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## **THE SPECIFICS OF PUBLIC SPACE IN THE CONTEXT OF PUBLIC-PRIVATE PARTNERSHIP**

*The article is based on the analysis of the specifics of the public space in the conditions of public-private partnership and the expediency of formulating practical recommendations and adjustments to the partnership mechanisms, the creation of a favorable economic and regulatory environment. The main task of the present (in case of the necessary consensus being reached between the state and private business) is to come to a common opinion on the mechanisms that can meet the requirements of the time for the future development of the public space of Ukrainian cities.*

**Key words:** public space, public-private partnership, business, civil society, public sector.

**General problem statement.** All over the world, business-state relations is a powerful source of development of the modern economic system. They are backed by interconnected motivational incentives that enable an effective alliance between the business community and government. Complementarity, contradictions and weak interrelations of politics and economy in cities, regardless of specific directions of development and time progress, make us understand the specifics of public space in terms of public-private partnership.

While searching for ways to solve problems and stimulate or ensure growth, cities focus on the successful strategies of other cities. In particular, focus on global players, services, major events and modern industries, which is widespread

in cities, proves the existence of policy approaches that are effective in different countries, in other words, "travel policy".

Today, the quality of life of the population and the stable development of Ukrainian regions depend on the effectiveness of partnerships between government, business and civil society in all spheres. Effective communication between the authorities and civil society is possible only if the parties understand each other and their interests are consistent, which in turn contribute to social change in the public space.

**Analysis of recent research and publications, which initiated the solution of this problem, the selection of previously unsolved parts of the overall problem.** At present, the concept of "public space" in research on public administration and administration is insufficiently studied, although Ukrainian scientists V. Bakumenko, M. Bilynska, V. Bodrov, V. Goshovska, V. Koltun, V. Korzhenko, O. Korotych, T. Pakhomova, I. Radysh, I. Rozputenko, V. Skuratovskyy, Y. Surmin, O. Sushynskyy and others have covered this concept while studying the relationship between public space and public policy, the development of civil society and the development of territorial communities.

Some aspects of public-private partnership are considered in the works of many Ukrainian and foreign scientists, in particular J. Abbasi, O. Akilina, D. Amunts, A. Aparov, A. Bazhenov, M. Buso, V. Varnavskyy, O. Golovinov, M. Gorozhankina, S. Grishchenko, I. Demenkov, I. Dubok, N. Zhukova, M. Karpa, A. Kozlov, A. Kryvolapova, T. Kryshstal, O. Kuzmin, N. Kurakova, T. Mataev, I. Merzlov, V. Pavlyuk, O. Polyakova, V. Puchkov, T. Savostenko, Y. Savchenko, A. Stenger, A. Yatsenko. These and other authors considered the essence of the concept of public-private partnership, highlighted its types, models and forms, described it as a tool for change management in today's conditions.

**The purpose of the article** is to consider the specifics of public space in terms of public-private partnership.

**Presentation of the main material of the study with a full justification of the obtained scientific results.** The Law of Ukraine "On Public-Private

Partnership" dated July 1, 2010 № 2404 defines public-private partnership as "cooperation between Ukraine, territorial communities represented by the relevant state authorities, local governments (state partners) and legal entities, except for the state and communal enterprises, or individuals – entrepreneurs (private partners), which is carried out on the basis of an agreement in the manner prescribed by this Law and other legislative acts "[3].

Public-private partnership is one of the principles of the modern model of public administration "New Public Management", which has been implemented by leading Western countries in the late twentieth century. The concept of "new public management", according to M.V. Pasichnyk, is a model of public administration based on the adoption of corporate governance methods used in business and non-profit organizations. It is focused on increasing the flexibility of decision-making in the state apparatus, reducing its hierarchy, delegating power to a lower level of solution-making, and strengthening feedback between the state and citizens [6].

Scientists propose to consider the essence of the concept of "public-private partnership" through the prism of three methodological approaches to its definition [11]:

1. In the context of building a paradigm-based public-private partnership in Ukraine: Public-private partnership (hereinafter PPP) promotes good governance by ensuring transparency, openness and accountability in public service delivery and infrastructure development, and by making recommendations for public administration modernization. This approach necessitates the creation of a new direction of scientific special research related to the system of basic scientific attitudes, ideas and terms that explain and form the theoretical and methodological foundations of PPP as an innovative model of public administration.

2. In the context of using the institutional approach: PPP is a set of formal and informal rules (laws, norms, standards and concepts) that reflect the normative characteristics of civil society, unify the content of public-private partnership and mechanisms that govern its operation in practice.

3. In the context of using a system-functional approach: PPP provides a process of objective assessment of cost-effectiveness, efficiency and effectiveness of management in the delivering of public services and infrastructure development, implementation of government policies, programs or measures, as well as correct reporting in accordance with applicable laws and regulations.

Accordingly, PPP is generally a special way to combine the resources of business and government. At the same time, the interests of the community are effectively ensured in terms of rational use of its available resources. A separate object is created / modernized that has social significance for the public, as well as commercial value for investors [2].

Public-private partnership is one of the effective forms of such interaction. PPP is a form of agreement that has legal force between the organization of public and private sectors, which requires new investment from a private partner (funds, technology, experience / time, reputation) and transfers key risks to the private partner (design, construction, operation), in which payment is made in exchange for the performance of works, which were traditionally made by the public sector [10].

In Ukraine, on April 27, 2010, the Ukrainian Center for Public-Private Partnership Development was established, the purpose of which is to “promote the development of public-private partnership for the implementation of socially significant infrastructure projects; intensification of the use of scientific and technical potential and innovative technologies to solve problems of modernization of life support systems; for promoting the investment attractiveness of the economy of Ukraine and its regions [8].

Within its competence, the Center:

- develops methodological support of the formation and implementation of public-private partnership projects;
- provides various types of assistance, support and advice to public and private partners;

- represents interests of Ukraine in foreign relations on public-private partnership;
- provides services for the examination of projects considered as the subject of public-private partnership;
- protects interests of the parties in the public-private partnership agreement;
- organizes various public events on the development of public-private partnership (conferences, seminars, trainings, round tables, workshops, etc.);
- carries out advanced training on various subjects of public-private partnership;
- studies and generalizes the domestic experience of practical use of legal norms on public-private partnership;
- conducts scientific examination of normative legal acts concerning public-private partnership;
- shares among stakeholders the successful experience of implementing public-private partnership projects, etc.

The main task today, after reaching the necessary consensus between the state and private business, is to agree on mechanisms that can meet the demands of the time for the future development of the public space of Ukrainian cities.

Public space is not a static "structure". By its design, its norms and rules, its spatial and visual properties, it is always a demonstration of social development. The area of public space and the boundaries of its publicity are extremely different in different cities, societies. They transform under the influence of economic, social, political, geographical, historical and cultural factors.

There are four main approaches to understanding the concept of public space. According to the first one, public is what concerns the state and its administrative functions. Accordingly, public space is a space within which the functioning of the state and its performance of administrative functions are ensured. Due to the second approach, public is what concerns the state and the economy, and public spaces are the spaces within which the economic activity is provided. The third approach defines public as something that concerns the community, governance,

citizens and defines public space as a space within which communities or public associations establish rules of participation (membership) in accordance with moral values, social expectations and interaction between participants. According to the fourth approach, public is something that concerns sociability and open self-expression. Thus, public space is a space of self-expression and communication [5].

Models of the relationship between civil society and the state were considered in the latest study of the Polish sociologist E. Vnuk-Lypynsky. Describing the institutional conditions and prerequisites for the development of civil society, the scientist defines the following [9]:

- 1) the presence of public space, which allows free institutionalization of social forces;
- 2) the presence of public communication that is not controlled by the state;
- 3) the presence of the market within which various interactions are carried out for the exchange of values and services, as well as the protection of private property.

The use of the classical proof by contradiction shows that in the absence of the first factor, when public space is inaccessible to the institutionalization of social forces, but completely controlled by a non-democratic state, the emergence of autonomous organizations and associations, which constitute the institutional context of civil society, becomes impossible. In this case, the public space is filled with quasi-state organizations and associations controlled by the state, and various informal dissident groups are formed, which operate outside the public space.

It should be noted that CIVICUS: World Alliance for Citizen Participation (an international alliance of civil society organizations and activists working to strengthen the activities of citizens and civil society around the world, especially in areas where democracy and citizens' rights to freedom of expression are contested) emphasizes that the effective development of society depends directly on balance between the state, the private sector and civil society, and also that governance improves when there are many means for people to have a voice in decision-making. CIVICUS identifies key aspects of creating of

favorable environment for the development of civil society in its interaction with the state and business, which include:

- legitimacy, transparency and accountability of civil society organizations: civil society groups have to make efforts to be transparent and accountable to their stakeholders, getting their legitimacy from the approval of stakeholders. While civil society organizations report primarily to their stakeholders, they are also accountable to the government, other civil society groups, and the general public;

- networking, coalitions and solidarity: there should be connections and cooperation between different civil society groups and individuals, common platforms and coalitions at different levels;

- regulatory environment: laws for civil society organizations should be clear and well defined. The registration process should be quick, easy and cheap. State laws, regulations and policies on civil society should make it easy for civil society groups to be formed, should be free from any interference, easy to express their views, communicate, convene, cooperate and find resources;

- political environment: authorities and politicians have to recognize civil society as a legitimate social and political actor and provide systematic opportunities for the state and civil society institutions to work together;

- public relations and perceptions: there must be tolerance of people and groups who have different points of view and identity;

- corruption: there should be no tolerance for corruption among government officials, politicians, business people and civil societies' staff;

- communication and technologies: access to communication platforms and technologies must be reliable, cheap and sufficiently widespread;

- resources: civil society groups should be able to access resources from a number of sustainable sources, including the domestic market, as well as to determine their own activities, rather than limited funding opportunities [7].

It is natural to study and apply the experience of leading countries in the development of public-private partnerships in the form of technological platforms, advisory bodies to public authorities at various levels, business associations and

more. In addition to public authorities and local governments directly involved in the process of territorial development, specific forms of cooperation between business and government of leading countries are the following: associations of municipalities, national development agencies, chambers of commerce and industry, business and innovation centers, regional financial companies, private consultants and experts, trade unions, employment organizations, organizations specializing in the spread of new technologies, business incubators, venture funds, guarantee funds, charitable foundations, local development agencies, municipal development funds, utilities, institutions of higher education and regional research centers, technological research laboratories and regional development agencies [4]. Such experience can be used to involve scientific organizations and institutions to solve the problems of mechanisms of city development, increase the efficiency and profitability of state, municipal and scientific enterprises.

The formation of an interregional innovation market deserves special attention. It implies creation of high-tech centers on the basis of scientific organizations, partial restructuring of research and design institutes into engineering firms with commercial infrastructure. In general, the city authorities should provide favorable economic and financial conditions for innovation, science-intensive and innovative entrepreneurship (creation of a system for training innovative entrepreneurs, development of small innovative entrepreneurship). It is necessary to take into account the need to develop innovation infrastructure and national venture capital – a system of venture investment, extra-budgetary financing of high-risk projects; public and private insurance systems for innovation risks; leasing of scientific and unique equipment; information network, technology examination systems and know-how. But intellectual property can become a significant contribution to the creation of new products and market relations can only be properly developed on the basis of legislative regulation of intellectual property in order to protect the scientific products of scientists.

The city would introduce new formats of communication with entrepreneurs on current problems of business development. Advisory bodies accountant to the



mayor will perform an important role in such a case. Moreover, the main tasks for the development of the city are the following:

- the city will improve interregional economic cooperation and develop economic relations with partner cities abroad;
- promotion of local producers (the city will work on the development and implementation of mechanisms to stimulate demand for products of the best producers in the local market, as well as the promotion of enterprises and their high quality goods at interregional and international fairs and exhibitions).

Entrepreneurship of infrastructure support is a key tool for the local community to promote the development of small and medium-sized businesses. Such support involves the creation of various business support institutions that would help businesses solve their own development problems. Through the development of infrastructure for small and medium-sized businesses, the city has to achieve goals related to increasing the number of enterprises, increasing their profits, export volumes and ultimately increasing the number of jobs. The significant potential of the city in creation of qualitative business support infrastructure will be based on industrial traditions and cooperation with universities, vocational schools and research institutions.

Among the main measures are:

- Development of economic clusters. Promoting the formation of groups of interconnected enterprises and institutions in the city and region. These groups are supposed to work in related fields, complement each other and thus strengthen the competitive advantages of individual companies and the city as a whole.
- Technology Park. The creation of a technology park with a business incubator in the city will promote the emergence of new enterprises, their growth and development, increase the competitiveness of enterprises, stimulate the production of new innovative products and ensure their promotion at local and global markets.

- Development of industrial zones. Development and implementation of an action plan for further development of existing and creation of new industrial zones in accordance with urban spatial plans.

- Business Support Center. The establishment of the Business Support Center promotes the development of private business in accordance with international best practices through the provision of consulting services and trainings for businesses.

If we want to create a highly productive economy of the city, it is necessary to form an efficient, in-demand labor market and well-paid human resources. The task of training a sufficient number of qualified, skilled personnel can be solved only with the help of coordinated efforts of the city authorities, educational institutions and business. Such cooperation will also help expand employment and career opportunities for young people.

In today's conditions the economy needs coordinated cooperation in various fields between the public and private sectors in order to achieve successful socio-economic development of the regions and the state as a whole. Under constant change and decentralization, we offer a transition to more flexible, sensual "public units" with packed business opportunities. This modular design allows organizations to "recompose" when it is needed, such as in times of a global pandemic or economic downturn. The composite enterprise has four main principles: modularity, efficiency, continuous improvement and adaptive innovation. Composite corporate thinking creates more innovation, reduces costs and improves partnerships [1].

For instance, these models and tools can be represented by:

- Crowdfunding campaigns (marathons, swimathons), mass events, including the Donor Circle;
- Regular donations;
- Cooperation with business (including corporate, thematic and registered funds);
- Endowments;

- Fundraising "in the workplace"
- Social franchising;
- Royalty;
- Social entrepreneurship of Civil Society Organizations (except for the manufacture and sale of goods);
- Institutional forms of local philanthropy (models of community funds, youth banks, Centers of action locally, etc.);
- Impact investment.

A new business model is gaining popularity in Ukraine: ordinary Ukrainians cooperate and invest in projects that focus not only on profit, but also on public or environmental benefits. Globally such business is called impact investment. Experts predict that in the near future they will dominate the planet. Impact investors in Ukraine focus on urban space, infrastructure and on creation of platforms for cooperation and generation of new projects. Investors pay considerable attention to cooperation with city authorities and joint projects due to the need for stable and secure business development in a not very favorable investment climate. In Ivano-Frankivsk, the largest and most successful revitalization of such actions is the project "Promprylad. Renovation". This is a multifunctional urban space, which is being built on the basis of a practically non-functioning Promprylad plant. 409 investors already joined and invested \$ 5.2 million in the project. These figures are growing daily. Currently, one-sixth of the factory shops (5,800 square meters) have been renovated and used for business and public projects. For Ivano-Frankivsk, this means 300 additional jobs and a "home" for about 25 different businesses.

**Conclusion:** Based on the analysis of the specifics of public space in terms of communication between government, business and civil society, it is useful to make some practical recommendations and adjustments to the partnership mechanisms and to create a favorable economic and regulatory environment, namely:

- develop modern mechanisms for implementing dialogic models of communicative interaction;
- widely use modern communication channels in educating citizens of dialogue and partnership with the spread of programs of active informing about the interests of society or private interests;
- develop the concept and implement a system of monitoring the effectiveness of the communication process of government agencies at all levels with civil society and business communities; improve the process of transformation of mechanisms of government-society interaction, in order to identify the factors of its slowdown and reasons of effective dialogue between "government – civil society" and " government – business";
- expand the zone of expert-analytical cooperation of authorities, business communities, create new channels of civic engagement, first of all at the level of regional business space; modernize formats of interaction on the basis of modern digital technologies.

Among the main measures in this area there should be mentioned:

- Expanding the links between education and the economy. The city government should develop links with institutions that provide secondary and higher education, on the one hand, and city businesses and businesses, on the other. That is to develop and promote educational programs that meet the needs of the city's economy. Ensuring communication between the unemployed and business. The city should organize job fairs, presentations of enterprises to acquaint unemployed citizens with potential employers.
- Training modules. The city should promote the implementation of specialized training programs in various disciplines in order to meet the personnel needs of local employers.
- Retaining and attracting qualified personnel. The city and the employers should develop special programs to retain highly qualified local staff and attract highly qualified professionals from other cities (regions). The employment of

highly qualified staff in urban enterprises should be encouraged in order to reduce their drift from cities.

The proposed recommendations in general will help increase the efficiency of the process of building communication between government, business and civil society, and can also be applied during organizational improvement and regulation of public space development processes.

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