

The importance of public-private partnership models in the development of railway stations

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Annotation: This article provides information on the essence of public-private partnership, the need for its use in railway passenger transport, the advantages of the concession form of PPP and its various models.

Keywords: Public-private partnership, concession contracts, private sector, railway transport.

Introduction.

In recent years, the use of public-private partnership (PPP) mechanisms has been actively implemented in most countries of the world. In addition, the number of industries in which PPP is used is constantly growing.

Also, depending on the level of socio-economic development of the countries, orientation towards PPP projects is also very different from each other. That is, in developed countries with high labor productivity and high social standards, a significant part of public-private partnership projects are implemented in the social sector (health, education), while in countries similar to our country, we can see that PPP projects are implemented mainly in the fields of production, energy and transport.

In our country, the interest in PPP is increasing year by year, and we should note that PPP projects are entering our many industries and sectors. Including railway transport. We know that the demand for passenger transportation in railway transport is increasing in our country, and this 100% state-owned railway company is focusing on operations related to the construction of new railway lines, reconstruction and electrification of existing ones, and the purchase of new rolling stock. We can see that they are trying to fully satisfy their requirements. This, in turn, creates financial difficulties for the railway company in terms of modernization of railway stations and improvement of passenger services. Based on these, we can say that it is appropriate to develop railway stations through PPP. The need to use PPP mechanisms in the development of railway stations can be expressed in the following cases[4]:

- unsatisfactory state of state-owned infrastructure facilities;
- it is impossible to modernize and develop the infrastructure only at the expense of budget funds;
- the need to reduce the budget burden and direct budget funds to achieve other goals;

- the need to attract large amounts of funds to implement innovative changes.

Based on world experience, in our opinion, it is appropriate to use the Concession model of PPP in the development of railway stations. This can be explained by the fact that the concession model has many advantages for the stakeholders. Based on different approaches, the concession model is considered an advanced form of PPP for the following reasons: concession relationships have a long-term nature; in business structures, concessions have freedom in making management decisions; when the concessionaire violates the terms of the contract, the state has the ability to influence the private sector to a certain extent. [6]

If we give a brief definition of the concession itself, the concession is a system of relations resulting from the provision of the right to use state property from the state (concessionaire) to a legal entity or individual (concessionaire) on the basis of payment and reimbursement under the contract, and the right to perform activities that are the absolute monopoly of the state. [1] The concession model is more commonly used in sectors with long project implementation periods and where ownership cannot be transferred for legal or political reasons.

In international practice, several types of concession agreements can be distinguished, and they are as follows:

Build-Operate-Transfer (VOT) - private sector tasks include design, financing, construction of facilities based on a long-term concession agreement, and management during the term of the agreement. After the expiration of the contract, the property will be returned to the state. [3]

"Build, Own, Operate, Transfer (BOOT)" - In this case, the partner from the private sector receives not only the right to use the object during the contract period, but also the right to own it, after which it is transferred to the state will be transferred to the property. It can be used in concessions where the state did not participate in financing the construction, but was actually the initiator (customer) of the project.

"Build-Transfer-Operate" - BTO - at the end of the construction of the object, the private enterprise transfers the property rights to the state, retaining the right of operational management.

"Build-Own-Operate (BOO)". Private enterprises finance, build, own and operate facilities on an ongoing basis. State restrictions are given in the contract, and it constantly implements regulation and management" [2].

"Design-Build-Finance-Operate" - DBFO - the private sector designs, finances and builds the facility on the basis of a long-term lease, manages it during the term of the contract. The transfer of property to the state will be carried out at the end of the project. Concession or Private Financial Initiative (PFI) model can use any form of contract under DBFO, WTO, BOT and their derivatives. Therefore, property rights to objects do not depend on which PPP model is used. [4]

"Buy-Build-Operate" - BBO - a form of sale that includes reconstruction and expansion of an existing facility. The state sells the facility to the private sector to establish effective management. Based on the characteristics of the passenger transport industry in railway transport, the above-mentioned examples of the concession models of the PPP, the directions of effectiveness achieved in the establishment of the PPP at the railway stations are listed in Table 1 below. This table shows ways to expand the opportunities of the parties benefiting from the activities of the enterprise established on the basis of PPP.

Table 1.

Effectiveness of using PPP concession forms at railway stations.

| For consumers | For the state | For a private partner |
|--|---|------------------------------------|
| - increasing the number of cheap and quality services; | - the ability to reduce budget funds in the organization of | - profit; - business expansion; |

| | | |
|-----------------------------------|--|--|
| - possibility to choose services. | services and their implementation; - improvement of competition in the field; - creation of new jobs; - increase in income from taxes and other payments. | - long-term placement of investments under guarantee; - the possibility of introducing innovative projects. |
|-----------------------------------|--|--|

Conclusion.

In conclusion, we can say that it is appropriate to involve public-private partnership in the further development of railway transport stations in the conditions of Uzbekistan. On the one hand, this allows the railway company to fully engage in its main activities, and on the other hand, it creates new and modern conditions for passengers. But here it is very important to choose the form and model of public-private partnership. In our opinion, taking into account the strategic object of railway stations, it is appropriate to use the concession or joint venture form of PPP.

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