

Theoretical Principles of Management Development in Physical Education and Sports on The Basis of Public-Private Partnership

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Abstract: The article extensively covers the theoretical and methodological foundations of management in the sphere of physical culture and sports in our country, as well as the role and importance of public-private partnership in the implementation of joint investment projects of public and private sectors, analysis of the work done in this area, the state in the framework of public-private partnership in physical culture and sports, and among private companies, international financial institutions and other institutions to widely introduce the mechanism for implementing promising projects.

Keywords: Public-private partnership (PPP), physical education and sport, management private sector, private partner, investment project, project.

1. INTRODUCTION

Nowadays, one of the factors hindering the development of physical education and sports is the lack of sports infrastructure in our country. The relevance of the topic is caused by the complexity of sports infrastructure projects, the intensity of resources, the budget deficit, funding limitations, and the existence of problems of development and management of sports infrastructure in all regions of the country. The population's need for physical education and sports services is increasing day by day, and the state's requirements for the quality of these services and the socio-economic efficiency of sports institutions (organizations) are growing accordingly. In this regard, the question of finding new sources of off-budget financing and introducing modern methods of development and management of sports infrastructure remains urgent. One of the most effective methods today is the use of the public-private partnership mechanism in solving these issues, designing, building, restoring, reconstructing and managing sports facilities in the field of physical education and sports.

We can see that the experience of developed countries and nowadays there is a tendency to increase the volume of mutual cooperation between the private sector and the state in the form of public-private partnership in many countries of the world. One of the modern and most effective ways of attracting foreign direct investment to the country's economy is public-private partnership. Today, on the basis of such an agreement, a total of 4.98 bln. 375 projects worth more than US dollars are being implemented. In particular, 133 in the field of water management, 69 in the field of ecology, 67 in the field of education, 48 in the field of health, 26 in the field of culture, 13 in the field of craft industry, 8 in the field of energy, 3 in the field of communal services, 2 in the field of transport, 2 projects were implemented in the field of employment and labor relations, 1 in the field of information technologies, 1 in the field of taxation, 1 in the field of veterinary and animal husbandry, and 1 in the field of law enforcement. Thanks to these projects, foreign experience and technologies are also entering the fields.

Further development and strengthening of public-private partnership in the field of physical education and sports of the Republic of Uzbekistan dated May 10, 2019 "On Public-Private Partnership" Law No. 537 of the LRU dated August 11, 2021 "Public-Private Partnership 509 and the adoption of Resolution No. 184 of the Cabinet of Ministers of the Republic of Uzbekistan dated March 1, 2018 "On measures for the development of public-private partnerships in the field of physical education and sports" in the field of physical education and sports. It is the legal basis for the implementation of new projects in the socio-economic cooperation of the private sector and the public sector.

2. LITERATURE REVIEW

"Public-private partnership" is defined as mutually effective cooperation of a public partner and a private partner in the field of physical education and sports for a specific period of time in order to attract private investments, pool resources and distribute risks [6].

In general, public-private partnership, especially in the field of physical education and sports, foreign and local

scientists expressed their opinions and comments, suggestions and recommendations in their research.

“Public-private partnership (PPP) - public and public property objects, as well as public and public agencies, institutions in order to implement socially significant projects in a wide range of economic activities” and shows a legally strengthened form of interaction between the state and the private sector in relation to the services performed and provided by enterprises in the textbook which’s called “Theory and Practice of Public-Private Partnership” co-authored by V. Varnavskiy and others [10].

Today, many scientists are conducting their scientific research in the field of physical education and sports in public-private partnerships.

According to V. Sazonov, “one of the areas of public relations in which public-private partnership projects are rapidly developing is sport” [7].

According to A. Tsepeleva’s scientific paper recognizes the 2012 Olympic Games held in London as one of the “brightest examples of public-private partnership in the field of sports” [9].

According to T. Melnik, the development of the practice of public-private partnership in the field of physical education and sports is determined by the needs of the implementation of the goals and tasks of the social policy of the state bodies in this field [5].

It is necessary to reflect the specific features of the implementation of public-private partnership projects in the field of physical education and sports in order to further develop public-private partnership and use its various forms in the definition given by E. Galieva and A. Magdenko, [2].

The role of public-private partnership is very important in the comprehensive development of social, economic and political reforms in our country. Public-private partnership in the field of the development strategy of New Uzbekistan designed by the President for 2022-2026 states how important public-private partnership is for our economy and “Sports and cultural facilities, creative clubs, employment support and training centers, business facilities on the basis of public-private partnership in neighborhood areas measures to create such an infrastructure should be implemented” [1].

3. ANALYSIS AND RESULTS

Today, in order to further develop the country, public-private partnership depends on the successful implementation of the country on the basis of the experience of countries with a developed and successful business environment, and the readiness of the state to interact with far-sighted actions in the complex post-crisis environment.

Public-Private Partnerships with a long history, public-private partnerships have several guiding principles.

First, the parties have equal interests, the content of which is explained by the fact that the right to sign a public-private partnership agreement is given to all private companies. Also, partners use the opportunity to freely choose the forms and methods of achieving the goal in front of them.

Second, the contract should be stable and subject to change. Because usually such contracts are signed for a long period of time, and during this period there may be circumstances that lead to amendments to the specified conditions.

Thirdly, the responsibility for fulfilling the terms of the contract is one of the important factors, and the private company has no right to stop the work in this cooperation project. Because this situation can harm the interests of the general public - the consumer of the project implementation.

Fourth, the principle of competition is manifested during the competition to sign a public-private partnership agreement. The competition organized among private companies allows the state to select an effective partner from among the participants in the mutual partnership project.

It consists of the integration of financial, technological and management resources in the organization of infrastructures and provision of socio-economically necessary services in the country on the basis of public-private partnership. Public-private partnership agreements should clearly state the risks between the participants. This table 1 highlights the advantages and benefits of public and private partnerships.

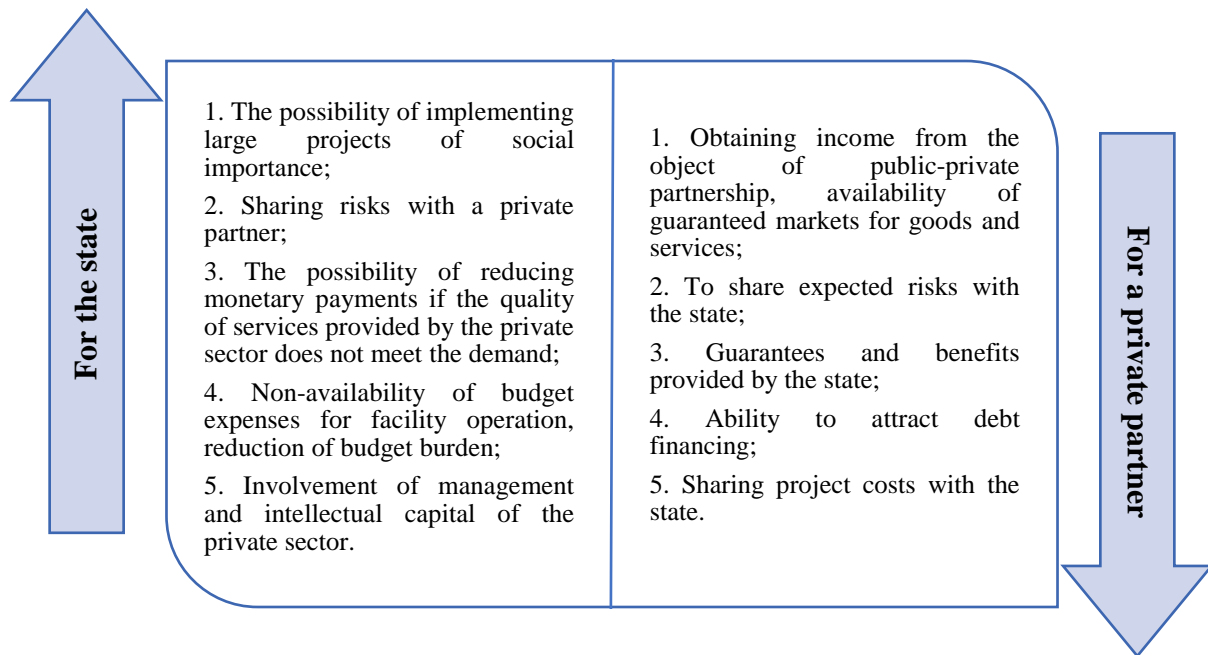


Fig.1. Aspects of benefits or advantages for public and private partners in the implementation of projects [11]

From the table, we can see that public-private partnership, we can see how important public-private partnership is in the implementation of large projects of national importance.

A private partner who expresses a desire to implement a public-private partnership project first of all submits an appropriate application to the selection commission. The received application on the implementation of the public-private partnership project will be considered by the Selection Commission within ten days from the date of receipt. The notice of violation of the requirements in the submitted application is sent to the private partner in written form, including through the electronic information system. The notice shall indicate the violation of the requirements, the specific norms of the legal documents, and the specific period during which the private partner can eliminate the violation of the specified requirements and submit the documents to the public partner for re-examination.

Despite many problems, there are also positive trends in the field of physical education and sports [12]:

1. Sports facilities, swimming pools, stadiums, sports clubs, as well as the number of people engaged in sports and physical education in their free time are increasing.
2. Involvement of the private sector in the development of physical education and sports services, which will allow partial satisfaction of the population's needs for these services.
3. The number of social advertising is increasing, and the role of promoting a healthy lifestyle is increasing.

Today, the types of services that are built and used on the basis of public-private partnership in the free land available in the field of physical education and sports in our country:

- Sports fields and facilities;
- Sportswear and equipment store;
- Healthy food stores;
- Fitness centers;
- Hotel buildings;
- Service branches;
- Hotel building;
- Other services.

The public-private partnership mechanism allows to use the management skills and experience of the private sector to overcome the limited capacity of the state and municipal authorities in project financing, to transfer some risks to the private sector, to improve the quality of the provided social services and to increase the efficiency of the

management of public infrastructure objects [4].

4. DISCUSSION OF RESULTS

Public-private partnership mechanism BOT (build, operate, transfer) is used as the main financing method in concessions. As part of the implementation of public-private partnership projects on the basis of a concession, the sports complex can be handed over to a private partner. In this case, the following formula is used to calculate the profitability of the project.

$$R = \frac{Pr_{com} + Pr_{soc}}{I}$$

here: **R** - profitability, **Pr_{com}**, **Pr_{soc}** - profit from commercial and social visits; **I** - project investments.

One acceptable form of contract in the field of public-private partnerships is a life cycle contract (LCC). This is a contract in which the first private partner designs and builds the facility at its own expense, and then receives payments from the state to maintain the facility according to specified parameters. Investment stage partner costs can be offset by a "capital grant". In the field of public-private partnerships, public-private partnership models such as DBFM (**design, build, finance, maintain**) and DBFO (**design, build, finance, operate**) are compatible with the life cycle contract (LCC) financing model. Using this scheme, the profitability of the project is calculated as follows [8].

$$R = \frac{D * n}{I}$$

here: **R** - profitability, **D** - income in the form of rent; **n** - project implementation; **I** - project investments.

If we look at the experiences of foreign countries, the comparative analysis of the concession and the life cycle contract in public-private partnership shows that it reveals the second advantage of the contract. One of the advantages of these contracts is that, according to the conditions of proper maintenance of physical training and sports facilities, the investment income of the private partner does not depend on the generated traffic, and the lack of profit is compensated by the state service fees. An important drawback of this mechanism of implementation of public-private partnership projects is that the only source of covering the expenses of the private partner is budget funds. In this regard, the value of projects for the regions will increase and the interest of investors in the field will decrease during the entire term of the concession agreement.

To solve this problem, it is necessary to use a model of project implementation with the help of a concession contract, which allows the private partner to simultaneously charge service consumers and receive preferential payment.

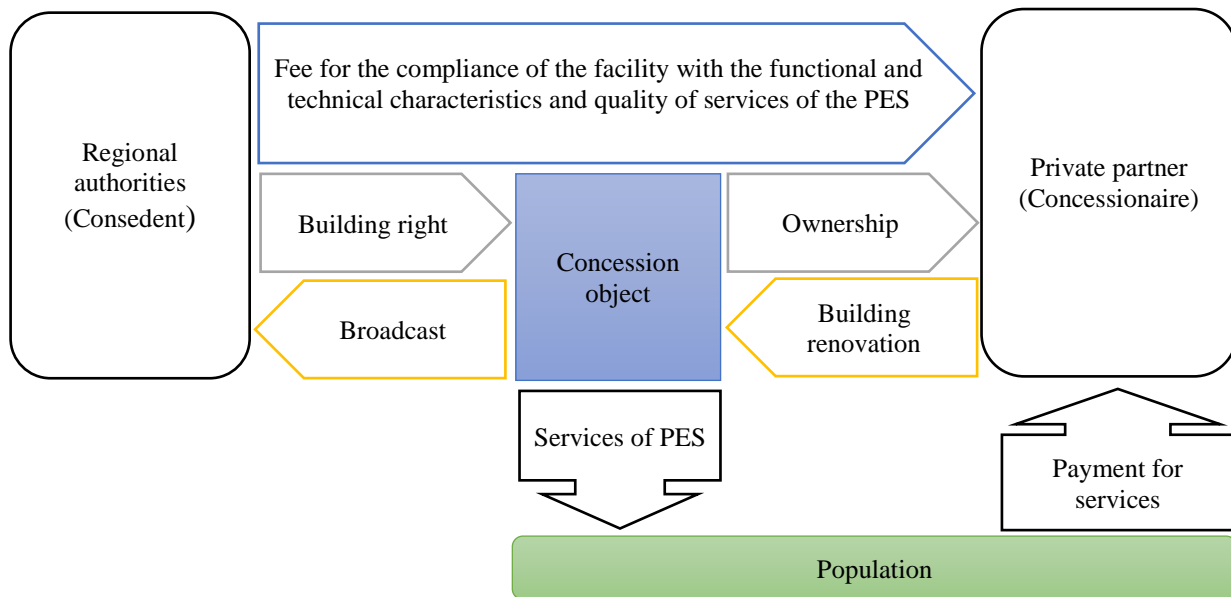


Fig. 2: Mechanism for organizing public-private partnerships in the field of physical education and sports [3]

Eventually, firstly, we believe that the development of public-private partnership for mutual cooperation between the field of physical education and sports and business is a very urgent task both from the point of view of scientific research and from the point of view of practicality; secondly, the current state of development of management of physical education and sports on the basis of public-private partnership, the formation and development of a management mechanism of cooperation between sports and business, including the use of the form of public-private partnership, is important; thirdly, the development of public-private partnership is the cause and result of the common interests of the state and business in ensuring the conditions for sustainable growth, increasing the competitiveness of the national economy, and the guarantee of improving public health in society.

Applicants who are being reorganized, liquidated or bankrupt, whose assets have been confiscated, will not be allowed to participate in the competition for the implementation of public-private partnership projects in the field of physical education and sports, and the identification of unused and vacant sports facilities in the regions. The winner of the competition is recognized as the most suitable participant for the implementation of the public-private partnership project. Also, if the winner of the competition refuses to sign the agreement on public-private partnership within the terms stipulated in this Regulation or refuses to sign it, an appropriate agreement can be concluded with the reserve winner.

From the experience of developed countries, we can see that the construction of sports facilities is the most popular among the private sector to create gyms, as well as multi-functional centers. The construction of stadiums and sports grounds is often done at the expense of the state.

Public-private partnership is a combination of financial, technological and management resources of the state and business in the organization of infrastructures and provision of socially important services. In such cooperation, relations are established like cooperation between state and private companies. It is necessary and important that the division of risks between the participants is clearly defined in the public-private partnership agreement. The private sector is equally important in providing relevant products and services. In addition, the sale of sports equipment, clothes and shoes is carried out only by private companies, where the public sector has no stake. These firms, for example, enter into cooperation agreements on the joint provision of discounts to consumers and may be located in the club area.

The private sector providing services in the field of physical education and sports includes the following areas:

- companies providing services for the organization and holding of sports competitions - stadiums, swimming pools, sports bases and complexes;
- companies that organize meals, accommodation, excursions, etc.;
- companies working in the field of information and show business;
- companies providing insurance services;
- companies providing betting services.

The joint construction of physical education and sports facilities increases the availability of services to the population, and the provision of public facilities for rent attracts business, which helps to expand the range of services. Cooperation with the private sector also has a positive effect on the quality of the organization of sports and entertainment events.

5. CONCLUSIONS

The need for development of public-private partnership is proven by the experience of developed countries that the implementation of public-private partnership projects in Uzbekistan allows to improve the infrastructure in our country, develop all sectors of the economy, and ultimately develop the country's economy.

In conclusion, it can be said that if special attention is paid to the development of public-private partnership in the field of physical education and sports in our country, strengthening it by law, holding tenders, creating and managing public-private partnership projects, our suggestions and recommendations for improving the effectiveness of our projects in the field are as follows consists of:

- introduction of a system of allocation of funds from the budget in order to support the private partner by the state in the implementation of large projects on the basis of public-private partnership;
- introduction of the system of allocating subsidies from the budget in order to support the private partner by the state;
- concessional loans by commercial banks to private partners in public-private partnership projects, etc.

In the implementation of public-private partnership projects, it is necessary to foresee the socio-economic situation, inflation and other aspects. However, it should not be forgotten that such projects, when brought to life, allow the

industry to move forward.

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