

THE ROLE OF PUBLIC-PRIVATE PARTNERSHIPS IN PERFORMING STATE FUNCTIONS: SCIENTIFIC APPROACH AND DEBATES

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Abstract: This article analyzes the public-private partnership (PPP) model as a modern tool of state governance. It presents scientific approaches and scholars’ opinions regarding the importance of PPPs in fulfilling state functions, particularly in infrastructure, social services, and economic development, as well as their efficiency and associated risks.

Keywords: state functions, public-private partnership, social partnership, infrastructure, efficiency, institutional approach.

I. Introduction

In modern public administration, due to resource shortages, budget constraints, and the growing needs of the population, the state is compelled to implement new mechanisms in fulfilling its functions. One such mechanism is public-private partnership (PPP), which represents mutually beneficial and long-term cooperation between the public and private sectors.

II. Concept and Essence of PPP

Key features of PPPs include:

- Pooling of resources: the state and businesses combine their efforts.
- Risk sharing: financial and technical risks are divided between partners.
- Result-oriented: priority is given to social and economic efficiency.

Prof. Paul Hodge (Oxford University): “Public-private partnerships are not just a financial tool — they are a new mode of governance aimed at outsourcing state functions without giving up control.”[1]

III. State Functions Implemented through PPP

A. Infrastructure Development (roads, bridges, airports)

- PPP models are primarily applied in the field of infrastructure.
- For example, in Uzbekistan, the “Reconstruction of Tashkent International Airport” project is being implemented under a PPP model.

Dr. A. Murodov (Uzbekistan, Economist): “Carrying out classical state functions through private partners allows the state to reduce expenses and simultaneously improve service quality.” [2]

B. Healthcare and Education

- Models involving private partners in the establishment of clinics, schools, and vocational centers are being introduced.
- In the UK, PPP-based clinics exist within the NHS (National Health Service).

C. Public Utilities

- Services such as water supply, electricity, and waste processing are implemented in partnership with the private sector.

IV. Scientific Approaches and Debated Aspects

Approach	Supporters	Key Arguments
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Neoliberal Approach	F. Hayek, M. Friedman	Maximizing privatization of state functions increases social efficiency.
Institutional Approach	D. North, E. Ostrom	PPPs won't work effectively without institutional coherence and legal guarantees.
Critical Approach	J. Stiglitz	Through PPPs, the state avoids accountability, potentially increasing inequality.

Joseph Stiglitz (Nobel Laureate): “Not all PPPs are beneficial. Without proper regulation, they can lead to privatization of profits and socialization of losses.” [3]

V. Risks and Issues in PPPs

- Lack of transparency: tenders and contracts are often carried out behind closed doors.
- Unequal risk distribution: in some cases, the state assumes the majority of risks while profits go to private partners.
- Political influence: political or clan interests may override public interests.

Prof. M. Nishonov (Legal Scholar): “PPP contracts must be clearly standardized through legislation, and mechanisms of accountability must be strengthened.” [4]

VI. Uzbekistan's Experience

The Law of the Republic of Uzbekistan “On Public-Private Partnership” [5] was adopted in 2019. In recent years, active projects have been implemented in the following sectors:

- **Education:** subsidies are allocated to non-state schools.
- **Healthcare:** private clinics are commissioned to provide services on behalf of the state.
- **Energy:** solar and wind power plant projects are implemented under PPP models.

VII. Conclusion and Recommendations

- PPP has become an important tool in fulfilling state functions. However, if not properly institutionalized, it may lead to consequences contrary to public interests.
- Therefore, in PPP projects:
 - risks and benefits should be clearly distributed;
 - strong legal foundations are essential;
 - mechanisms for public oversight and transparency must be in place.

Recommendation: An independent evaluation institution for PPP projects should be established in Uzbekistan, and legal provisions should mandate public disclosure of PPP contracts.

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