

UDC 332
JEL classification: D23, H41, L33

<https://doi.org/10.33619/2414-2948/66/36>

PUBLIC-PRIVATE PARTNERSHIP AND ITS DEFINITION

©*Sharifkhodjaev U., Dr. habil., First Deputy Minister of Public Education of the Republic of Uzbekistan, Tashkent, Uzbekistan, s_sanat@list.ru*
©*Abdullaev J., Tashkent State University of Economics, Tashkent, Uzbekistan*

ГОСУДАРСТВЕННОЕ-ЧАСТНОЕ ПАРТНЕРСТВО И ЕГО СОДЕРЖАНИЕ

©*Шарифходжаев У. У., д-р экон. наук, Первый заместитель министра народного образования Республики Узбекистан, г. Ташкент, Узбекистан, s_sanat@list.ru*
©*Абдуллаев Д. А., Ташкентский государственный экономический университет, г. Ташкент, Узбекистан, s_sanat@list.ru*

Abstract. This article discusses that public-private partnerships (PPPs) are an effective mechanism that will be used in the Republic of Uzbekistan in the future, which will be successfully used in developed countries and plays an important role in further development of the business environment, small business, and private entrepreneurship. There are also various definitions of PPP and its essence, interpreted by scientists, specialists, and international financial institutions of foreign, CIS countries and national economists.

Аннотация. В данной статье рассмотрены вопросы развития государственно-частного партнерства (ГЧП), являющегося эффективным механизмом, который будет использоваться в Республике Узбекистан в будущем, используется в развитых странах и играет важную роль в дальнейшем развитии бизнес-среды, малого бизнеса и частного предпринимательства. Существуют также различные определения ГЧП и его сущности, интерпретируемые учеными, специалистами и финансовыми институтами как стран СНГ, так и стран дальнего зарубежья.

Keywords: Public-Private Partnerships, World Bank, International Monetary Fund, United Nations, Asian Development Bank.

Ключевые слова: государственно-частные партнерства, Всемирный банк, Международный валютный фонд, ООН, Азиатский банк развития.

Introduction

It is known that the Public-Private Partnership (PPP) is an effective mechanism for successful implementation in the Republic of Uzbekistan, which is successfully used in developed countries and plays an important role in the further development of the business environment, small business and private entrepreneurship.

The interaction of government and business is an important basis for the development of a modern market economy, because the successful realization of the potential of PPP depends on the readiness of the state to interact with business in a difficult post-crisis environment.

According to international and local experience accumulated over the past 15-20 years, PPP is one of the main mechanisms to mobilize unused resources for economic development and expand

the resource base, increase the efficiency of state and public property management. Such cooperation is a relatively new phenomenon in the world economy, which reflects the process of expanding the interaction between government and business.

The development and formation of public-private partnerships, as well as the content and essence of PPPs are widely covered in the research of a number of economists. In an innovative approach, “the reduction of budget funding for various areas of public policy necessitates the search for new sources of extra-budgetary investment for the implementation of infrastructure projects, which requires a completely new level of authority by civil servants. Representatives of the private sector also stressed the need to adapt their activities to the target programs of state planning and budgeting [1].

Also, the research conducted by I. N. Tkachenko describes in detail the organizational framework of PPP project management, the specifics of PPP development in the regions, risks in the implementation of PPP projects, financing processes, methodological framework for PPP project management [2].

Taking into account national characteristics, economists in Uzbekistan N.Yusupov and F.Karabaev studied some theoretical and methodological issues of the formation and development of the SCO in the framework of the UN Development Program [3]. U.Djumaniyazov also conducted research aimed at improving corporate governance mechanisms in the field of housing construction on the basis of PPP [4]. One of the urgent tasks is to develop scientifically based recommendations and proposals for the introduction of international standards in higher education on the basis of PPP, which are effectively used in countries.

Analysis and Results

PPPs are interpreted differently by different international financial institutions, foreign and national economists and experts. As can be seen from Table 1 of our article, the specific and varied definitions given by foreign and international organizations and scholars are not identical, but there are also commonalities as they complement each other.

Table 1.

DIFFERENT INTERPRETATIONS OF FOREIGN ORGANIZATIONS,
 COMPANIES AND COUNTRIES ON PPP²

<i>№</i>	<i>Name of organizations</i>	<i>The content of the definitions given to PPP</i>
1.	Organization for Economic Cooperation and Development (OECD)	It is a mutual agreement between the government and one or more private partners to ensure that the services are provided in such a way that the public's goal of providing services and the private investor's profit are shared, and the effectiveness of this relationship depends on how the risks are distributed to the private partner [5].
2.	International Monetary Fund (IMF)	PPP is an agreement aimed at the provision of infrastructure assets and services traditionally provided by the state by the private sector [6].
3.	EU Commission on Regional Policy	The transfer of investment projects, traditionally implemented and financed by the public sector, to the private sector [7].
4.	United Nations (UN)	PPP aims to finance, plan, implement and operate the services produced and provided by the public sector, and its main features are to ensure long-term provision of services (sometimes up to 30 years), transfer of risks to private investors, legal cooperation with state and local structures. individuals are

² The table was developed by the author

<i>№</i>	<i>Name of organizations</i>	<i>The content of the definitions given to PPP</i>
		distinguished by the implementation of multifaceted long-term contract forms [8].
5.	World Bank Institute	PPP is a long-term contract between a private party and a government agency for the creation of public assets or the provision of services, in which the private party assumes significant risks and management responsibility [9].
6.	Asian Development Bank	The term PPP refers to the scope of all possible relationships between public and private organizations in terms of infrastructure or other services [10].
7.	U.S. Federal Department of Transportation	PPP is a contractual agreement that allows a private partner to participate more in relations with the state than a traditional participation, which usually involves the modernization, construction, operation, maintenance or management of a particular object, system between a government and a private company [11].
8.	Pricewaterhouse Coopers	PPPs include various structures on different scales that carry out a project or service by the private sector. The main difference between PPP and traditional public procurement is that the PPP's private income from the project depends on the quality of the service or the life of the facility [12].
9.	Vnesheconombank (Russia)	PPP is the involvement of the private sector on a contractual basis by the authorities to perform socially related tasks in a relatively efficient and high-quality manner, provided that costs are covered, risks, responsibilities and powers are distributed [13].
10.	Government of India	PPPs are draft contracts or concession agreements between the government or the social sector to provide infrastructure services to private companies for a fee [14].
11.	National Consulate on PPP	PPP is a contractual agreement between a government agency (federal, state, municipal) and a private organization, according to which the obligations and assets between the parties are mutually distributed for the operation of social facilities and the provision of services. At the same time, the parties share the potential benefits and resources from the sale of goods and services to each other [15].
12.	Scope of British Columbia-Canada Cooperation	PPP is a legally binding contract between the government and business parties for the creation of assets and the provision of services, which determines the distribution of risk and liability between the parties. In the PPP agreement, if the state is involved in the project implementation during the life cycle, the private party will be responsible until the project is launched [16].
13.	Australian government	PPP is a paid task of the public and private sectors to provide infrastructure and other services to the private sector, usually with the private sector operating and maintaining the infrastructure throughout the private cycle [17].
14.	Irish government	PPP is a public-private partnership for the provision of services and other projects traditionally carried out by the state [18].
15.	Hong Kong government	PPP is a contractual agreement to involve a private party in the provision of public services, with each party contributing to the enterprise [19].
16.	Government of New Zealand	PPPs are long-term contracts that provide for the creation or reconstruction of an object or asset or the provision of services [20].
17.	French government	A partnership agreement is an administrative agreement under which a state or public organization is engaged in construction, reconstruction, storage, use, tangible and intangible assets required for the provision of public services on agreed financial terms, except for the participation of a third party only in contributions. is a contract that imposes obligations based on full or partial financing related to the management of assets [21].
18.	Brazilian government	PPP agreements are relations between the state or public organizations and private organizations, which provide for the responsibility to finance, invest and manage the private sector with the obligation to establish and manage enterprises in the interests of the public sector, respectively [22].

In world practice, there is no single conclusion on a clear definition of PPP. Broadly speaking,

PPPs are usually medium- and long-term arrangements between the public and private sectors, according to which some of the services provided by the public sector to the social sector are provided by the private sector with specific infrastructure or services. As a rule, PPPs do not include service contracts or construction contracts with state orders, as well as privatization processes with a limited role of the social sector [23].

The different interpretations of PPP definitions by different scholars and researchers are presented in Table 2 below.

Table 2.
 INTERPRETATION OF PPP DEFINITIONS BY VARIOUS SCHOLARS AND RESEARCHERS³

<i>№</i>	<i>Authors</i>	<i>The content of the definitions to PPP</i>
1.	M.Gerard	PPP combines the attraction of private capital and sometimes the attraction of public capital to improve the quality of social services or the management of public assets [24].
2.	J.Delmon	PPP is any contractual or legal relationship that is widely used and related to the expansion or improvement of all infrastructure services, except for public procurement and procurement between public and private entities [25].
3.	E.Escombe	“Long-term public-private partnership agreement”, “design, construction, financing and commissioning of social infrastructure by private party”, “PPP payment to private party or state or users”, “state ownership of the object, or PPP "Transfer to state ownership upon expiration of the contract” [26].
4.	C.Araujo and C.Douglas	There is a long-term contractual relationship between government agencies and a private partner (or consortium of private firms) for the creation and use of infrastructure, in which the private party is responsible for building, managing, providing services and financing infrastructure for regular payments [27].
5.	The option offered by the author	Public-private partnership is a set of relations aimed at attracting the private sector on a contractual basis by the authorities to more effectively and efficiently perform tasks related to the public sector of the economy, subject to cost recovery, risks, various responsibilities and obligations, separation of powers.

Therefore, “The term PPP has not been defined in the community. In general, the term refers to the mutual cooperation between government and business in providing financing, construction, modernization, management or maintenance of infrastructure or provision of services [28].

At the same time, “PPP is a contractual relationship between government agencies and the private sector aimed at increasing the participation of the private sector in transport projects” [29].

Conclusions and Recommendations

In the context of the Republic, it is expedient to clearly define the types and forms of projects implemented under the PPP and to select the most appropriate forms of implementation of the PPP, taking into account the specifics of the country and to limit the PPP to the following features:

1. Creation of social infrastructure facilities with the provision of public services and / or joint action of public and private business;
2. Contractual relations (agreements) between the parties;
3. Distribution of mutual costs and benefits;
4. Distribution of risks of joint projects in different directions;
5. Conformity of the strategy of the regions of the Republic of Uzbekistan, sectors of the economy to the priority strategic directions of socio-economic development of the country;
6. Ensuring the stability of project conditions and guarantees of private investor rights;

³ The table was developed by the author.

7. Selection of private sector entities involved in public-private partnerships on the basis of the principles of fair and transparent competition.

In our opinion, without comparative study and in-depth analysis of the above definitions, without treating the absolute truth, we consider the following author's definition to be expedient: is a set of relations aimed at attracting the private sector on a contractual basis by the authorities to more effectively and efficiently perform the functions of the public sector of the economy.

References:

1. Borshchevskii, G. A. (2015) Gosudarstvenno-chastnoe partnerstvo. Moscow. (in Russian).
2. Tkachenko, I. N. (2018). Gosudarstvenno-chastnoe partnerstvo. Moscow. (in Russian).
3. Yusupov, N., & Karabaev, F. (2013). Teoriya i praktika gosudarstvenno-chastnogo partnerstva. Tashkent.
4. Dzhumaniyazov, Yu. I. (2018). Sovershenstvovanie mekhanizmov korporativnogo upravleniya v sfere zhilishchnogo stroitel'stva na osnove gosudarstvenno-chastnogo partnerstva: diss. ... kand. ekon. nauk. Tashkent.
5. Prakticheskoe rukovodstvo po voprosam effektivnogo upravleniya v sfere gosudarstvenno-chastnogo partnerstva (2008). Organizatsiya Ob"edinennykh Natsii. N'yu-Iork i Zheneva.
6. Akitobi, B., Khemming, R., & Shvarts, G. (2007). Gosudarstvennye investitsii i gosudarstvenno-chastnye partnerstva. *Voprosy ekonomiki*, 40, 30. (in Russian).
7. Guidelines for Successful Public – Private Partnerships. <https://clck.ru/UggkQ>
8. Prakticheskoe rukovodstvo po nadlezhashchemu upravleniyu v GChP (2008). In *Organizatsiya Ob"edinennykh Natsii*. N'yu-Iork i Zheneva.
9. Emil, I. (2016). Critical success factors of public-private partnership projects in Russian Federation.
10. Stranovaya strategiya i programma obnovlenniy variant 2005-2007. Aziatskii bank razvitiya. 2006. <https://clck.ru/Uggnn>
11. Kweun, J. Y., Wheeler, P. K., & Gifford, J. L. (2018). Evaluating highway public-private partnerships: Evidence from US value for money studies. *Transport policy*, 62, 12-20. <https://doi.org/10.1016/j.tranpol.2017.03.009>
12. Hodge, G. A., & Greve, C. (2007). Public-private partnerships: an international performance review. *Public administration review*, 67(3), 545-558. <https://doi.org/10.1111/j.1540-6210.2007.00736.x>
13. Hodge, G. A., & Greve, C. (Eds.). (2005). *The challenge of public-private partnerships: Learning from international experience*. Edward Elgar Publishing.
14. De la Torre, A., Ize, A., & Schmukler, S. L. (2011). *Financial development in Latin America and the Caribbean: the road ahead*. The World Bank. <https://doi.org/10.1596/978-0-8213-8847-1>
15. Sankaran, G. (2020). Leveraging Technology for Attaining Sustainable Development Goal 3: The Road Ahead. In *Technology and Global Public Health* (pp. 195-202). Springer, Cham. https://doi.org/10.1007/978-3-030-46355-7_17
16. Abatecola, G., Mari, M., & Poggesi, S. (2020). How can virtuous real estate public-private partnerships be developed? Towards a co-evolutionary perspective. *Cities*, 107, 102896. <https://doi.org/10.1016/j.cities.2020.102896>
17. Dmitrieva, E. O., & Guseva, M. S. (2016). Tsentry razvitiya gosudarstvenno-chastnogo partnerstva: analiz mezhdunarodnoi praktiki sozdaniya i razvitiya. *Vestnik evraziiskoi nauki*, 8(6 (37)). (in Russian).

18. Grimsey, D., & Lewis, M. (2007). *Public private partnerships: The worldwide revolution in infrastructure provision and project finance*. Edward Elgar Publishing.
19. Unit, E. (2008). An Introductory Guide to Public Private Partnerships (PPPs). *Efficiency Unit, Hong Kong*.
20. Liu, T., & Wilkinson, S. (2011). Adopting innovative procurement techniques: obstacles and drivers for adopting public private partnerships in New Zealand. *Construction Innovation, 11*(4), 452-469. <https://doi.org/10.1108/14714171111175918>
21. Penalva-Icher, E., Richard, C., Jeny-Cazavan, A., & Lazega, E. (2012). Banks as Masters of Debt, Cost Calculators and Risk-Sharing Mediators: A Discreet Regulatory Role Observed in French Public-Private Partnerships. In *Finance: The Discreet Regulator* (pp. 113-133). Palgrave Macmillan, London. https://doi.org/10.1057/9781137033604_6
22. Barral, W., & Haas, A. (2007). Public-private partnership (PPP) in Brazil. *The International Lawyer, 9*57-973. <https://www.jstor.org/stable/40708037>
23. Gerrard, M. B. (2001). Public-private partnerships. *Finance & Development, 38*(3), 48-48.
24. Delmon, J. (2010). *Understanding options for public-private partnerships in infrastructure: sorting out the forest from the trees: BOT, DBFO, DCMF, concession, lease...* The World Bank. <https://doi.org/10.1596/1813-9450-5173>
25. Yescombe, E. R. (2011). *Public-private partnerships: principles of policy and finance*. Elsevier.
26. Araújo, S., & Sutherland, D. (2010). Public-private partnerships and investment in infrastructure. <https://dx.doi.org/10.2139/ssrn.1685344>
27. Rossi, M., & Civitillo, R. (2014). Public Private Partnerships: a general overview in Italy. *Procedia-Social and Behavioral Sciences, 109*, 140-149. <https://doi.org/10.1016/j.sbspro.2013.12.434>
28. Garvin, M. J. (2010). Enabling development of the transportation public-private partnership market in the United States. *Journal of construction engineering and management, 136*(4), 402-411. [https://doi.org/10.1061/\(ASCE\)CO.1943-7862.0000122](https://doi.org/10.1061/(ASCE)CO.1943-7862.0000122)
29. Soomro, M. A., & Zhang, X. (2015). Roles of private-sector partners in transportation public-private partnership failures. *Journal of Management in Engineering, 31*(4), 04014056. [https://doi.org/10.1061/\(ASCE\)ME.1943-5479.0000263](https://doi.org/10.1061/(ASCE)ME.1943-5479.0000263)

Список литературы:

1. Борщевский Г. А. Государственно-частное партнерство. М.: Юрайт, 2015. 343 с.
2. Ткаченко И. Н. Государственно-частное партнерство. М.: Юрайт, 2018. 188 с.
3. Юсупов Н., Карабаев Ф. Теория и практика государственно-частного партнерства. Ташкент, 2013.
4. Джуманиязов Ю. И. Совершенствование механизмов корпоративного управления в сфере жилищного строительства на основе государственно-частного партнерства: дисс. ... канд. экон. наук. Ташкент, 2018. 28 с.
5. Практическое руководство по вопросам эффективного управления в сфере государственно-частного партнерства // Организация Объединенных Наций. Нью-Йорк и Женева, 2008. 128 с.
6. Акитоби Б., Хемминг Р., Шварц Г. Государственные инвестиции и государственно-частные партнерства // Вопросы экономики. 2007. Т. 40. С. 30.
7. Guidelines for Successful Public – Private Partnerships. <https://clck.ru/UggekQ>
8. Практическое руководство по надлежащему управлению в ГЧП // Организация

Объединенных Наций. Нью-Йорк и Женева, 2008.

9. Emil I. Critical success factors of public-private partnership projects in Russian Federation. 2016.

10. Страновая стратегия и программа обновленный вариант 2005-2007 // Азиатский банк развития. 2006. <https://clck.ru/Uggnn>

11. Kweun J. Y., Wheeler P. K., Gifford J. L. Evaluating highway public-private partnerships: Evidence from US value for money studies // Transport policy. 2018. V. 62. P. 12-20. <https://doi.org/10.1016/j.tranpol.2017.03.009>

12. Hodge G. A., Greve C. Public-private partnerships: an international performance review // Public administration review. 2007. V. 67. №3. P. 545-558. <https://doi.org/10.1111/j.1540-6210.2007.00736.x>

13. Hodge G. A., Greve C. (ed.). The challenge of public-private partnerships: Learning from international experience. Edward Elgar Publishing, 2005.

14. De la Torre A., Ize A., Schmukler S. L. Financial development in Latin America and the Caribbean: the road ahead. The World Bank, 2011. <https://doi.org/10.1596/978-0-8213-8847-1>

15. Sankaran G. Leveraging Technology for Attaining Sustainable Development Goal 3: The Road Ahead // Technology and Global Public Health. Springer, Cham, 2020. P. 195-202. https://doi.org/10.1007/978-3-030-46355-7_17

16. Abatecola G., Mari M., Poggesi S. How can virtuous real estate public-private partnerships be developed? Towards a co-evolutionary perspective // Cities. 2020. V. 107. P. 102896. <https://doi.org/10.1016/j.cities.2020.102896>

17. Дмитриева Е. О., Гусева М. С. Центры развития государственно-частного партнерства: анализ международной практики создания и развития // Вестник евразийской науки. 2016. Т. 8. №6 (37).

18. Grimsey D., Lewis M. Public private partnerships: The worldwide revolution in infrastructure provision and project finance. – Edward Elgar Publishing, 2007.

19. Unit E. An Introductory Guide to Public Private Partnerships (PPPs). Efficiency Unit, Hong Kong. 2008.

20. Liu T., Wilkinson S. Adopting innovative procurement techniques: obstacles and drivers for adopting public private partnerships in New Zealand // Construction Innovation. 2011. V. 11. №4. P. 452-469. <https://doi.org/10.1108/14714171111175918>

21. Penalva-Icher E. et al. Banks as Masters of Debt, Cost Calculators and Risk-Sharing Mediators: A Discreet Regulatory Role Observed in French Public-Private Partnerships // Finance: The Discreet Regulator. Palgrave Macmillan, London, 2012. P. 113-133. https://doi.org/10.1057/9781137033604_6

22. Barral W., Haas A. Public-private partnership (PPP) in Brazil // The International Lawyer. 2007. P. 957-973. <https://www.jstor.org/stable/40708037>

23. Gerrard M. B. Public-private partnerships // Finance & Development. 2001. V. 38. №3. P. 48-48.

24. Delmon J. Understanding options for public-private partnerships in infrastructure: sorting out the forest from the trees: BOT, DBFO, DCMF, concession, lease.. The World Bank, 2010. <https://doi.org/10.1596/1813-9450-5173>

25. Yescombe E. R. Public-private partnerships: principles of policy and finance. Elsevier, 2011.

26. Araújo S., Sutherland D. Public-private partnerships and investment in infrastructure. 2010. <https://dx.doi.org/10.2139/ssrn.1685344>

27. Rossi M., Civitillo R. Public Private Partnerships: a general overview in Italy // Procedia-Social and Behavioral Sciences. 2014. V. 109. P. 140-149. <https://doi.org/10.1016/j.sbspro.2013.12.434>

28. Garvin M. J. Enabling development of the transportation public-private partnership market in the United States // Journal of construction engineering and management. 2010. V. 136. №4. P. 402-411. [https://doi.org/10.1061/\(ASCE\)CO.1943-7862.0000122](https://doi.org/10.1061/(ASCE)CO.1943-7862.0000122)

29. Soomro M. A., Zhang X. Roles of private-sector partners in transportation public-private partnership failures // Journal of Management in Engineering. 2015. V. 31. №4. P. 04014056. [https://doi.org/10.1061/\(ASCE\)ME.1943-5479.0000263](https://doi.org/10.1061/(ASCE)ME.1943-5479.0000263)

*Работа поступила
в редакцию 08.04.2021 г.*

*Принята к публикации
12.04.2021 г.*

Ссылка для цитирования:

Sharifkhodjaev U., Abdullaev J. Public-Private Partnership and Its Definition // Бюллетень науки и практики. 2021. Т. 7. №5. С. 362-369. <https://doi.org/10.33619/2414-2948/66/36>

Cite as (APA):

Sharifkhodjaev, U., & Abdullaev, J. (2021). Public-Private Partnership and its Definition. *Bulletin of Science and Practice*, 7(5), 362-369. <https://doi.org/10.33619/2414-2948/66/36>