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**PUBLIC-PRIVATE PARTNERSHIP IN UKRAINE: COMMON AND
PRIVATE INTERESTS OF PARTICIPANTS**

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Public-private partnership in Ukraine (PPP) is a system of relations between public and private partners, in which the resources of both partners are combined with the appropriate distribution of risks, responsibilities and rewards (reimbursements) between them, for mutually beneficial sustainable cooperation in the creation (restoration) of new facilities and/or modernization (reconstruction) of existing ones that require investment, and in the use (operation) of such facilities. [1]

One of the most important aspects of PPP is enabling the private sector to participate in the development of infrastructure and provision of public services, thus attracting more finance, experience and management skills that are otherwise not available to the public sector.

The legal basis of PPP in Ukraine is the Law of Ukraine „On Public-Private Partnership” [2] which defines the organizational and legal framework of interaction of public partners with private ones and the key principles of public-private partnership on a contractual basis.

The mechanism of cooperation between the public and private sectors can be described as a situation when a private company provides certain services to individual customers, using assets which are in the public communal ownership. It is a long-term partnership and its essence is to separate the functions of economic entities. This is the essence of PPP in a nutshell.

The authorities focus mainly on the definition of goals, cooperation and achievement monitoring, as well as on the quality and cost of services provided.

The private partner invests its own funds and effectively manages the project using business experience and modern technologies.

The public partnership program does not provide for the transfer of property rights to the investor, i.e. the investor receives the long-term rights of use,

however, when the period is over, the land remains the property of the community, and the facilities that was created are also transferred to the community property.

PPP is not the only type of interaction between the governmental authorities, the community and the private sector; therefore it is often get confused with other concepts. PPP explicitly regulates the distribution of risks between the two sectors and provides a financial benefit to the investor, i.e. a private partner, which is the difference of PPP from philanthropy and corporate social responsibility. PPP is not privatization, and as the agreement expires, the property remains with the community.

Improving the efficiency of interaction between public authorities and business when the public-private partnership develops and the environment is changing an urgent problem of economics. Insufficient development of market institutions caused by the inconsistency and non-systemacity of institutional reforms in Ukraine, hampers the full use of market mechanisms of economic self-regulation in order to increase the investment attractiveness of the region. All regions have problems that decelerate their socio-economic development. Most economic problems affect the quality of life of people. Additional stimulation of processes is necessary to intensify the inflow of investments, which can be successfully achieved if PPP is used. PPP can mark the trajectory of economic growth for any Ukrainian region. When the globalization rate of the economy decelerates, the interaction of the public authorities and business can intensify for a certain period of time, in situations where the government needs private capital to deal with a number of challenges, or vice versa, when a private investor needs direct participation of the government authorities to minimize risks related to implementation of projects and to increase their profitability. The participation of the state authorities is important to increase the attractiveness of the proposed projects for private investors [3], which will create favorable conditions for them to enter the regional economy in a quickly changing environment.

The use of PPP still stirs up controversy and is the subject of misconceptions and fears; therefore the most important factor for the project to succeed is the transparent engagement of a partner through a fair competition, as well as the right information policy. This will prevent problems with the long-term project in case of change of authorities and minimize the opposition between consumers and service providers.

[1] Public-private_partnership_in_Ukraine: *Ministry of Infrastructure of Ukraine*. URL: <https://mtu.gov.ua/content/erzhavnoprivatne-partnerstvo-publicprivate-partnerships.html>.

[2] On Public-Private Partnership: Law of Ukraine dd. July 1, 2010 No. 2404-VI. URL: <https://zakon.rada.gov.ua/laws/show/2404-17#Text>.

[3] Ievsieieva O.A. Formation of the governmental policy of strategic development of the Ukrainian territories in the conditions of European integration and globalization. *The Trajectory of Science: international electronic scientific journal*. - 2016. - No. 3 (8) Volume 2. P. 2.116–2.131. URL: <http://pathofscience.org/index.php/ps/article/view/121/131>. Date of application 02.05.2020.