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THE ROLE OF PUBLIC-PRIVATE PARTNERSHIP IN THE FINANCIAL MECHANISM OF ACTIVATING HOUSING CONSTRUCTION IN THE CONDITIONS OF THE FORMATION OF A SOCIAL ECONOMY

РОЛЬ ДЕРЖАВНО-ПРИВАТНОГО ПАРТНЕРСТВА У ФІНАНСОВОМУ МЕХАНІЗМІ АКТИВІЗАЦІЇ ЖИТЛОВОГО БУДІВНИЦТВА В УМОВАХ ФОРМУВАННЯ СОЦІАЛЬНОЇ ЕКОНОМІКИ

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The article examines the role of public-private partnership in the financial mechanism for activating housing construction in the context of the formation of a social economy. The principles of the social economy have been clarified and its relationship with the financial mechanism for activating housing construction has been determined. A study has been conducted to determine the essence of the concept of "social economy". The advantages of activating public-private partnership in the financial mechanism for housing construction have been determined, which makes it possible to provide a larger number of people with housing that meets the goals of the social economy. To encourage business to participate in housing construction projects, the state should use various levers and methods within the financial mechanism to reduce project risks.

Keywords: public-private partnership, financial mechanism, housing construction, social economy, social policy, concession.

У статті розглянуто роль державно-приватного партнерства у фінансовому механізмі активізації житлового будівництва в умовах формування соціальної економіки. Актуалізовано, що у сфері державного будівництва в умовах розбудови соціальної економіки для досягнення соціальних цілей суспільного розвитку держава повинна створити відповідні умови для забезпечення означених прав громадян, що можливо за рахунок фінансового механізму розвитку житлового будівництва та залучення до цього механізму державно-приватного партнерства. З'ясовано засади соціальної економіки та визначено її взаємозв'язок із фінансовим механізмом активізації житлового будівництва. Проведене дослідження щодо визначення сутності поняття «соціальна економіка» дало можливість виявити існування різних підходів до цієї категорії, але об'єднуючим для яких виступає соціальне спрямування економіки на розвиток соціальної сфери та підвищення добробуту населення, у тому числі за рахунок забезпеченості житлом. Визначено, що державно-приватне партнерство не є новою формою фінансового механізму. Воно виступає формою співпраці між публічними органами влади і приватним сектором на взаємовигідних умовах за рахунок об'єднання фінансових ресурсів, технологій, інновацій, управлінських рішень, поділу ризиків економічної діяльності між приватним та державним сектором. Перевагами активізації державно-приватного партнерства у фінансовому механізмі житлового будівництва також виступає економічний розвиток суміжних сфер діяльності, таких як: будівельні матеріали, транспортна галузь, логістика, а також підвищення в них зайнятості населення. У сфері житлового будівництва державно-приватне партнерство, приймаючи участь у фінансовому механізмі активізації розвитку житлового будівництва, дає можливість забезпечити більшу кількість населення житлом, що відповідає цілям соціальної економіки. Для заохочення бізнесу у прийнятті участі у проєктах житлового будівництва держава у межах фінансового механізму для зменшення ризиків проєктів повинна застосовувати різні важелі та методи, серед яких: публічні субсидії для приватних забудовників, часткове, або повне фінансування проєктів житлового будівництва за рахунок майбутніх доходів за державними борговими зобов'язаннями, фінансування за рахунок майбутньої плати з користувачів послуг.

Ключові слова: державно-приватне партнерство, фінансовий механізм, житлове будівництво, соціальна економіка, соціальна політика, концесія.

Introduction. According to the Constitution of Ukraine (Article 47), every member of society has the right to housing. The role of the state is to create appropriate conditions under which every citizen of society will have the opportunity to build their own housing, purchase it as their property or rent it. In the field of public construction in the context of the development of a social economy, in order to achieve the social goals of social development, the state must create appropriate conditions to ensure the outlined rights of citizens, which is possible due to the financial mechanism for the development of housing construction and the involvement of public-private partnership in this mechanism. In view of the above, deepening the study of the role of public-private partnership in the financial mechanism for the activation of housing construction in the context of the formation of a social economy is relevant and timely, especially taking into account the military operations in the territory of Ukraine and the post-war reconstruction of the country and housing construction in particular.

Analysis of recent research and publications. The issues of the formation of a social economy were covered in their works by such foreign scholars as: A. Amin, H. Antonio [11], H. Buckingham, T. Carpi [12], A. Kay, J. Restakis [10], J. Sell [13], S. Tisdale and other researchers who considered the social economy through the prism of social and economic policies aimed at

ensuring the well-being of the population, a high standard of living, meeting the social needs of different segments of the population, etc. Among domestic researchers, M. Dzyamulych [1], I. Zharebko [3], A. Kornetsky [4], O. Kolchyn [5] and others devoted their works to the issue of the formation of the social economy in Ukraine.

The following authors covered the issue of using public-private partnerships in the financial mechanism for activating housing construction in their works: V. Varnavsky, N. Bondar, I. Brailovsky, E. Bogomolny, B. Vinnytsky, Yu. Yevtushenko, K. Griva, O. Ivankina, M. Korbetsky, O. Kosareva, V. Mahovikova, N. Rogozhina, P. Shylepnytsky, O. Yurkevich and others.

Noting the significant contribution of the authors to the substantiation of the theoretical and methodological principles of involving public-private partnership in housing construction, it should be noted that the role of public-private partnership in the financial mechanism for activating housing construction in the context of the formation of a social economy is not sufficiently disclosed and requires further scientific research.

The purpose of the study is to outline the role of public-private partnership in the financial mechanism for activating housing construction in the context of the formation of a social economy. To achieve this goal, the authors identified and solved the following set of tasks:

- substantiated the relevance and timeliness of the study;
- clarified the principles of social economy and determined its relationship with the financial mechanism for activating housing construction;
- highlighted the advantages of using public-private partnership in the financial mechanism for activating housing construction development for the state, the population, and private partners.

Research results. Scientists interpret the concept of “social economy” differently. Thus, M. Dzyamulych considers social economy as “a set of specific services that are formed in the socio-economic system of the state, which include: education, work, entrepreneurial experience, availability of housing, social security, accessibility of household services for the population and environmental safety” [1].

A. Kornetsky and O. Kolchyn understand social economy as “a set of organizations that operate on the border of the private and non-profit sectors of the economy and in the process of their activities solve economic, social and environmental problems. Social economy entities are characterized by such common features as: functioning on the principles of solidarity and partnership, orientation on people and human capital, reinvestment of profits to achieve sustainable development goals, the nature of the social goal of activity” [5, p. 51].

I. Zhrebko believes that social economy is “the ability and possibility of state influence on socially-oriented growth, ensuring the social sphere in the state through: social integration of people, development of technological and social innovations, strengthening the territorial cohesion of the population of communities and regions, stimulating the transition to renewable energy sources, development of democratic values, improvement of such social services as access to housing, health care, etc.” [3, p. 9].

According to the team of authors [3, p. 191] “social economy is aimed at solving social and environmental problems of social development through a combination of efforts and resources of the private and non-profit sectors of the economy aimed at solving problems of socio-economic development of the national economy and its subjects.”

The above definitions of social economy illustrate different approaches to this category, but the unifying factor is the social orientation of the economy towards the development of the social sphere and increasing the well-being

of the population, including through housing provision. In this aspect, the study of the financial mechanism for activating housing construction in the context of the formation of a social economy becomes relevant.

Public-private partnership is not a new form of financial mechanism. It is a form of cooperation between public authorities and the private sector on mutually beneficial terms by combining financial resources, technologies, innovations, management decisions, and sharing the risks of economic activity between the private and public sectors [2; 8; 9].

The current conditions for the development of the Ukrainian economy, which currently exist during the conduct of military operations on the territory of Ukraine, necessitate the activation of public-private partnership in housing construction, since in Ukraine there is a shortage of affordable housing for citizens, which is associated with the destruction of the housing stock as a result of military operations, the relocation of people from front-line regions to others. This necessitates the search for additional sources of financial resources in the financial mechanism for the development of housing construction.

Also, the involvement of public-private partnership in the financial mechanism for the activation of the development of housing construction reduces the burden on the state budget, which is very important when forming the expenditures of the consolidated budget for ensuring the country's defense. The activation of public-private partnership in the financial mechanism of housing construction also makes it possible to activate the economic development of related areas of activity, such as: building materials, transport, logistics, as well as increase employment in them. This makes it possible not only to provide displaced persons with housing, but also with work.

An important aspect of the positive effect of involving public-private partnership in the mechanism for activating the development of housing construction is the use of innovative technologies and methods. This makes it possible to improve the quality of housing, raise the quality standards of housing construction, reduce costs and improve the efficiency of construction. In addition, as practice shows, projects in which public-private partnership is used are more resistant to economic and financial risks, accelerate their implementation and increase the percentage of their timely implementation.

According to the data of the Ministry of Economy of Ukraine, as of January 1, 2024, 198 contracts were concluded under the terms of public-private partnership, of which 22 contracts are being implemented (10 – concession contracts, 6 – joint activity contracts, 6 – other contracts), 166 contracts are not being implemented (115 – not being implemented, 51 – terminated / expired), 10 – suspended due to military operations on the territory of Ukraine [6]. Of course, war, on the one hand, increases the risks of projects, including in housing construction, and on the other hand, causes the intensification of such a practice of a financial mechanism for activating the development of housing construction.

In the field of housing construction, public-private partnership, by participating in the financial mechanism for activating the development of housing construction, makes it possible to provide a larger number of people with housing that meets the goals of the social economy due to the reduction and more effective use of budget funds and the attraction of private investment in the construction of housing facilities.

The most common type of public-private partnership in housing construction is the form of a consortium through the creation of a public-private enterprise or, in a more common form, through the signing of a contract. Such forms can be used at different stages of the life cycle of an investment project, starting from the creation of the construction project itself to the stage of further operation and maintenance of housing under long-term lease terms for a period of up to 30 years.

In 2024, when considering and discussing the draft Law of Ukraine “On the Basic Principles of State Housing Policy” [7], taking into account the military operations on the territory of Ukraine and the need to activate housing construction, public-private partnership was also reflected.

To encourage business to participate in housing construction projects, the state, within the framework of a financial mechanism to reduce project risks, should apply various levers and methods, including:

– public subsidies for private developers, especially when it comes to the construction of social housing;

– partial or full financing of housing construction projects from future revenues from state debt obligations;

– financing from future user fees for services related to the constructed housing facilities, which requires long-term operation of infrastructure facilities by the private party and reducing the risks of housing construction projects for the private investor.

Conclusions. The role of public-private partnership in the financial mechanism for activating housing construction in the conditions of the formation of a social economy involves not only participation in housing construction projects, but also participation in the creation of related municipal infrastructure facilities, engineering communications, etc.

The use of public-private partnership in the financial mechanism for activating the development of housing construction in the conditions of the formation of a social economy makes it possible to reduce the burden on consolidated budget expenditures, increase the efficiency of housing construction projects, attract innovative technologies and methods, reduce the risks of investment projects, use resources more effectively during construction and reduce the costs of construction companies. In addition, in the conditions of the development of a social economy, the importance of involving public-private partnership in the financial mechanism for activating the development of housing construction is indicated by an increase in the level of provision of the population with jobs and directly with housing, increasing housing quality standards, as well as the social responsibility of business and the development of social infrastructure.

Further research is required on issues related to the development and implementation of principles for enhancing the participation of the public and private sectors in public-private partnership projects in the field of housing construction in Ukraine.

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