

COMPETENCE OF STATE AUTHORITIES AND LOCAL SELF-GOVERNMENT BODIES IN THE PUBLIC-PRIVATE PARTNERSHIPS AREA

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ABSTRACT

The article addresses the topical scientific issue of deepening the theoretical and methodological foundations and conceptual approaches to improving the mechanisms of state regulation of public-private partnership development in Ukraine with a view to enhancing the competitiveness of the State, improving the quality of infrastructure services and the efficiency of budgetary funds use, and proposes relevant scientific provisions, approaches and recommendations for their practical implementation in the activities of Ukrainian public authorities. The author investigates the essence, socio-economic and legal nature of public-private partnership in the context of modern social relations, and summarizes its basic principles and models based on the analysis of international experience. The public-private partnership proves to be a promising tool for transforming investments of various forms of ownership into socially important objects, services and qualitative changes, achieving a positive impact on the growth of the State's competitiveness as a result of the implementation of relevant projects, strengthening the functions of the State aimed at regulating security, education, health care, environmental protection, logistics, etc.

The purpose of the research is to comprehensively study the competence of public authorities and local governments in the field of public-private partnership regulation, as well as to develop scientifically sound proposals in the field of their research.

Methodology: *The general methodological basis of the study of public-private partnership is a combination of general scientific and special methods of cognition of objective reality. The theoretical and methodological framework was based on the methods of analysis and synthesis, generalization and abstraction. Categorical analysis was used to study the definitions in the system of state regulation of public-private partnerships. An integrated approach and an institutional approach made it possible to determine the peculiarities of forming a policy for the development of public-private partnerships, to clarify the essence of the processes, to identify the similarities of their elements and contradictions between them, and to identify trends in the implementation of public-private partnerships. The system analysis was used to determine the characteristics and classify the forms of partnerships. Statistical analysis was used to analyze the national status of implementation of public-private partnership projects.*

Conclusions: *For the successful development of public-private partnerships, we consider it necessary to comply with the following recommendations: 1. It is necessary to improve the legislative framework and expand law enforcement practice. Development of the regional legislative framework. 2. Create a single state body for public-private partnership and develop a unified concept of public-private partnership development in Ukraine. 3. Create an organizational structure for initiating and managing public-private partnership projects -*

"center - competence". 4. Conduct information and educational work to promote municipal-private partnerships. Solve personnel problems.

Keywords: Mechanisms of State Regulation, Competence, Delegation of Competence, Public-Private Partnership, State Economic Policy, Regional Development, Public Authorities, Local Self-Government Bodies, Decentralization, State Development Strategy.

INTRODUCTION

New approaches to the development of territories at the regional and local levels shape globalization processes. The specificity of the social, cultural and economic spheres of territorial communities is the basis on which state development plans should be developed within the boundaries of territorial entities. In turn, the directions of decentralization offer greater independence to local communities: expanding the level of responsibility and authority for their own territorial community.

Traditional approaches to the formation of communities' own development at the expense of production facilities and territorial location are gradually reformatted into a modern paradigm of regional policy modernization based on network management, innovativeness, partnerships and associations, while allowing infrastructure to be developed. As noted by (Cheng et al., 2020), globalization processes increase competition at the regional level and within local communities for investment resources. The economic attractiveness of the territories provides an opportunity to ensure sustainable development and promotes a high level of development of local communities. And that is why we consider it appropriate to focus attention on the issue of the ability of territorial communities to solve important tasks of the development of a subordinate territorial entity, to provide conditions for increasing the level of competitiveness of a territorial unit through the use of public-private partnership projects.

Also, the reform of local self-government, which is aimed at optimizing the system of administrative and territorial organization, leads to changes in the system of public administration, ensures high-quality service to the population, creates factors for the development of the infrastructure of important branches of the economy and the social sphere. Considering the scarcity of resources, (Saddy, 2013) notes that a rational solution for the future development of territorial entities, building effective state administration and increasing the competitive advantages of local territories is to expand the process of decentralization and stimulate inter-territorial cooperation.

Recently, as a new (innovative) form of local and regional development policy, inter-municipal cooperation has become increasingly widespread in European countries, including Ukraine. However, its appearance is due to the fact that currently the local self-government bodies of many European countries (including Ukraine) are facing problems that can be solved through inter-municipal cooperation. According to (Chen, 2020), it has great potential, which can be very useful for ensuring the sustainable development of all communities without exception (large and small).

As the experience of many countries shows, local self-government bodies (territorial communities of the basic level), regardless of their area and population, are never completely self-sufficient. In this regard, according to (Zaloznova et al., 2022), inter-municipal cooperation is a relevant and innovative form of activity for many communities. The logical solution is to neutralize the consequences of irrational distribution of functions and resources between different levels of public authority, imperfect organization of territorial bodies, etc.

However, despite the fact that in Ukraine there is a successful experience of implementing agreements in the field of inter-municipal cooperation, this practice is not widespread enough given the institutional underdevelopment of this type of interaction. Another factor is insufficient use by local authorities of public-private partnership models in territorial development. According to Chao et al., (2023), the implementation of infrastructure projects through public-private partnerships helps public authorities to attract finance, resources and capabilities from the private sector to solve problems in areas belonging to the sphere of local government management (transport, housing and communal services, health care, education, etc.).

It should be noted that in two or more territorial units, separate infrastructure systems provide public services to individuals and legal entities. Implementation of public-private partnership projects is possible depending on the conditions of application of inter-municipal cooperation procedures. Therefore, inter-municipal cooperation is a relevant and innovative form of activity of many communities. It is a logical solution to neutralize the consequences of irrational distribution of functions and resources between different levels of public authority, imperfect organization of territorial authority, etc.

Within a separate state, administrative units have their own characteristics, namely: natural resources, territorial location; economic and social conditions; demographic problems, infrastructural support; level of competitiveness, etc. However, the heterogeneity of the natural resource potential and uneven placement of productive forces have led to the fact that individual territories can differ significantly from each other, having factors that stimulate or inhibit development.

The state's regional policy is aimed at minimizing territorial disparities in the social and economic development of policy subjects through the use of various financial, tariff, and tax instruments. The gradual transformation of regional policy, according to Ovcharova & Grabowska (2022) has the following composition: decentralization of power, regional partnership, and implementation of socially important projects by a private owner based on public-private partnership models.

LITERATURE REVIEW

Considering the potential of new forms of development and existence of business entities in economic life, it is important to understand the essence and basis of these phenomena. An in-depth study of the processes that take place during the evolution and transformation of various approaches to business activities in many countries of the world provides an understanding of the existing patterns and features, which allows us to make forecasts of the future situation. The interaction between the state and private capital, which has proved to be relevant in recent decades, continues to be of interest to scholars, public managers and practitioners. The traditional approach in the economy, when the state acts as a regulatory and law-making entity in relation to private enterprises, is complemented by models of mutually beneficial dialogue between two partners - the state and business.

Understanding the strengthening of the role of the state, the processes of providing the state with all the necessary forms, tools, mechanisms, methods, and levers of regulating the economic development of the state actualizes the introduction of interaction between public authorities and private entities in the form of public-private partnership. This interaction takes place in a mixed economy based on a combination of state and private ownership. An economic system that occupies an intermediate position between a centralized and a market economy is called a mixed or socially oriented market economy.

According to Pandey et al., (2022), this type of economic system, along with the positive features of the market, contains mechanisms of state regulatory influence on market factors, aiming to guarantee economic freedoms and equality of business entities, development of private initiative, broad investment opportunities and competitiveness, ensuring social parameters and functioning of the economy (Ashuri et al., 2012).

Given the constant impact of public administration on economic processes, the theory of mixed economy considers the relationship between the public and private sectors. Quite new, from the point of view of Lavrenty (2018), is the institutional environment (legal and regulatory framework, regulatory system) for the implementation of public-private partnership projects based on the evolution of relations between the public and private sectors of the economy, which involves improving market structures in general.

Modern infrastructure management, which includes a high percentage of privatization of public facilities in most countries, has negative social and political consequences, given the high risks of discrimination against the most vulnerable segments of the population. The lack of sufficient resources in the state and local budgets and the growing social burden lead to a curtailment or suspension of budget financing of infrastructure needs. This issue, from the point of view of Han et al., (2020) is reduced by the implementation of public-private partnerships, in the process of which private investments are received for the construction and operation of infrastructure facilities.

Considering and studying various economic phenomena and processes, we see the need to search for their essence in order to establish the basis for understanding and defining terminological descriptions, to highlight specific content that is different from others. The Philosophical Encyclopedic Dictionary defines essence as the inner content of a thing, which is manifested in the unity of all its various forms of being (Shevchuk & Mentukh, 2022). Logic considers the essence as an inherent quality of comprehending a subject. The essence of an object is its definition. Definition is a logical procedure of giving a rigidly fixed meaning to the terms of language (Shevchuk, 2022).

In the modern sense, public-private partnership is considered as a form of interaction between the state and private business entities in relation to state-owned property and services provided by state bodies, institutions and enterprises, legally fixed for a certain period of time with joint financing and risk sharing. Public-private partnership, as noted by Gerrard (2001), combines the attraction of private capital and sometimes the attraction of public capital to improve the quality of social services or management of public assets.

J. Delmon notes that public-private partnership is any contractual or legal relationship that is widely used and related to the expansion or improvement of all infrastructure services, except for public procurement and procurement between public and private entities (Delmon, 2010).

The public-private partnership model helps fill gaps in the quality, speed and efficiency of services provided by the public sector. S. Sharma believes that a public-private partnership can be defined as an agreement between the government and business or non-profit organizations for the provision of services, based on the exchange of risks and benefits (Sharma, 2007).

The principal features of public-private partnerships can be defined as follows:

1. The subject of the partnership - state and municipal property and services provided by the state, authorities and budgetary institutions;
2. Formalization of a special agreement between a public authority and a private party; - joint financing and risk sharing between project partners;
3. Setting a project implementation period stipulated by the agreement (Shevchuk, 2021).

Public-private partnerships are created and operate at the intersection of the public and private sectors of the economy, remaining non-nationalized and non-privatized, and realize the state's ability to provide public services to the population (Shevchuk, 2022).

According to B. Beck, public-private partnership can be described as a long-term contractual agreement and relationship between public authorities and private sector companies. Public-private partnership is a method of service delivery aimed at financing, designing, implementing and operating public sector facilities and services (Beck, 2007).

In some documents of the European Union related to public-private partnerships, it is noted that the definition of "*public-private partnership*" refers to models of cooperation between public authorities and private entities that provide financing, construction, modernization, management, operation of infrastructure or provision of services (Bratasyuk & Shevchuk, 2022).

Ivo Svoboda, Oksana R. Shevchuk notes that an efficient and humane society requires two components of a mixed system - the market and the state (Bryhinets et al., 2020). From the point of view of the theory of mixed economy, public-private partnership is formed and manifests itself as a system of relations between private business entities, the institutional environment and extends to a significant number of areas of activity. The theory of state regulation of the economy proves that complex forms of organization and management of the modern economy require state regulation of various areas of activity, including public-private partnerships. The theory of the public sector of the economy proves that the functioning of public-private partnerships takes place within the system of the public sector, the scale of which in different countries is regulated under the influence of economic policy priorities, phases of economic development (growth, stagnation, recession), foreign economic conditions, reducing the role of the state in some areas and strengthening in others.

Through public-private partnerships, the state is trying to address issues of economic development, infrastructure improvement, and correction of market failures. It is difficult for the state to cease its activities in certain areas, so the forced control of certain property objects or activities requires attracting investments in public-private partnership projects at the expense of the relevant budgets. public-private partnerships use innovative approaches, on the basis of which the state enters into agreements with the private sector, which attracts its own capital and management capabilities in the implementation of projects in accordance with the established time limits and budget, while the public partner retains responsibility for the implementation of projects.

According to A. Mansoor, public-private partnership is a means of effective implementation of projects in the public sector, as it arises against the background of financial constraints and management capacity in the public sector to support large-scale infrastructure projects (Ahmed Mansoor, 2013).

In the process of project implementation, the state has the following goals:

1. Stimulating business and activities that are characterized by a high degree of risk and uncertainty;
2. Achieving effective interaction between participants in the innovation process that have a positive development;
3. Accumulation of funds from various sources in priority areas that is less interesting for private investment in the current investment environment.

The results of the implementation of projects through public-private partnerships confirm its economic efficiency, given the lower average project costs, the effectiveness of project implementation control, and the implementation of most projects on time (Oleksandr et al., 2020).

This type of partnership is a system of economic relations based on the interaction of a public and private owner (with equal rights and mutual benefits) for the profitable use of property, minimizing existing risks and effectively using their own resources to implement public projects (Ovcharova & Grabowska, 2022).

According to researchers such as Jens K. Roehrich, Michael A. Lewis and Gerard George, public-private partnerships can combine the strengths of private actors, such as innovation, technical knowledge and skills, management efficiency and entrepreneurial spirit, and the role of public actors, including social responsibility, social justice, public accountability and local knowledge, to create an enabling environment for the provision of high-quality healthcare infrastructure and services (Roehrich et al., 2014).

M. Siemiatycki notes that public-private partnership is an important form of multi-level governance that brings together partners from both the public and private sectors to implement infrastructure mega-projects (Siemiatycki, 2012).

Thus, the interaction of the public and private sectors can be viewed as a combination of property, resources, needs, and available opportunities to create infrastructure facilities and operate existing facilities, and to provide socially important services through the implementation of projects. A real public-private partnership project is formed and implemented within and under the influence of the institutional environment, public administration and regulation mechanisms, the specifics of the project's scope of activities, and the current legal framework on the basis of which the public-private partnership agreement was concluded.

METHODS AND MATERIALS

The general methodological basis of public-private partnership research is a set of general scientific methods and a specific way of understanding objective reality. The theoretical and methodological basis of the research is the method of analysis and synthesis, generalization and abstraction. This article uses a taxonomic analysis to examine the definition of government cooperation and social capital in the national regulatory system. A comprehensive, institutionalized approach can identify the specifics of PPP development policy design, clarify the nature of the process, identify similarities and contradictions among its elements, and define the specifics of PPP development policy (Boyer, 2019). Trends in implementing public-private partnerships. Identify the characteristics of partnerships and classify the forms of partnerships by means of systematic analysis. Use statistical analysis to analyze the status of national public-private partnership projects.

Using a combination of comparative method, statistical method and comparative analysis method, the international experience in implementing institutional alliances between countries and enterprises is summarized. Through economic and statistical analysis, the level of development of indicators, sectors of entrepreneurial and innovative activities and the formation of human capital in different regions of Ukraine are determined.

The combination of systematic, functional, comprehensive and project-based approaches made it possible to study the state regulatory mechanisms for the development of public-private partnerships in Ukraine and identify areas for improving the research mechanisms. The statistical and informational basis of the study is the regulatory framework of Ukraine, documents and regulations of the authorities, published official statistical information, case studies and scientific publications of leading domestic and foreign scientists.

RESULTS

Let's analyze contractual organizational and economic obligations using the example of the Law of Ukraine "On Public-Private Partnership". This law defines the organizational and legal framework for the interaction of public partners with private partners and the basic principles of public-private partnerships on a contractual basis. Public-private partnerships may be applied in the areas of activity defined by the Law of Ukraine "On Public-Private Partnership", as well as other types of economic activity, which, according to the law, are allowed to be carried out exclusively by state-owned enterprises, institutions and organizations. A public-private partnership is a cooperation between the state of Ukraine, the Autonomous Republic of Crimea, territorial communities represented by the relevant state authorities and local self-government bodies (public partners) and legal entities (except for state and municipal enterprises) or individual entrepreneurs (private partners), which is carried out on the basis of a contract.

In Ukraine, public-private partnerships are carried out on the basis of an agreement between a private partner and a public partner (state authorities or local governments). Whereas, in European countries, a special structure is mainly created in the form of a legal entity with the participation of a public and a private partner, in some cases - with the participation of financial institutions. In addition, the main features of public-private partnerships in Ukraine that determine its effectiveness in attracting private business are identified. Figure 1.

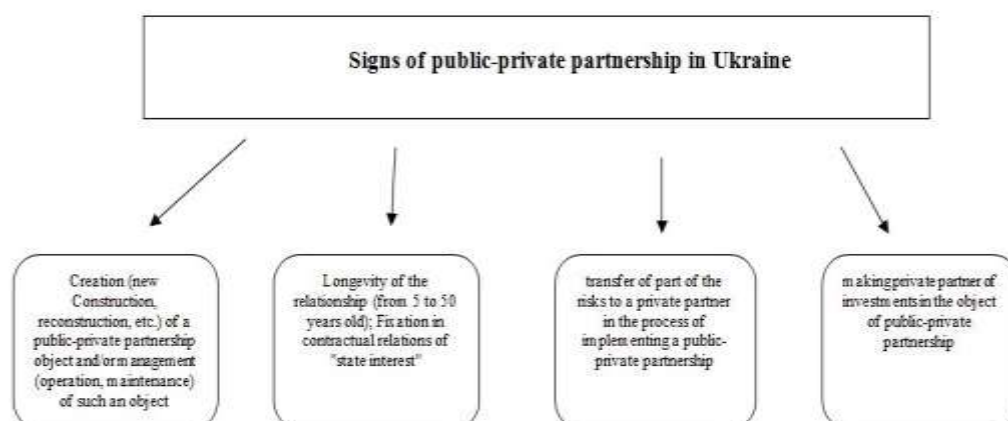


FIGURE 1
MAIN FEATURES OF PUBLIC-PRIVATE PARTNERSHIP IN UKRAINE

Public procurement within the framework of public-private partnerships is carried out in accordance with the legislation on the procurement of goods, works and services for public funds. The form of public-private partnership is a contract. A contract is an agreement between two or more parties on the establishment, change or termination of legal obligations. According to Part 1 of Article 5 of the Law of Ukraine "On Public-Private Partnership", agreements may be concluded on concession, joint activity, production sharing and other agreements.

Public administration exercises its power through the use of an organizational system of structures that perform the functions provided for by law, carrying out processes of administrative, legal, economic and other regulatory influences on objects (society, relations,

activities) through appropriate forms of implementation of these influences. Given the direct influence of the state on the formation of economic policy, the role of traditional methods of developing sectors that until recently were considered a state monopoly is being rethought. The search for new approaches that involve public and private mechanisms of influence on the economic sphere, the focus on the provision of modern public services in developed countries has manifested itself in the concepts of public management, public administration, and public-private partnerships.

The overload of powers and control functions, a large number of bureaucratized procedures, forced governments of many countries to change the emphasis in public administration to achieve efficiency of public authorities, decentralization, motivation, application of market methods in management, and public control.

The processes of interaction between the state, represented by authorized bodies, and a private owner in the field of public-private partnership, which is legally enshrined, provides for long-term relations, joint financing and risk sharing, requires appropriate procedures and powers in terms of public administration of the entire cycle of preparation, development and implementation of projects that provide public services. Public-private partnerships are increasingly addressing specific social problems. Authorities are seeking to integrate civil society institutions and the private sector into the development of community social service projects.

Let us consider the organizational and legal powers of public administration of public authorities in the field of public-private partnership in accordance with the current legislation. The current domestic legislation refers to the authorized subjects of public administration in the field of public-private partnership as the following: The Cabinet of Ministers of Ukraine, the Ministry of Economy of Ukraine and local governments. Let us consider their competence in the field of public-private partnership regulation in more detail. Thus, in accordance with Article 13 of the Law of Ukraine "*On Public-Private Partnership*", the Cabinet of Ministers of Ukraine or its authorized body decides on the implementation of public-private partnerships in relation to state-owned objects, holding a tender and approving the results of the tender to determine a private partner.

The Ministry of Economy is the main body in the system of central executive authorities that ensures: the formation and implementation of the state investment policy, the state innovation policy in the real sector of the economy, the state foreign economic policy, the state policy in the field of entrepreneurship development, and public-private partnership.

The Ministry of Economy, as the body authorized by the Cabinet of Ministers of Ukraine in the field of public-private partnership, according to Part 1 of Article 13 of the Law of Ukraine "*On Public-Private Partnership*", has the authority to make a decision on the implementation of public-private partnership in relation to state-owned objects, to hold a tender and to approve the results of the tender for determining a private partner. Art. 21 of the above law authorizes the Ministry of Economy to monitor the implementation of contracts concluded within the framework of public-private partnerships Art. 22 of the Law of Ukraine "*On Public-Private Partnership*" defines in detail a number of powers of the central executive body that implements state policy in the field of public-private partnership, namely:

1. Methodological support for conducting an audit of the execution of contracts concluded within the framework of public-private partnerships;
2. Preparation of proposals to ensure the formation and implementation of state policy in the field of public-private partnership;
3. Monitoring of the performance of executive authorities and local self-government bodies in the field of public-private partnerships;

4. Developing concepts and drafts of state targeted programs to promote the expansion of public-private partnerships, taking measures for their implementation;
5. Promoting the protection of legitimate rights and interests of public and private partners in the process of public-private partnership;
6. Monitoring, summarizing and publishing the results of public-private partnerships in accordance with the established procedure, including assessing and monitoring the overall level of risks of the public partner in contracts concluded under public-private partnerships;
7. Monitoring compliance with the requirements of the legislation in the field of public-private partnership, including during tenders for the selection of a private partner;
8. Conducting outreach and consulting activities within its powers;
9. Participation in the organization of training and professional development of specialists in the field of public-private partnership;
10. Keeping records of contracts concluded within the framework of public-private partnership;
11. Exercise other powers provided for by law.

DISCUSSION

In a market economy, the state does not aim to comprehensively manage all sectors of the economy, spheres of society and the organization of citizens' lives, but rather delegates some of its powers to private capital. The gradual growth in the number of business entities and the strengthening of their financial condition enables businesses to participate in solving some important social and economic problems in the form of public-private partnerships. Interaction between public authorities and business is a necessary factor in the development of an efficient market economy, so the study of the essence and peculiarities of its mechanism is of great theoretical and practical importance.

The Constitution of Ukraine (Art. 142) establishes the possibility for territorial communities to unite communal property on the basis of agreements and budget funds to implement joint projects or to jointly finance (maintain) enterprises, organizations and institutions of communal ownership established for this purpose by the relevant authorities and services.

Factors that stimulate intermunicipal cooperation include a favorable legislative environment, direct co-financing of intermunicipal projects, and the creation of a project register (Lshchenko & Yuristovska, 2020). Budgetary constraints on the development of local governments and territorial features of location sometimes require the construction of public infrastructure and the provision of related services to meet the needs of citizens who live in several administrative units.

The economic inexpediency for a private investor to enter into public-private partnership agreements, given the small scale of the project, the unprofitability of investing in infrastructure facilities in the event of revenues from the provision of services that do not reimburse total investments (for example, given the small number of consumers), encourages bordering territorial entities to combine infrastructure facilities and resources within one public-private partnership project, which makes it possible to achieve investment attractiveness for the main characteristics of intermunicipal cooperation, from the point of view of (Mentukh et al., 2023) are:

1. The presence of two or more local governments that have mutual cooperation;
2. Agreement on joint actions, involvement of separate resources to obtain mutual benefits that would be unattainable in the case of independent actions;
3. Joint activities aimed at one or more sectors within the established competence of local self-government bodies;

4. Costs of the parties (efforts, financing), joint use of resources (personnel, land, equipment, buildings, etc.);
5. Benefits for the partners (provision of services inaccessible to small communities, reduction of costs in the provision of services, improvement of the quality of services, improved coordination of future development planning);
6. A certain period of cooperation, which is determined by the agreement without specifying the expiration date;
7. Absence of permanent transfer of powers of local self-government bodies with the preservation of indirect control of local authorities over decisions and services arising from cooperation.

That is, in the process of intermunicipal cooperation, as noted by Julio C. Sambrano-Gutiérrez and Claudia N. Avellaneda, each participating organization brings relative strengths and weaknesses (Zambrano-Gutiérrez & Avellaneda, 2022). Participants come with different motivations, capacities, and incentives to address collective action issues. The incentives of the participants depend on the severity of the problem/need, fiscal situation, political preferences and the design of the agreement. Thus, the effectiveness of an existing cooperation agreement should depend on the composition of the group.

The economic benefits of intermunicipal cooperation are manifested in reduced costs, including increased volumes (services), increased overall financial components of the project due to the combined capabilities of local authorities, increased project significance, and investor confidence, including private ownership. The European Declaration of the Rights of Cities, which is part of the European Charter of Cities (clause 18), defines the possibility and necessity of organizing. The aforementioned Declaration stipulates that citizens have the right to intercity cooperation, which may concern issues in the field of housing; health; sports and leisure; culture; architecture and physical environment; economic development; services and goods.

Similar tasks fall within the competence of local governments, which need to attract investors to cooperate within the framework of existing legislation.

The Committee on Science and Technology Policy of the Organization for Economic Cooperation and Development sees public-private partnerships as a way of providing and financing public services using capital assets, where the goal of the state is to ensure quality service provision, and the goal of the private partner is to make a profit. Public-private partnership, as noted by Petrik, S. M. (Krynichko et al., 2020) provides for the rational use of public resources, which are the basis for increasing the quality of production factors used in order to move to long-term and high-quality economic growth, which ensures a compromise of interests between participants by attracting investment in the real sector of the economy and leads to simplified access to capital markets. Public-private partnerships preserve the control functions of the state in socially important sectors of the economy.

Inter-municipal cooperation can help optimize individual projects, increase their scale and efficiency. A promising area, in our opinion, will be the creation of tourism and recreation clusters that will develop tourism and recreation infrastructure in the suitable areas of local councils where the cluster is formed. The process of implementing a cluster project with the involvement of private investors on the basis of public-private partnerships involves the creation of new innovative enterprises (catering facilities, museums, rural tourism facilities, advertising services, facilities providing housing and communal services) and the development of transport infrastructure, increasing financial contributions to local budgets, and stimulating employment.

The development of public-private partnerships is one of the priority goals of public administration at the regional level. In this regard, the dynamics of interaction between

government and business in the regions is constantly monitored, evaluated and reflected in a special rating of the Ministry of Economy of Ukraine. It is worth noting that in 2021, a methodology for analyzing the effectiveness of public-private partnerships was approved. The purpose of this methodology is also to encourage regional executive authorities and local governments to take more active steps to develop the public-private partnership mechanism.

The factors for calculating the indicator for assessing the development of public-private partnerships in the region of Ukraine are the weighted average of three factors (see Figure 2).

Thanks to comprehensive measures, rural areas are gradually being developed. Processes related to the planning and development of local territories require significant preliminary actions by public authorities to develop strategic priorities for territorial development, identify and develop pilot projects for infrastructure development through public-private partnerships, prepare the allocation of necessary land plots, form a multichannel system for providing information to potential investors on the prospects of local government project activities (including intermunicipal cooperation), and conduct consultations with local authorities.



Figure 2
FACTORS FOR CALCULATING THE INDICATOR FOR ASSESSING THE DEVELOPMENT OF STATE-PRIVATE PARTNERSHIP IN THE REGION OF UKRAINE

A number of problems that have not been resolved by local authorities can be solved by combining the efforts of several basic-level communities through intermunicipal cooperation. The forms of cooperation are offered in the form of implementing joint important projects, joint maintenance or creation of joint infrastructure facilities, and the creation of a joint management body that exercises the powers defined by law. Through associations, it is possible to maintain and create larger infrastructure facilities that will be of interest to potential private investors. The provision of social infrastructure and the prospects for its creation as a result of the formation of new amalgamated territorial communities at the local level are becoming particularly relevant. Limited resources of local budgets, significant capital investment needs aimed at improving the quality of public services, confirm the feasibility of public-private partnerships to increase the number of infrastructure projects that will increase the competitiveness of the respective local areas and meet urgent social needs in the economic and social spheres. Various changes are constantly taking place in the public

administration system, which are influenced by the development of social relations and the priorities of the state's political life.

The effective functioning of government agencies, the social system, and business structures depends on the effectiveness of the management model applied at different hierarchical levels. The task of the mechanisms of public administration and regulation is to ensure adequate and dynamic influence of the subjects of management on the objects in order to move the latter to a predetermined state. The market certainty of the existence of the vast majority of countries depends on the necessary intervention in the economy by state actors, the methods and forms of which tend to be complex systems. Modern scholarship on the role of the state in a market economy has different approaches, as the market model is far from perfect, and the search for ways to improve it continues. The redundancy of the state's role, budgetary support of numerous socially important sectors, has given way to the current trend of more liberal management forms that promote commercial models of public sector management, decentralization of powers, introduction of regional cluster formations, sharing of responsibility with private entities, and interaction between the public and private sectors in the form of public-private partnerships.

In Ukraine, public administration processes are based on the constitutional division of power into legislative, executive and judicial branches and the separation of public authorities in the form of provision of services by state authorities and local governments. The current political trend in Ukraine is towards decentralization of power, which delegates most of the powers and resources to the local level, providing financial and managerial opportunities for the development of territories and improving the well-being of local communities. Implementing the decentralization concept, it is envisaged to unify and standardize administrative and social services provided by local governments and executive authorities, guided by the maximum accessibility of services for consumers and ensuring the conditions for the necessary financing of these services.

In the process of reforming government powers and shifting the center of responsibility for important issues to the local and regional levels, there is a growing need to intensify public-private partnerships and their role in ensuring socially necessary projects to be implemented by territorial communities. Understanding the role of the impact of state and market mechanisms on economic development has led to the creation of various theories that have certain imperfections of each approach, but, according to many researchers, it is more balanced to combine the best opportunities and compensate for the shortcomings of existing public administration and market self-regulation.

In the opinion of Kraus, et al. (2020) for an efficient and humane society, it is advisable to use a mixed system - market and state - in the modern economy. This understanding of the further evolution of the economic system, in our opinion, creates increased opportunities to fulfill the tasks of developing a competitive environment and entrepreneurial initiative and implementing socially necessary large-scale projects. Public-private partnerships have become widespread when market principles of work organization are applied in the field of public services, which are considered more effective than traditional approaches.

The liberal model, which professes the principles of the New Public Management, insists on the use of a commercial basis, declares its focus on minimizing budget expenditures for the provision of public services and provides for cooperation between the private and public sectors. The state strategy based on supplementing and limiting market mechanisms in order to adjust the action of market forces and correct certain shortcomings of

the market system has become widespread worldwide, along with the growing importance of public-private partnership projects in the EU.

Public-private partnerships provide for the use of the advantages of private management in the process of implementing a project that is important to the public partner. The Law of Ukraine "*On Public-Private Partnership*" defines the use of PPPs in a significant number of areas related to

1. prospecting, exploration and extraction of mineral deposits
2. production, transportation and supply of heat and distribution and supply of natural gas;
3. construction, operation and maintenance of the country and which has formed a model that delegates a number of powers to the subregional level, has been applied in Ukraine.

The mechanisms for reforming the system of government in our country provide for a broad approach to decentralization, which has allowed us to shift the emphasis on making the necessary decisions to the level of community powers and to provide local governments with the necessary financial instruments. Decentralization has become a way of territorial organization of power with the state delegating decision-making rights on certain issues or in certain areas to local or regional structures that are not part of the executive branch and are relatively independent of the government.

Estrada (2017) sees decentralization as a legally established combination of principles or institutional mechanisms that allow delegating certain state powers to lower levels of government, local associations or decentralized units (Estrada, 2017).

The process of decentralization involves the separation of tasks and functions, shifting from the level of central government to the local level.

The purpose of decentralization is to increase the efficiency of the state mechanism and to intensify the work of regions and local governments, which ensures the rights, interests and responsibilities of the local population, structured into regional groups and local governments.

According to Krynichko, (2020), decentralization is a democratic form of development to expand the local government system, activate the population to meet their own needs and interests, narrow the sphere of state influence on society through self-regulation mechanisms, and reduce public spending on the maintenance of state structures. Decentralization involves the transfer of management of the maximum number of tasks directly to the stakeholders (their representatives).

In turn, decentralization can be defined as the transfer of authority and responsibility for government functions from the central government to subordinate or quasi-independent government organizations or the private sector (Rondinelli, 1999).

That is, as Falleti (2004) notes, decentralization is a process, a set of state reforms. It is a series of political reforms aimed at transferring responsibilities, resources and powers from the higher level to the lower levels of the state.

It is worth noting that the principle of decentralization has two main forms: territorial or political decentralization and functional or technical decentralization.

The elements of territorial or political decentralization are the official recognition by the state of the existence of administrative-territorial entities; granting administrative-territorial entities the status of a legal entity; organization of administrative-territorial entities on an elected basis; transfer of certain powers of the state on the basis of the law to the relevant decentralized authorities.

Functional or technical decentralization, as noted by Maillot J.M, has the following elements: separation of a certain type of activity from the total volume of public activity;

granting the authority to manage such activity to a separate specialized institution (organization); granting the status of a legal entity to the relevant decentralized authorities.

Ozmen (2014) notes that decentralization has political, administrative and financial dimensions. In the process of fiscal decentralization, conditions are created for the provision of public goods based on the needs and preferences of the local population. It can be argued that decentralization is a way of organizing power by combining the principles and mechanisms of the legislative level. In the process of decentralization evolution, the central governing bodies of the state transfer functions and tasks to the regional level and to local governments, expanding the rights, interests, and responsibilities of the latter, increasing their responsibility, and allowing for more balanced planning of infrastructure creation through public-private partnerships. The described approach allows central authorities to focus more on national issues; local governments receive political responsibility for the socio-economic condition of their own territorial unit, which should have a positive impact on management decisions, increase the efficiency of budgetary funds at the local level, and provide tools for advertising the territory to attract private investment and implement partnerships.

Along with the creation of a legal mechanism, we consider it necessary to introduce regional authorities regulating the development of public-private partnerships into the institutional environment.

As for the main functional powers, these entities should be given the opportunity to

1. Formulate and implement the basic principles of regional policy in the field of public-private partnership development;
2. To formulate a public-private partnership strategy based on a cluster approach, taking into account the specifics and main directions of socio-economic development of a particular region and a list of potential projects;
3. Participate in the development of legal acts, regulatory and methodological materials related to public-private partnerships;
4. Conduct competitive procedures for determining a private partner to conclude a public-private partnership agreement;
5. Monitor the implementation of public-private partnership agreements;
6. To register and maintain databases of business entities and investors who may potentially participate in the implementation of public-private partnership projects;
7. Conduct outreach and awareness-raising activities.

In the system of public administration development, according to Chafra & Cerón (2016), the public-private partnership at the regional level in the process of decentralization should be provided for:

1. The ability to determine at the state level, through the analysis of regions, the procedure for the formation of specialized regional entities that implement the process of development and management of public-private partnerships, providing powers that take into account the implemented concept of decentralization of power;
2. Developing a procedure for interaction of specialized state regional entities with state authorities and local self-government bodies to resolve issues related to public-private partnerships;
3. Adoption of a separate legislative act or amendments to the current legislation on regional peculiarities of public-private partnership development within the framework of existing strategic legislative acts; - Active involvement of investment entities in the implementation of regional projects in the field of public-private partnership with the provision of the necessary state guarantees;
4. Development and publication of a regional program for the development of public-private partnerships;

5. Formation and implementation of mechanisms for managing public-private partnership projects and monitoring the implementation of launched projects;
6. Expanding the scope of public-private partnership projects using a cluster approach and introducing the latest financial instruments;
7. Organization of education and training of personnel in the field of public administration of public-private partnerships, holding seminars, scientific conferences on the development of public-private partnerships in the region.

That is, the forms of participation of local self-government bodies and the source of authority for each of the forms can be presented in the form of a diagram shown in Figure 3.

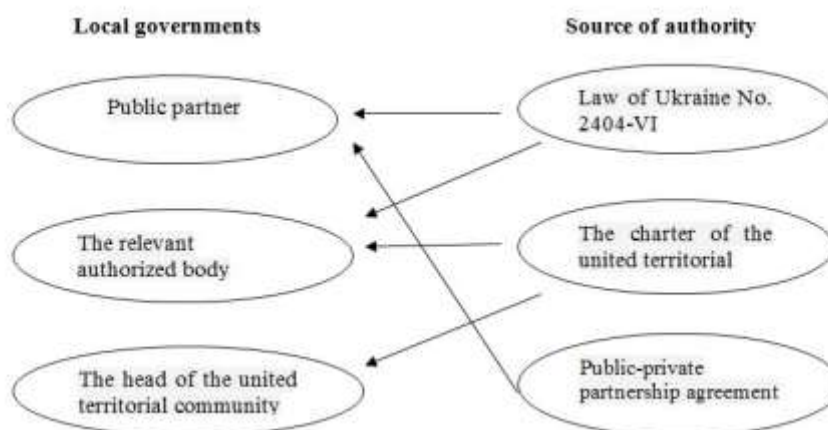


Figure 3
SOURCES OF POWERS OF LOCAL SELF-GOVERNMENT BODIES IN PUBLIC-PRIVATE PARTNERSHIP PROJECTS

Thus, the national legislation vests public authorities and local self-government bodies with a significant range of powers in the field of public administration in the process of implementing public-private partnership projects. This makes it possible to formulate and implement public-private partnership policy, monitor the process of preparation and implementation of public-private partnership projects, and exercise control functions. Thus, given that in the process of implementing the decentralization strategy, local budgets do not allow for the fulfillment of the territorial entities' own functions in the areas of education, healthcare, housing and communal services, and infrastructure development, the development and implementation of public-private partnership projects based on inter-municipal cooperation and the cluster approach is a rather new and organizationally complex procedure. The analysis has shown that it is advisable to create the necessary regional structures that will implement the policy of developing this type of partnership in the region and to transfer to the relevant structures the authority to implement the policy of public-private partnership development, organization, implementation and control functions in relation to public-private partnership projects (Baranovska et al., 2022).

In our opinion, for Ukraine, which has a high research potential and needs to develop the innovative component of the economy, the issue of forming the institutional framework for innovative development and developing management mechanisms that would allow it to enter the trajectory of innovative growth is becoming particularly relevant. One of these relatively new mechanisms may be public-private partnerships, a format of relations between the public and private sectors that has demonstrated its effectiveness in more than 60

countries in the implementation of infrastructure projects and innovative development programs. It is the principle of partnerships that allows us to achieve the necessary long-term effect in the implementation of innovative projects. The state and business cannot move the economy to an innovative development path on their own for a number of objective reasons.

In other words, ensuring an effective institutional environment, a system of incentives for private capital to enter public-private partnership projects, and a highly professional specialized organization for the implementation of innovative projects in the format of public-private partnerships can become the key to Ukraine's success in developing the emerging technological order to ensure its global competitiveness and achieve sustainable economic growth.

Cooperation between the state, represented by local governments, and private businesses in the areas of housing and communal services, agriculture, infrastructure projects of social importance, tourism, and recreation will help increase the competitiveness of cluster companies, create a positive investment climate, and ensure further attraction of investors to public-private partnership projects.

Urgent needs remain: completion of the administrative-territorial reform, decentralization process, and amalgamation of territorial communities; determination of the full list of powers of the regional and local levels; formation of institutional support for community development; inter-municipal cooperation; identification of community potential through strengthening land relations, increasing human capital, entrepreneurial initiative, and expanding cooperation through public-private partnerships.

CONCLUSIONS

Public-private partnerships are seen as an important tool for implementing the state's domestic policy. The further development of public-private partnerships involves improving the mechanisms of such partnerships and attracting investments in the modernization of industrial and social infrastructure. The state of the economic environment can be calculated on the basis of such criteria as domestic economic potential, government efficiency, business efficiency, and infrastructure. Comparison of Ukraine's performance in the area of public-private partnership implementation in terms of legal regulation; institutions; operational experience; investment and business climate; and financing shows that legal regulation; institutions; investment and business climate; and financing are lower than the average for the countries ranked.

Public authorities and local governments are authorized to implement the public-private partnerships policy, monitor the process of preparation and implementation of public-private partnerships projects, and exercise control functions. These powers, tools, and procedures, which are aimed at regulating the implementation of socially important public projects, determine the functions of design, financing, construction, restoration, operation, exploration, and maintenance in the areas defined by law to create a socio-economic effect.

The state policy for the development of public-private partnerships should: create conditions for the development of the institutional environment for this type of contractual relationship, further improve the legal framework governing public-private partnerships; identify bodies authorized to manage the implementation of public-private partnerships at the regional and local levels, define their functions, powers and responsibilities; create public-private partnership institutions with the development of cluster forms of cooperation. In general, the provision of public services through public-private partnerships will be based on a number of principles, including: openness and accessibility of information on public-

private partnerships; ensuring competition; non-discrimination, equality of the parties to the agreement and their equality before the law; good faith fulfillment of obligations under the agreement by the parties to the agreement; fair distribution of risks and obligations between the parties to the agreement; freedom to enter into an agreement.

Thus, for the successful development of public-private partnerships, we believe that the following recommendations should be followed:

1. It is necessary to improve the legislative framework and expand law enforcement practice. Development of the regional legislative framework.
2. Create a single state body for public-private partnership and develop a unified concept of public-private partnership development in Ukraine.
3. Create an organizational structure for initiating and managing public-private partnership projects - "*center - competence*".
4. Conduct information and educational work to promote municipal-private partnerships. Solve personnel problems.

Thus, the successful implementation of public-private partnership projects at the local level will help build trust between local governments and businesses. And this is a very important point, as this trust is the foundation not only for the modernization of our economy, but also for the creation of points of effective innovative and high-tech growth and development of territories, and the formation of centers of decent and prosperous life for the population.

It is obvious that active participation of state authorities and local governments in public-private partnership projects, creation of favorable conditions for the development of the business environment, as well as comprehensive integration of state programs with plans for the development and implementation of public-private partnerships will effectively link the tasks, resources and capabilities of the state, and accelerate the launch of public-private partnership projects. In addition, a transparent scheme for the implementation of public-private partnership projects will attract attention from business and financial institutions.

It is also necessary to: separate the processes of administration in the implementation of the functions of state regulation of public-private partnerships and other economic areas that affect the development of public-private partnerships; search for functional features of public administration in the field of public-private partnerships at the regional and local levels, taking into account the directions of state policy on decentralization of certain powers and delegation of the latter to the level of united territorial communities.

Limitations of the Research and Prospects for Further Research

The scientific study of the competence of public authorities and local self-government bodies in the field of public-private partnership is limited by a number of factors, first of all, the competence of all public authorities in the field of state regulation of public-private partnership is not taken into account, and all forms of public-private partnership are not studied. Therefore, the prospects for a scientific study of the competence of public authorities in the field of public-private partnership are as follows:

Intensification of the rulemaking work of the Cabinet of Ministers of Ukraine and other executive authorities on the implementation of promising humanitarian projects in the field of education, science, and culture through public-private partnership mechanisms and intensification of efforts to find partners (Ukrainian and foreign) for their implementation.

The Committee on Economic Reforms, in cooperation with the Public Humanitarian Council under the President of Ukraine and with the participation of professional civil society

communities, should identify the most important and urgent humanitarian initiatives and consider including them in the list of national projects with the approval of the relevant concepts.

The Ministry of Foreign Affairs of Ukraine, together with the State Agency for Investment and National Projects of Ukraine, should establish close working relations with Ukrainian diaspora organisations, with appropriate detailed information on all opportunities for legal entities and individuals to participate in the implementation of Ukrainian humanitarian projects (including foreign ones) through public-private partnership mechanisms.

Ensure that local state administrations mandatorily include public-private partnership programmes in the humanitarian sphere in the development programmes of the respective administrative-territorial units or adopt them as an independent document.

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