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APPEARANCES, MODELS AND FORMS OF PUBLIC-PRIVATE PARTNERSHIP (PPP)

Dinara Atadjanova - Phd. Independent researcher of Kokand State University, Uzbekistan.

Abstract. This article examines the scientific literature's views, models, and shawls of public-private partnership (PPP). This research aims to formulate and present a unified scientific approach to the views and models of public-private partnership by studying and analyzing the scientific literature. In the framework of public-private partnership, in combining the efforts of the state and business, each party pursues its interests, has its own goals, and solves specific tasks. There are financial (also budget for the state), economic, social, and political benefits in implementing public-private partnerships for the public and private sectors.

Keywords: public-private partnership (PPP), public, private business, infrastructure, social project.

Introduction.

Despite the differences in the interpretation of public-private partnerships, the organizational and legal forms and methods of achieving these goals are limited by the scope of their activities and the choice of areas of application. Many researchers say In this regard, the specific features of PPP are:

- time limit (projects are usually created for a specific object or set of objects, the creation of which must be completed within a certain time);
- implementation in a competitive environment (competition for every contract or privilege).

Public-private partnership is a legitimate, organizationally legalized system of relations between the state and business to implement joint projects on mutually beneficial terms.

The emergence of this new institution is due to some socially significant reasons.

Firstly, this is due to the lack of budget funds. Secondly, the inability to fully develop socially important sectors of the economy due to the low quality of public services provided to the population.

In the framework of public-private partnership, in combining the efforts of the state and business, each party pursues its interests, has its own goals, and solves specific tasks. There are financial (also budget for the state), economic, social, and political benefits in implementing public-private partnerships for the public and private sectors.

The public sector is interested in increasing the volume of infrastructure and socially oriented sectors and improving the quality of services provided to the population. The main task of the private sector is to obtain maximum dividends from participation in a particular joint project. The private sector builds its priorities to generate revenue and have a sustainable and sustainable outlook. At the same time, both sides are interested in the successful implementation of projects. These include tariff policy, safety control, environmental safety control, service quality control organizations; funds. Participants in public-private partnership by the economy's private sector may be citizens and legal entities represented by non-state commercial and non-profit organizations. In any case, the state will remain the mainstay of regulation and control.

It should also be noted that in the practice of foreign countries, based on their legal basis, models and appearances of PPP are applied. This research aims to formulate and present a unified scientific approach to the views and models of public-private partnership by studying and analyzing the scientific literature.

Literature review

From the point of view of M.A. Deryabina, taking into account the diversity of forms of private partnership and the goals of the partnership, as well as the socio-economic problems to be addressed, the following models of PPP are distinguished:

1. Organizational model - concession agreements between the copyright owner and the user.
2. Financing model - includes commercial hiring, leasing, leasing, pre-financing and financing of joint projects.
3. The collaboration model includes different stages and ways of combining the partners' efforts in a partnership responsible for creating separate multiplication stages and new use values [1].

V.A.Kabashkin examines the economic nature of PPP and distinguishes between public and private sector interaction models as institutional and contractual. The implementation of the institutional model of PPP is carried out on the basis of joint participation or other equity participation in the capital of a private company through the creation of joint ventures in various organizational and legal forms. The contractual model of PPP is based on contractual relations (management, construction, operation, lease, concession, etc.) [2].

Analysis and results

Table 1. Appearances of PPP

Classification	Appearances
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<p>1. PPP application network</p>	<ul style="list-style-type: none"> - industry; - transport; - housing and communal services; - ecology; - real estate; - public order and safety; - telecommunications; - financial sector; - education.
<p>2. Area of application of PPP</p>	<ul style="list-style-type: none"> - enterprises of the defense industry; - Enterprises that pose a significant economic and social risk, threaten human health and safety, as well as produce products that are completely or partially withdrawn from civil circulation; - research and production, experimental, design, engineering and technological and other structures associated with certain uncertainties, high investments and risks, military, other special research activities, characterized by strategic problems; - special enterprises, for example, leading the construction of bridges, railways, etc., enterprises for the production and destruction of chemical, bacteriological, nuclear weapons, military construction enterprises engaged in the construction of government facilities; - Export-oriented industries and industries engaged in the production, supply, installation, commissioning, commissioning, consulting, servicing of military equipment, armaments and equipment.
<p>3. The number of possible subjects of private business</p>	<ul style="list-style-type: none"> - PPP, in which there is a single entity by a private business; - PPP with equal participation of several private businesses; - PPP with the main (investors) and additional subjects of private business.

<p>4. The level of participation of state power in the PPP</p>	<ul style="list-style-type: none"> - PPP of federal significance; - PPP of regional significance; - municipal-private partnership; - mixed PPP (interstate, interregional, municipal, multi-level).
<p>5. The role of the state in the PPP</p>	<ul style="list-style-type: none"> - PPP, in which the state power plays a passive role; - PPP, the object of which is managed by the state and private business on a parity basis; - PPP and private business play a key role, with public authorities playing a key role.
<p>6. The scope of work assigned to a private partner</p>	<p>CMD (Construction, Management, Delivery); CCOM (Construction, commissioning, operation, management); CMSD (Construction, Management, Service, Delivery); BOMT (Build, Own, Manage, Transfer); BOT (Build, Own, Transfer); Management contract; DCFE (Design, Construction, Financing, Expedition).</p>
<p>7. The rule of law in which the PPP is implemented</p>	<ul style="list-style-type: none"> - Property-based PPP; - PPP is based on the right of the lease; - PPP is based on the right of economic management or operational management; - PPP is based on other property rights; - PPP, which provides a timely change of ownership of the object of PPP.
<p>8. Terms of implementation of the PPP</p>	<ul style="list-style-type: none"> - PPP with a fixed term; - PPP, which is carried out before the performance of certain tasks of economic or social significance; - conditionally unrestricted PPP.
<p>9. Availability of innovative component</p>	<ul style="list-style-type: none"> - partnership aimed at achieving innovative results; - cooperation that will have an innovative secondary effect; - non-innovative (traditional) PPP.

10. The level of formalization of relations in the project	Projects that meet all the key features of the PPP. Quazi-PPPh projects - do not meet the specifications of PPP but perform some of its functions
11. The scale of the PPP project	The biggest Average Small

Thus, we have 11 key criteria that can distinguish between public and private partnership types.

1. PPP application network.

It is important to identify the most priority sectors for each country and region to implement the SPS. It is almost impossible to attract full-scale investment in all sectors of the economy at once, and there are such sectors in every country that need to be invested in the first place.

2. Areas of PPP.

The main activities of public-private partnerships include the work of forming public products. World experience shows that such production areas include those described in the table.

3. The number of possible subjects of private business.

A.A. According to Kozlova, “in a single PPP scheme, an individual entity is taken over by a private business. However, the type of private partnership company seems to be more promising. Several private companies participate as investors, which allows both to attract large amounts of capital and distribute financial risks ”[3].

4. The level of participation of public authorities in the PPP.

Depending on the subject structure of public authorities and administration or local self-government bodies involved in public-private partnership projects, in pure form (federal, regional or municipal), in addition to PPP, there may be mixed forms.

5. The role of government and business in the implementation of PPP.

It is important to define as accurately as possible the role of the state, which may be passive following the initially proposed classification, in selecting a specific option for the implementation of the PPP project.

6. The scope of work assigned to a private partner.

The scope of property rights granted to a private partner is discussed in more detail in Table 2.

7. Norms of law in which PPP is implemented.

The rights exercised by the PPP are manifested in the form of ownership and lease.

8. Deadline for implementation of PPP

The PPP, which is carried out until a goal of personal economic or social significance is achieved, can be separated by a fixed term.

9. Availability of an innovative component

According to this classification criterion, PPP can be directly aimed at achieving innovative efficiency and can have an impact in related areas.

10. The degree of formalization of relations in the project

11. The scale of the PPP project.

PPP projects are designed for a long-term implementation period, during which the state authorizes the client and gives the investor the right to provide any services to the population.

Reports of international organizations and international financial institutions and official sources of information reflect various guidelines for developing models, forms, tools and mechanisms for the implementation of infrastructure projects based on PPP. The specifics of the most commonly used PPP models in the practice of developed countries are given in Table 2.

Table 2. Views of the PPP on the scope of property rights granted to a private partner [4]

Naming	Description
CMD (Construction, Management, Delivery)	The private partner will build the infrastructure at its own expense. After the construction of facilities related to the well-being of the population and the development of the financial and economic system of the region, the private company will be given the right to use them. The object is intended for a certain period of time. Its duration is determined based on calculating the payback period of the investment resources of a private partner in construction. In this case, the owner of the object is a public partner.
CCOM (Construction, commissioning, operation, management)	Upon construction, the infrastructure facility will be transferred to state ownership. The state then transfers the right to use the facility to the private partner until the end of the contract so that the private partner can cover the project and make a profit per the terms of the contract. The private partner builds the facility at its own expense, in part or fully.

CMSD (Construction, Management, Service, Delivery)	The distinguishing feature of this model from the CMD model is that a private company has the right to use and own the object for the period specified in the PPP contract. At the end of the contract, the infrastructure object is also returned to the public partner. In some countries, the right to purchase an infrastructure facility is sometimes exercised.
BOMT (Build, Own, Manage, Transfer)	In some countries, there is a “reverse” BOMT, under which the construction of infrastructure and financing are carried out at public expense. A private partner will build the facility and operate it further. However, this scheme allows the transfer of ownership of the object after the contract’s expiration.
BOT (Build, Own, Transfer)	The private partner finances and builds the infrastructure at its own expense, provide maintenance and management and assumes the commercial risk. The peculiarity is that at the end of the PPP agreement, the object’s ownership remains with the private partner.
Management contract	The Private Partner will use this facility for the period specified in the contract. The Private Partner may be given bonuses as an incentive to achieve targets or to transfer a particular portion of profits to cover operating costs and increase management efficiency.
DCFE (Design, Construction, Financing, Expedition)	The private company will implement a comprehensive investment project, considering that it is responsible for infrastructure design, construction, management, and maintenance. The characteristic feature is that the private partner fully imposes the financial obligations.

The primary forms of public-private partnership in the economy and public administration include public contracts, lease relations, public-private enterprises, product sharing agreements, and concession agreements.

One form of PPP is the various contracts that the state provides to private companies.

Contracts are administrative agreements between a state (local self-government body) and a private firm to carry out specific socially necessary and beneficial activities. Contracts are signed for the most common work in PPP practice, the provision of public services, management, delivery of products for public use, and

technical assistance. Property rights are not transferred to a private partner in an administrative contract relationship, and the state fully covers the costs and risks. The interest of the private business is that under the contract, it acquires the right to have an agreed share in the income, profit or accrued payments. Typically, contracts with a state or municipal body are a very attractive business for a private entrepreneur because, in addition to prestige, it is guaranteed a stable market and income and possible benefits and advantages [5].

Another form of PPP arises in connection with the transfer of the state to the private sector, the lease for their property. In the traditional form (lease agreement) and the form of lease, the lease has the property of temporary use and transfer to a private partner of state or communal property for a certain fee.

Concessions are the most common form of PPP in implementing large investment projects abroad. Concession is a transfer of the right to use state property under a contract between the state (concession) on the one hand and a private legal entity or individual (concessionaire) based on payment and return to the concessionaire, as well as the right to carry out activities relationship system.

Concessions are the most developed, promising and complex form of cooperation [6].

First, they are long-term, unlike contractual relationships, allowing both parties to plan their activities strategically.

Second, in concessions, the private sector has the most complete freedom in making administrative-economic and managerial decisions, separating them from joint ventures and contracts for work performance.

Third, the state retains the right to dispose of the property by giving the concessionaire only the right to own and use the property.

Another common form of PPP is public-private enterprises. Depending on the structure and nature of the joint capital, the manifestations of this form may be joint-stock companies or joint ventures with the joint participation of the parties. In joint stock companies, government agencies and private investors can act as shareholders. The ability of a private partner to make independent administrative and economic decisions is determined by the shares in the share capital.

The parties' risks are distributed according to the size of the share in the share capital. An important feature of any joint venture is that the state is constantly involved in current production, administrative, economic and investment activities.

Product Distribution Agreements. Product distribution agreements are mainly used in prospecting, discovery and other activities related to the extraction of mineral raw materials. This form of cooperation between the public and private businesses is

similar to traditional concessions but different. These differences lie primarily in the different configurations of the property relationship between the public and private partner. In concessions, if the concessionaire has the right to own all the products produced under the contract, only part of it in the product distribution agreements will belong to the state partner.

In world practice, agreements on the distribution of products as a form of cooperation between public and private businesses are actively used in the oil business.

Conclusions

It should be noted that PPP projects are primarily aimed at ensuring the efficient use of budget and other public sector resources.

In addition to ensuring the efficient use of state budget resources in implementing PPP projects, private businesses will also have a guaranteed income.

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