of integrated electronic procurement systems and risk-oriented monitoring tools significantly contributes to transparency, fiscal stability, and sustainable economic development.

Keywords: Public procurement, economic security, optimization, digital governance, risk management.

Introduction

Ensuring economic security has become a central priority for governments in the context of increasing global uncertainty, fiscal constraints, and institutional challenges. The public procurement system plays a strategic role in this process, as it channels a substantial proportion of public funds and directly influences market competition and state capacity. Inefficiencies in procurement procedures, corruption risks, and weak oversight mechanisms may undermine financial stability and reduce public trust in government institutions. Consequently, optimizing the public procurement system is increasingly viewed as an essential instrument for strengthening economic security.

PUBLIC PROCUREMENT OPTIMIZATION AS A MECHANISM OF ECONOMIC SECURITY

Optimization of the public procurement system aims to enhance the efficiency of budgetary expenditures while minimizing institutional and operational risks. From an economic security perspective, procurement optimization contributes to preventing resource leakage, ensuring fair

competition, and strengthening the resilience of public finances. Particular attention is given to reducing dependency on single suppliers and increasing transparency across procurement cycles. International experience demonstrates that digital procurement platforms, combined with standardized procedures and analytical risk-assessment tools, substantially improve procurement governance. The use of electronic tendering systems enables real-time monitoring, reduces discretionary decision-making, and facilitates early identification of irregularities. As a result, optimized procurement systems support economic security by promoting accountability and safeguarding public resources.

THREATS TO ECONOMIC SECURITY AND MITIGATION MECHANISMS

The main threats to economic security associated with public procurement and the corresponding mitigation mechanisms are summarized in Table 1.

Threat	Manifestation in Procurement	Mitigation Mechanism
Corruption risks	Manipulation in supplier selection and contract awards	Digital procurement platforms and transparency tools
Inefficient budget spending	Overpricing and low-quality goods or services	Competitive bidding and procedural standardization
Supplier concentration	Limited market access and reduced competition	Expansion of supplier participation and open data policies
Weak oversight	Violations during contract implementation	Risk-based audits and performance monitoring

Table 1 — Threats to economic security and mitigation mechanisms in public procurement systems

CONCLUSION

The findings of this study confirm that optimization of the public procurement system is a critical component of economic security policy. Digitalization, transparency, and strengthened institutional control reduce systemic risks and enhance the efficiency of public spending. A comprehensive and risk-oriented approach to procurement governance not only improves fiscal discipline but also reinforces public confidence in state institutions. The adoption of international best practices in procurement optimization can therefore serve as a foundation for sustainable economic development and long-term economic security.

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