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## ALLIANCE OF GOVERNMENT AND PRIVATE BUSINESS

In modern conditions of the crisis period the revival of economic activity and business activity in the region is determined by the use of special tools and methods of stimulation, and the presence of institutions of the territory, validity of legislative framework, development of market infrastructure, the use of modern technologies in the implementation of regional management.

The economy of some developed and, more recently, developing countries, extensive use of a new special form of cooperation between the state and private business. This particular form of partnership, usually denoted by the term Public Private Partnership (PPP). term public-private partnership is used in Russian literature, based on a clear definition of the leading role of the state in the Russian reality [1].

Public-private partnership - this form of activity of the state and the private sector, with the aim of developing the most significant infrastructure and ensure high-quality services businesses and society.

Actually, the term "public-private partnership" (PPP, Public Private Partnership) appeared in the early 90s. XX century. And related mainly to the "British model" PPP. In 1992, the government announced that D. Major "Private Finance Initiative» (Private Finance Initiative - PFI), which was a modernized concept of management of state property. The essence of the PFI was that within the framework of contracts and on public-private partnership agreements to transfer to the private sector finance functions of socio - cultural and industrial infrastructure, state-owned. This radical change in the public administration system in the UK has resulted in a significant transformation in the institutional environment, as well as in the relations between the state apparatus and the private.

Consider the concept of PPPs Analysis B. Varnav:

1. It is necessary to emphasize the point indicated that the PPP - it privatization form, State, transferring ownership of disposal of objects of infrastructure to the private sector remains the owner of these facilities;

2. State unilaterally to fulfill its basic function livelihoods and businesses, it remains responsible to the company for the operation of infrastructures;

3. In order to ensure an appropriate level of services to private enterprises to create a definition of control and regulation system;

4. Interaction of the parties in the PPP is attached to the official, juridical basis (agreement, agreements, contracts, etc.);

5. In the process of implementation of PPP projects the available assets of the parties (Resources and contributions) are combined;

6. All the risks in PPP projects are divided between the state and business in the proportions according to the mutual agreements contained in the relevant agreements, contracts, agreements, etc.

Each participant of the project contributes to the overall development of the project. For example, the business provides financial resources, professional experience, flexibility, fast adaptation and efficiency in decision-making, shows the effective management and innovative ability. At the same time introduced the so-called "know-how" in technologies and management methods in the implementation of projects, and develop relationships with suppliers and contractors, which increases the demand for highly skilled workers in the labor market [2].

The interest of the state is that it can shift part of the costs for maintenance and investment property in the private sector. Also, due to the lease and concession payments, government agencies are an additional source of revenue in the budget.

Forms of public-private partnership are:

State contracts as an administrative agreement, drawn up between the government and a private firm to carry out a particularly useful and necessary activities: contracts for works on financing, design, construction, the provision of public services, to manage, to supply the state needs to provide technical assistance and etc.

Joint public-private enterprises. They are created mainly through incorporation or through equity participation of the parties without the issuance of shares. The degree of freedom of the private sector is determined by the share of the parties in the capital. Also, depending on the proportion of such risks are distributed among the participants.

Production Sharing Agreement. This shape resembles a traditional concession, but still has some differences. The concession is said that the released products are wholly owned by the concessionaire, in the case of this form of government, the private partner is only entitled to a portion of which are specified in a special agreement.

It is known that the public-private partnership is an institutional and organizational alliance of the government and the private sector for the purpose of realization of socially significant projects in a wide range of fields of activity - from the development of strategically important sectors of the economy to provide public services in the entire country or individual territories.

The mechanism of public-private partnerships can provide, above all, the possibility of socially significant projects in the shortest possible time, unattractive for traditional forms of private financing, and secondly, to increase the effectiveness of projects through participation in the private sector tend to be more effective on the market, than state institutions. In addition, while ensuring reduction of the burden on the budget by attracting private funds and transcriptions of the user-cost, the ability to attract the best managerial personnel, equipment and technology, improve the quality of end-user services [3].

In addition, PPP found spread in the field of transport, telecommunications, energy, agriculture, public utilities, education and health and other sectors of infrastructure and social services.

It is obvious that both sides of the partnership interest in the successful implementation of projects in general. PPP projects facilitate access to world capital markets, encourage foreign investment in the real economy. Of particular importance is the PPP for the economy of the regions where it is based on developing local capital markets, goods and services, and where each partner contributes to the overall project.

For its part, the state provides a proper powers-nick, the possibility of providing tax and other incentives, guarantees, as well as material and financial resources. The PPP government has an opportunity to engage in the execution of its core functions - control, regulation, compliance with the public interest. As the PPP government in infrastructure can gradually shift the focus of their activities - with particular problems of construction and operation of facilities in the administrative and control functions. The inherent business risks while redistributed towards business. Social significance of the PPP is that ultimately benefit society as a consumer better services.

Considering the PPP as an economic category, it can be said that public-private partnership - is a new emerging market investments, which has its own specific features, which are closely linked to the innovation economy. Since it is impossible to implement without investment innovation, and without innovation there is no sense to develop a public-private partnership, in full compliance with the PPP system in the market has its own characteristics of functioning, its mechanism of interaction, its forms and principles.

## References:

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