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THE ROLE OF PUBLIC-PRIVATE PARTNERSHIP MECHANISMS IN ENSURING EMPLOYMENT THROUGH THE USE OF CULTURAL HERITAGE SITES

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Abstract. This article examines the economic and social significance of public-private partnership mechanisms in the use of cultural heritage sites and their impact on local labor markets. The study analyzes the potential for attracting private capital alongside public resources for the preservation, restoration, infrastructure development, and integration of cultural heritage sites into tourism services. Institutional, investment, and organizational aspects of public-private partnerships are considered. The expansion of hospitality, handicrafts, catering, accommodation, guiding, and other tourism-related activities involving the private sector is shown to contribute to local economic activity. Based on the findings, recommendations are developed for taking local economic interests into account when implementing public-private partnership projects in the cultural heritage sector.

Keywords: cultural heritage, public-private partnership, tourism, investment, private sector, local economy, labor market, tourism services.

INTRODUCTION.

Cultural heritage sites represent important values that embody a country's historical memory and national identity, while also serving as significant resources for regional economic development. Historical monuments, architectural complexes, archaeological sites, and other cultural heritage assets are attractive destinations for tourists and provide opportunities for developing various forms of services around them. In this regard, ensuring a balance between the preservation of cultural heritage and the rational use of its economic potential has become an important issue in contemporary tourism policy.

The preservation and effective use of cultural heritage sites often require substantial financial resources. Restoration works, the modernization of engineering and utility systems, the improvement of tourism infrastructure, and the organization of modern services may place a considerable burden on the state budget. Under such circumstances, cooperation between the public and private sectors becomes an important instrument for realizing the economic potential of cultural heritage sites.

In the Republic of Uzbekistan, the legal foundations of public-private partnership have been established. Law No. ZRU-537 "On Public-Private Partnership," adopted on May 10, 2019, defines the principal organizational and legal mechanisms governing cooperation between the public and private partners.[1] In the field of cultural heritage, this mechanism creates important opportunities for implementing projects related to the preservation and use of heritage sites and the development of tourism services.

A distinctive feature of public-private partnership is the combination of the institutional capacity of the state with the investment, managerial, and innovative potential of the private sector. Such cooperation can accelerate the integration of cultural heritage sites into economic activities while also creating conditions for the emergence of new service markets in the region.

SCIENTIFIC AND THEORETICAL PERSPECTIVES ON THE SUBJECT. Public-private partnership is regarded in the modern economy as an institutional mechanism that enables the involvement of private-sector financial resources, technologies, and managerial expertise in certain infrastructure and socially significant projects implemented by the state. Its effectiveness depends on the clear legal organization of cooperation, balanced distribution of interests, and long-term commitments of the parties.

The significance of public-private partnership in relation to cultural heritage sites is more complex. Such sites are not ordinary commercial real estate but specially protected resources possessing historical and cultural value. Therefore, when attracting private investment, the requirements for preserving the historical appearance, architectural characteristics, and cultural significance of the site should be given priority alongside economic interests.

International studies on heritage management also pay particular attention to cooperation among the state, private sector, and local communities. The study by Zuvela, Shveb Dragija, and Yelinchich demonstrates the importance of considering community interests alongside public-private partnership in cultural heritage management.[2]

This approach is also important in the context of Uzbekistan. The economic value of cultural heritage sites is not determined solely by the income generated directly from them. The entrepreneurial activity of local residents, demand for locally produced goods, the development of service markets, and the investment attractiveness of the region are also important factors determining their overall economic efficiency.

RESEARCH METHODOLOGY

The methodological basis of the study consists of systemic, institutional, and economic approaches. Cultural heritage sites are considered as individual economic systems within the framework of public-private partnerships, with particular attention paid to the interactions among the state, private investors, local entrepreneurs, and consumers.

The research employed methods of analyzing regulatory and legal documents, reviewing scientific literature, comparative analysis, logical generalization, and the use of statistical data. The information base of the study consisted of legislative documents of the Republic of Uzbekistan, data from the National Statistics Committee, UNESCO materials, and studies published in international academic journals.

THE ECONOMIC ESSENCE OF PUBLIC-PRIVATE PARTNERSHIP IN CULTURAL HERITAGE SITES. The development of cultural heritage sites through public-private partnership is based on combining the property and institutional capabilities of the state with private-sector capital. The state determines the legal status of the site, its protection regime, and the conditions for its use. The private partner, in turn, undertakes obligations related to investment, management, service development, and the organization of economic activities within the project.

The economic effect of such cooperation is primarily reflected in the increased utilization of existing resources. A site that is underused or has limited economic activity can, through appropriate investment and management approaches, be transformed into a destination providing tourism services. In this process, the historical site itself serves as the main tourism resource, while the services developed around it expand the process of creating economic value.

Private-sector participation can also influence the quality of services. Understanding tourist needs, diversifying services, introducing digital technologies, and strengthening marketing activities create economic incentives for private businesses. As a result, the attractiveness of cultural heritage sites to visitors may increase, creating conditions for higher tourism-related expenditure in the region.

ATTRACTING INVESTMENT AND PRESERVING CULTURAL HERITAGE. One of the most important aspects of public-private partnership in the cultural heritage sector is the possibility of linking investment with the preservation of heritage sites. In an ordinary commercial project, an investor may primarily seek financial returns. In the case of cultural heritage sites, however, investment activities must be aligned with special preservation requirements.

The Law of the Republic of Uzbekistan "On Protection and Use of Cultural Heritage Objects" establishes the legal foundations for the protection and use of cultural heritage sites.[3] These requirements link the economic activities of private investors with their responsibility to preserve the historical character of the site.

Therefore, public-private partnership agreements should clearly define the purpose of investment, restoration and repair works, conditions of use, heritage protection requirements, and service standards. Such an approach helps ensure a balance between the interests of investors and the state's obligations to preserve cultural heritage.

DEVELOPMENT OF TOURISM SERVICES WITH PRIVATE-SECTOR PARTICIPATION. The economic efficiency of a cultural heritage site also depends on the extent to which it provides convenient and attractive services for visitors. The private sector can actively participate in this process by developing accommodation, catering, guiding, transportation, retail, handicraft, and recreational services.

The emergence of such services creates changes not only within the site itself but also in the surrounding economic environment. A tourist's visit to a region does not end simply with visiting a museum or historical monument. Tourists use transportation, purchase food, buy souvenirs, and in some cases stay in hotels or guesthouses. Therefore, a single investment directed toward a cultural heritage site can generate demand for several types of economic activity.

Materials published by UNESCO on the use of public-private partnership mechanisms in the cultural and creative sectors also highlight opportunities to support private entrepreneurship and expand economic activity in the cultural sphere.[4]

LOCAL ENTREPRENEURSHIP AND REGIONAL ECONOMIC ACTIVITY. An important aspect of economic activity around cultural heritage sites is the involvement of local entrepreneurs. Even when a major investment project is implemented, its economic impact may remain limited if it is not sufficiently connected with local businesses and does not generate opportunities for the surrounding population.

For this reason, public-private partnership projects should create opportunities for local business entities in such areas as services, trade, handicrafts, and gastronomy. In particular, traditional handicraft products, local cuisine, and services that are compatible with the historical environment can provide additional attractions for tourists.

Such an approach creates a multiplier effect within the regional economy. Tourist expenditure does not remain solely as revenue generated by the cultural heritage site; it is distributed throughout the economy through the revenues of local entrepreneurs and service providers, as well as through increased demand for various forms of production and economic activity.

PUBLIC-PRIVATE PARTNERSHIP AND THE LABOR MARKET. As economic activity associated with the use of cultural heritage sites expands, the structure of demand for labor resources in the region also changes. Restoration activities require skilled craftsmen, architects, engineers, and technical personnel, while the subsequent operation of the site creates demand for guides, translators, administrators, service workers, and employees in trade and catering.

According to data from the National Statistics Committee, the number of people employed by legal entities in Uzbekistan's tourism-related sectors reached 249,764 in 2024.[5] This indicator provides a general economic background for assessing the labor-market potential of services associated with cultural heritage tourism. At the same time, the statistic does not separately identify jobs created specifically by cultural heritage sites. Therefore, it would not be methodologically correct to interpret this figure as employment generated directly by such sites.

When evaluating the impact of public-private partnership projects on the labor market, it is necessary to monitor separately the number of jobs created within each project, the share of local employees, the professional training of workers, and the additional economic activity generated as a result of the expansion of services.

OPPORTUNITIES FOR IMPROVING PUBLIC-PRIVATE PARTNERSHIP IN UZBEKISTAN. The development of public-private partnership mechanisms in Uzbekistan is creating new opportunities for integrating cultural heritage sites into economic activities. Presidential documents aimed at improving governance in the fields of cultural heritage, tourism, and public administration have also emphasized the expansion of private-sector participation.[6]

When implementing such projects, it is important not merely to transfer sites to private management but to develop comprehensive development concepts for them. Such concepts should assess the historical value of the site, its attractiveness to tourists, the state of infrastructure, investment requirements, and opportunities for service provision in an integrated manner.

When selecting a private partner, it is advisable to consider not only its financial capacity but also its experience in managing cultural heritage sites, ability to fulfill investment obligations, and long-term management strategy.

DISCUSSION

Assessing the development of public-private partnerships at cultural heritage sites solely from the perspective of attracting investment is insufficient. Its actual effectiveness should be determined by the preservation of the site, improvement in service quality, expansion of tourist flows, and strengthening of regional economic activity. For the state, the advantage of such cooperation lies in the opportunity to utilize private capital, while the private sector gains access to new business opportunities. For local communities, the expansion of economic activity in tourism and related services represents an important outcome.

At the same time, it is necessary to prevent private interests from becoming dominant at the expense of the historical value of the site. The commercialization of cultural heritage sites should not damage their historical character, and their use must comply with established heritage protection requirements.

From this perspective, a more effective approach would be to evaluate public-private partnership projects through an integrated system of economic, social, and cultural indicators.

RESULTS

The findings of the study indicate that the use of cultural heritage sites through public-private partnership provides significant opportunities for expanding regional economic activity. Private capital can be directed toward the restoration of sites and the development of infrastructure, while the state can ensure the necessary legal and institutional conditions.

The effectiveness of this mechanism depends on how successfully a heritage site is integrated into the tourism services system. As tourist flows increase, additional economic opportunities emerge in areas such as hospitality, trade, gastronomy, transportation, and handicrafts.

Based on the study, it is proposed that public-private partnership projects involving cultural heritage sites be evaluated by taking into account the interrelationship among investment, preservation, services, the local economy, and the labor market. Such an approach makes it possible to assess not only the financial outcomes of a project but also its contribution to regional development.

CONCLUSION

The development of public-private partnership mechanisms in the use of cultural heritage sites makes it possible to combine public resources and private-sector capabilities within a unified economic framework. Such cooperation creates additional financial and organizational opportunities for preserving historical sites, improving their infrastructure, and providing tourism services.

An important feature of public-private partnership is the ability of private investment to generate new economic activities around cultural heritage sites. The development of tourism services expands markets for local entrepreneurs, diversifies the range of services, and increases demand for labor resources. However, the success of such projects should not be determined solely by the economic interests of investors. The protection of cultural heritage, consideration of local economic interests, improvement of service quality, and long-term sustainability of the site should be regarded as fundamental conditions of public-private partnership.

Therefore, in developing future public-private partnership projects for cultural heritage sites, it is advisable to introduce unified criteria for assessing local economic efficiency, clearly define the obligations of private investors, and ensure that the economic opportunities created by such projects are accessible to the local population.

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