

Definition of the concept of «public-private partnership»: theoretical foundations

Zaloznova Y.S.

Doctor of Economic Sciences, Senior Research Scientist,
Deputy Director for Scientific Affairs and International Relations

Petrova I.P.

Leading Economist

Trushkina N.V.

Research Scientists, Master of Economic Sciences
Institute of Industrial Economics
National Academy of Sciences of Ukraine

On the basis of analysis and generalization of scientific approaches are systematized the definition of «public-private partnership» by 7 classification features: set of organizational, legal and financial and economic relations between government and business; mechanism to harmonize the interests of the state and business; contractual agreement between the public and private sectors of the economy; cooperation between the public and private sectors; business model of interaction between government and business; delegation for a certain period of functions to the private sector for the management of state property; institutional and organizational alliance of the government and private business.

The content of the concept of «public-private partnership» is a long-term mutually beneficial cooperation of the state and the private sector, which is based on the integration of resources, competencies, allocation of risks and compliance with the economic interests of partners. This provides additional opportunities to private partner to receive a guaranteed return and competitiveness, and the state – to implement socio-economic policies, their tasks, improve performance, provide services to meet the needs of society.

The main characteristics of public-private partnership are: availability of public and private sectors; formal long-term relationship between public and private parties; relationship of the parties are of partner i.e. equal character; union of assets (resources and

competences) of participants; state property as the object of the partnership; risk-sharing between partners; redistribution of responsibilities between the parties to the partnership for more effective implementation of the project; cost-effective implementation of PPP projects.

Components of the synergistic effect of the implementation of public-private partnerships are identified: economic component – increase of the reliability of public investment and increase of the likelihood of obtaining the expected economic performance; improving the investment climate; improving the quality of services; efficient use of public funds by reducing the cost of the project; reduction of risks in economic activity; access to innovative and modern information and communication technologies; deregulation by reducing the number of projects implemented under the control of public authorities; optimal allocation of the power to control the joint implementation of the project; empowerment of obtaining preferential loans under state guarantees from international financial institutions; social – activation of entrepreneurship and increasing corporate social responsibility; facilitating the integration of «state–civil society–business» (development of appropriate institutional environment); improving the quality of socially important services; improving the quality of life through the development of territories and formation (reconstruction) of infrastructure; creating

and saving jobs; environmental – minimizing the impact on the environment through the introduction of new technologies in the field of environmental economics; energy saving and energy efficiency; recycling and treatment of industrial and domestic waste; reduction of environmental load in the territory and improving environmental safety through the introduction of innovative environmentally friendly technologies.