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# Объединение гражданских интересов с национальными: государственно-частное партнерство в развитии российско-китайской инфраструктуры

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**Аннотация.** В последнее десятилетие, основываясь на взаимных экономических интересах и схожести мнений по международным делам, Россия и Китай расширяют сотрудничество. В мае 2014 г. две страны объявили «новый этап всестороннего стратегического сотрудничества и партнерства».

Для поддержки и продвижения этого стратегического сотрудничества в качестве ключевых областей были определены такие, как развитие инфраструктуры, например железнодорожных и автодорожных сетей, электростанций, транспорта, нефтеперерабатывающих предприятий. Серьезные инвестиции, традиционно иницируемые правительством, могут быть привлечены, по крайней мере частично, от частного сектора. В статье представлена краткая характеристика преимуществ и факторов успеха для облегчения работы в этих направлениях в будущем.

**Ключевые слова:** государственно-частное партнерство, российско-китайские отношения, развитие инфраструктуры.

## Combining Civil Interests With Nation's: Public-Private-Partnership in Russia-China Infrastructure Development

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**Abstract.** Based on reciprocal economic interests and similar views on international affairs, Russia and China constructed and enhanced their cooperation in recent decades. In May 2014, the two nations announced "a new stage on all-round strategic cooperative partnership". To support and facilitate this strategic cooperation, infrastructure development, such as railway/road networks, power plants and transportation, and mineral refineries, are identified as key domains.

The following huge amounts of investment and building work, traditionally initiated by the government, can also be raised, at least partly, from private sectors. This paper presents a brief view on benefits, as well as critical success factors and future work facilitating this approach.

**Keywords:** public-private partnership, Russia-China Relationship, Infrastructure Development.

### Public-private-partnership in Infrastructure

Public-private-partnership (PPP) is a specific type of private sector involvement in providing services or works that fall under the responsibilities of the public sector [1]. Although it can be approached in many kinds of public services, a prominent application is in infrastructure-based service sectors. PPP in infrastructure is typically

featured as following: a long-term contract between a public authority and a private company; risk transferred to the private company with regard to designing, building, operating and financing the project; payments to the private company as a compensation for risks it bears; payment is made based on the output specification of the service rather than input consideration of the private company [2].

## Benefits

Generally speaking, benefits of PPP can be grouped as either filling the financial gap or enhancing efficiency. PPP arrangement was firstly introduced to offset the shortage of public funds on infrastructure-based public service, reported in both developing and developed countries/districts. Some researchers deem PPP as an approach to make otherwise unavailable infrastructure possible [3]. Secondly, it is suggested that PPP arrangement can help to enhance efficiency. Academic justification can be founded on stage-externality, since the same private party will be responsible for the whole life of infrastructure-based service through finance, design, construct to operate and maintenance [4]. Further, positive evidences have been reported empirically.

Besides these two widely recognized benefits, applying the PPP approach can bring specific advantages in Russia-China infrastructure development. The Russia-China relationship emits a strong political smell. The mentioned infrastructure development cooperation chance/need unavoidably depends on supports and permits from the government, and thus state-owned enterprises play important role. However, interests of private sectors can combine civil interests with nations, through contractual arrangements between public agencies and private enterprises. Thus, strong civil supports could be formulated based on this cake-sharing with private sectors. Private sector involvement can also supplement the otherwise too official relationship in Russia-China infrastructure development. Further, considering the complexity of infrastructure development, claims and debates, although undesirable, seem unavoidable. The PPP approach can help to limit the conflicts within contractual domains on commercial interests. Otherwise, if official subjects from the two nations confront each other on courts, potential damage to political cooperation may be, or said to be, triggered.

## Critical Success Factors and Future Works

In order to facilitate PPP projects smoothly, critical success factors have been identified through academic work, including favorable investment environment, economic viability, reliable concessionaire consortium with strong technical strength, sound financial package, appropriate risk allocation via reliable contractual arrangements [5].

The public sector may endeavor, as either regulator or service arranger, to fulfill these factors. However, when it comes to the Russia-China infrastructure PPP development, much work still needs to be done. The nation level PPP regulations, free exchange between RMB and RUB, dispute resolution methods, rules for ex-post renegotiation, among many other issues need to be considered to remove potential obstacles.

With careful device and application of PPP, it is not unreasonable to envisage that Russia-China cooperation could not only be facilitated through the results of infrastructure development, but also confirmed by the process of this development through better economic intercourses.

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