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# Forms of Public-Private Partnership in the Market of Educational Services and Their Nature

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**Abstract:** This article explores the current state of educational services in the country, focusing on opportunities and challenges in the development of the educational services market. Theoretical approaches to enhancing public-private partnerships (PPPs) in this sector are examined. Despite growing interest in PPPs, a gap remains in understanding their full potential for educational development. The research aims to analyze existing PPP frameworks and provide recommendations for their improvement. Using a qualitative approach, the study reviews relevant literature and policies. The findings highlight key areas for improving collaboration between the public and private sectors, offering practical suggestions to strengthen PPPs in education.

**Keywords:** Educational services, Social development, Service sector, Public-private partnership relations.

## 1. Introduction

The development of higher education services is an important process in the main attention of every country and in the country's program today. After all, many innovative opportunities and processes are created through the development of education. Issues of development of educational services on the basis of public-private partnership are always relevant. It can be justified by the possibilities of private partnership and the circumstances of their implementation, the forms and structures of private partnership, the need to increase the practice of private partnership in the sale of educational services [1].

Literature review. A comparative analysis of the experience of countries with an important place in the world market of educational services shows that the state, higher education institutions and business entities participate in the development and implementation of strategies for expanding the export of educational services. The function performed by the business is to form and develop infrastructure support for such exports [2].

One of the main features of higher education is the level of its financing. Therefore, it is axiomatic that there is a direct relationship between the economic well-being of the country and the amount of education financing. This situation is explained by the following: the more time citizens spend on education, the faster the economy develops; high development of education ensures high rates of economic growth [3].

From this point of view, it is natural that investments in education as a field of knowledge are a high-profit business that ensures the development of the country.

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Accordingly, a positive global trend is manifested by an increase in spending on education, in particular, on higher education. Expanding the financial base of higher education is a necessary condition for developing human capital, modernizing educational processes, and increasing the competitiveness of HEIs [4].

The main advantages of developing educational services in our country on the basis of public-private partnership can be stated as follows:

1. Opportunities to implement projects of high social importance in short periods of time during educational processes;
2. Availability of a high level of access to socially significant PPP projects in the field of education, in particular, higher education;
3. Availability of opportunities to attract more funds for financing various objects of public higher education institutions based on public-private partnership sources;
4. Reduction of state spending on education, in particular, on the higher education system;
5. Financing for the construction of state social objects (OTM objects) at the expense of private funds;
6. Distribution of risks between state and private entities;
7. Possibilities of introducing modern techniques and technologies in the development of the infrastructure of HEIs [5].

## 2. Materials and Methods

In order to study theoretical approaches to the development of public-private partnership in the market of educational services, scientific researches of local and foreign researchers, analysis of scientific literature, periodicals, descriptive methods were used, and a scientific expedition was carried out [6].

## 3. Results and Discussion

For many entrepreneurs and businessmen, the implementation of public-private partnership can provide the following achievements: support for entering the state sector of the economical (privatization of state-owned enterprises); the availability of state subsidies; to have opportunities to develop private partnerships by using the experience of foreign developed countries, etc [7].

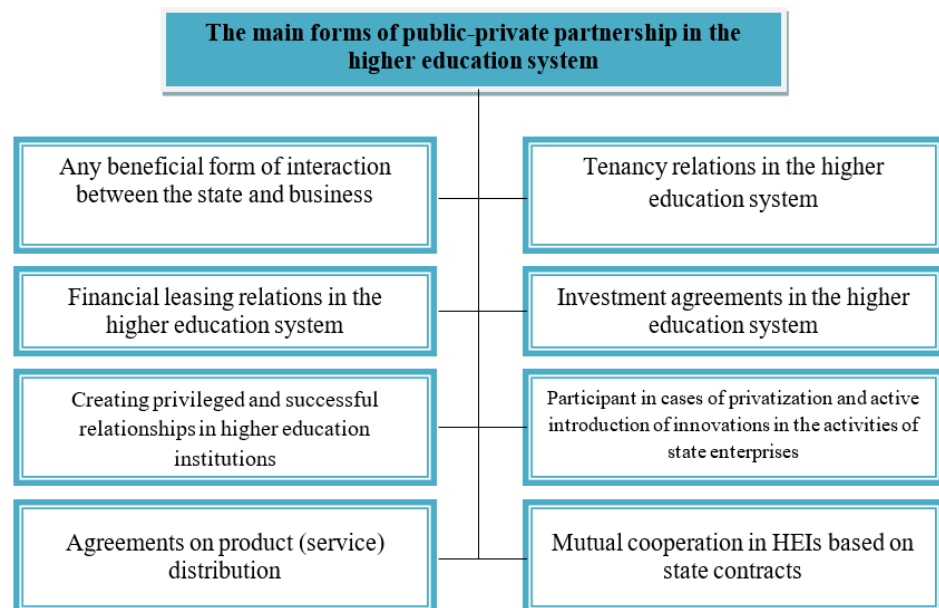


Figure 1. The main forms of public-private partnership in the field of educational services

The convenience of the public-private partnership system for the state can be determined by the following factors: increasing the efficiency of innovative and investment projects from the sources of private process participants; solving important issues aimed at the development and growth of the state systems of the economy; reduction of budget expenses at the expense of privatization and fund-reserve financial resources; opportunities to strengthen the socio-economic stability of regions and increase the level of competition [8].

Based on the given information, it can be said that the model of economic growth processes is based on the division of tasks and functions between state and business entities. The cooperative model is used in cases where it is difficult to provide service to independent taxation objects, taxation objects in some cases of force majeure. The operation of this growth model is carried out through the joint cooperation of the state and entrepreneurs [9]. The contract model is also often used for investments aimed at reducing current costs in the industrial, manufacturing and energy sectors in the development of the economy. The above processes provide for the possibility of leasing buildings and structures, production enterprises, vehicles, and various engineering complexes to the activities of business entities through the operation of financial models in economic development systems.

It is important to mention and emphasize the possibilities and development of the concession model in the implementation of large socio-economic projects in the developed countries of the world. Based on different approaches, the concession model is an advanced form of public-private partnership due to: the fact that the concession model relationship is a long-term process; opportunities to increase freedom in making management decisions of concessionaires in business structures and processes; If the concessionaire violates the terms of the contract, it may have a strong or weak influence on the state and private enterprises [10].

In addition to the practice of the concession model, it is possible to use other different forms of public-private partnership, for example, it is formed by transferring public buildings and structures, production enterprises and other processes to private business activities in lease relationships. In addition, in many developed countries of the world, before the implementation of investment projects and programs, a preliminary comparative analysis (VFM) is carried out to calculate the technical-technological, economic, social and other aspects of the project and program. The experience of foreign countries holding competitions for the right to implement public-private partnership projects includes many stages [11].

At the first stage of the comparative analysis, the preliminary selection stage of the participants is held. In the second stage, the processes that have successfully passed the selection process evaluate the technical parameters of the projects specified in the tender proposals [12]. In the third stage, the competition organizer determines the financial parameters of the projects indicated and specified in the tender offers. The main aspects of the public-private partnership system in the process of economic growth in many developed countries of the world are as follows:

1. Forms of mutual cooperation. Goals and tasks, strategies, programs, projects, measures and mechanisms of their management and improvement are jointly developed and operated within the framework of the public-private partnership system [13].
2. Work in partnership. In the process of participation in the process of cooperative relations, both parties strive to find the most appropriate ways to solve problems and issues, and in some cases to develop opportunities for cooperative action.
3. Terms of joint work. Public-Private Partnership system contracts are generally determined to be implemented over a period of time, and the relationship between the partners is expected to continue.

4. Exchange of resources. Both partners should combine not only financial resources, but also intellectual resources, division of labor and information resources. In the adopted projects, many relationships are implemented in the search, exchange and management of all resources to achieve the goals set.
5. Risk and Risk Management. This is one of the important goals, tasks and strategies of introducing the public-private partnership system in the process of risk management. After all, the parties will be able to combine the forces of both sides to ensure protection against many risks, identify hidden problems and risks, and choose the appropriate method of insuring their business processes [14].

It should be noted that in the course of our ongoing research, the mechanism of managing public-private partnership projects based on concession models in the field of higher education was analyzed and research was conducted [15]. The reason for the study is that the drawing of the concession model of public-private partnership projects is the most widely used throughout the world and is widely used in all areas of public service provision, including private enterprises, and great interest is expressed in the concession model. In terms of the number of transactions, the volume of involved investments and various economic indicators, benefits are superior to other forms [16].

There are a number of factors affecting the development of relations between the state and business in the world economy:

1. PPP is one of the mechanisms of the mixed economy, which involves the development of relations between the state and business.
2. PPP envisages the involvement of private sector resources in the reworking processes in the sectors and industries owned by the state and local authorities.
3. Uniting the power and resources of the state and business within specific projects is their additional competitive advantage. Compared to state institutions, private entrepreneurship has a desire for technical and technological improvement, assimilation of innovations, speed of decision-making, and high mobility to ensure competitiveness. The state ensures the most successful implementation of PPP projects by creating a stable regulatory and legal framework, conducting organizational activities on civil society relations.

In our opinion, although the above approach is limited by the composition of partnership participants (state and business), it is characterized by a wide range of results that PPP subjects expect to receive. In our opinion, when determining the interests of the state as a PPP subject, firstly, its areas of responsibility in the socio-economic system of the region, and secondly, the objective needs of the development of private enterprises should be taken into account. A necessary point in the formation of theoretical ideas about the role of PPP in the development of higher education in the region is to define the functions performed by such a partnership.

#### 4. Conclusion

In our opinion, taking into account the composition of the main problems in the development of higher education in our country, the main interests of the PPP entities and the socio-economic results they expect, private partnership relations to support the development of higher education in the region are based on the following functions.

1. Resource function. The implementation of PPP projects is primarily related to attracting resources (material, financial, personnel) from private business entities to increase the volume and quality of educational, scientific and consulting services provided by HEIs. A possible option is to increase budget funds implemented in the form of projects, for example, by regional development institutions. It should be noted that these resources can be directed both directly

to higher education and to points of economic growth (technology parks, clusters) in the region where HEIs participate.

2. Property function. The implementation of PPP projects leads to an increase in the scope and quality of the property of the partners (development of the material and technical base that provides personnel training and research, introduction of the results of intellectual activity into the economy, etc.).
3. Organizational function. This includes: development strategies and programs of partnership participants for the implementation of PPP projects; development of programs for training, retraining and advanced training of specialists; State and professional accreditation of HEIs; includes recommendations on the formation of an order for targeted personnel training.
4. Institutional function. The implementation of PPP projects helps to improve the institutional structures of the region's economy, which is manifested in the creation and expansion of forms of organization of economic relations with the participation of OTMs (technology parks, industrial and production special economic zones).
5. Reproduction function. The implementation of PPP projects is aimed at improving the structure and quality of educational, scientific and consulting services provided by educational institutions, and ensuring the formation of a continuous education system. An important point in its implementation is the development of long-term and mutually beneficial economic relations between HEIs and business.
6. Integration function. The implementation of PPP projects allows to combine and concentrate the resources of participants in solving problems that realize their common or unidirectional socio-economic interests.  
An important aspect of its implementation in modern conditions is to ensure the integration of higher education in the regional and national economy. In individual projects, the scope of implementation of this function may include global education and scientific space. It is necessary to form economic and organizational-legal relations that mediate their entry and operation as participants in effective forms of organization of the activities of HEIs (technology parks, clusters).
7. Innovative function. The implementation of PPP projects is, firstly, related to the development of human capital in higher education (professors, researchers, students); secondly, quality improvement of various service provision processes by HEIs (development of innovative educational programs in new areas, introduction of new interactive forms of education, etc.); thirdly, to introduce the results of scientific research of higher educational institutions into the economy, to fill it with personnel whose competencies meet the requirements of the new technological order, and on this basis to increase its level of innovation.
8. Social function. The implementation of PPP projects is aimed at expanding the financial base of HEIs and, on this basis, increasing the level of income of employees, developing material supply and improving the social and household conditions of students; Involvement of HEI employees and students in the process of project implementation allows, firstly, to expand their fields of activity (tasks) and sources of income, and secondly, to test previously acquired skills, as well as financially stimulate the activities of business structures that are partners of HEI. to gain access.

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