Public-Private Partnership: A Contemporary Research Agenda

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Abstract

Public-private partnership has been a globally popular strategy for governments over the past two decades to deliver public-infrastructure. But private finance approaches have also been controversial, and there has been much written on issues such as defining and characterising partnerships, valuing risk, measuring value-for-money and on questions of performance. Crucial matters of governance including aspects such as accountability and decision making have also been discussed. Whilst some of the appeal of the PPP approach to infrastructure may have waned since the global financial crisis of 2008, it has equally become clear that PPP is as much an ideal as it is a specific policy or technical reform tool, and its political popularity will continue.

This paper canvasses a range of infrastructure PPP literatures in order to develop a contemporary research agenda. It builds on the work of Broadbent and Laughlin (1999), Connolly and Wall (2009) and others. The paper begins by acknowledging the broad nature and appeal of the PPP phenomenon, the multiplicity of goals pursued through these strategies and the inherently contestable nature of many of PPP’s performance domains. It observes that whilst there has indeed been much experience with Long Term Infrastructure Contract PPPs, some of the primary debates around performance are likely to remain unresolved and continue into the future.

The paper seeks to move beyond older debates and address several contemporary areas of PPP performance which have not yet seen the visibility that they deserve. Multi-disciplinary in its reach, the paper seeks to strengthen research into the PPP phenomenon rather than displace empirical and theoretical contributions to date. Several examples of new areas of research priority are articulated including the role of PPP as governance tool, the influence of PPP on urban and regional planning matters, PPPs and pension funds, changing forms of PPP transparency, and the psychological appeal of PPPs to citizens, ministers and markets. And above this, a meta-frame of the internationalisation of the PPP phenomenon is proposed as the basis for a contemporary PPP research agenda. The paper concludes that these new areas of research endeavour will be fundamental to the next generation of PPP. The results from such new research directions, as well as continued empirical findings on more traditional questions of value-for-money and timeliness, are likely to be at the heart of how we judge PPPs tomorrow.
1. INTRODUCTION

Public-Private Partnerships (PPPs) have been a high profile item on the public agenda over the past two decades and PPP has been a popular global strategy for delivering new infrastructure. There has been much written on PPP over this time, and a range of definitions have been canvassed. From the perspective of the OECD, PPPs are now defined as “long term contractual arrangements between the government and a private partner whereby the latter delivers and funds public services using a capital asset, sharing the associated risk” (OECD 2012: 18). However PPPs are defined, they certainly represent an important part of today’s public infrastructure agenda, and they present innovative approaches to infrastructure by bringing the public sector and the private sector closer together to create results for both parties.

Many aspects of PPPs have been researched up to now. There is, for example, considerable knowledge on the economics of PPPs, as well as on social and political aspects. We have come a long way from the heady early days of the UK’s PFI launch, and much experience has been gained, with learning occurring on both sides. The global financial crisis of 2008 has also added a major new dimension to the political and economic environment, and this has in some ways renewed and magnified previous debates and controversies around PPP performance. Even the UK Treasury was recently forced to concede that PPP reform is now overdue. We therefore witnessed HM Treasury (2012: 5) acknowledge in their recent review of the UK experience that “while the government remains committed to private sector involvement in delivering infrastructure it recognizes the concerns with PFI (PPPs) and the need for reform”.

So, we now have considerable knowledge from many empirical assessments of the economics and finance of PPP projects, along with evidence on other aspects of performance for existing PPP projects. Such experience has been across both developed and developing countries. We can also trace the historical roots of PPP policy, better appreciate political and governance issues related to PPPs, and discern the transfer and sharing of risks in PPP projects. Added to these we can acknowledge the effectiveness and importance of the management of particular PPP projects, along with the crucial nature of contractual arrangements and the activity after the contract is signed.

This paper aims to sketch the lineage of today’s PPP research terrain and examine several major dimensions and crucial areas needing attention in an effort to articulate a renewed PPP research agenda for the future. The paper comes almost a decade and a half on from the initial research agenda specified by Broadbent and Laughlin (1999) concerning the nature of the PPP and its regulation, the operationalisation of notions such as value-for-money (VfM) and risk, and the overall merit of PPPs. Our stocktake also builds on the previous international reviews of the research agenda from commentators such as Hodge and Greve (2008) as well as Connolly and Wall (2009), and points to questions that can now be a part of a renewed research agenda for PPPs. We argue that the major items comprising the PPP research agenda have developed and that it is now time to take stock of what has been happening with PPPs. Moreover, we suggest that there are several contemporary areas of PPP performance which have not yet seen the visibility that they deserve and that these new areas of endeavor will be fundamental to the next generation of PPP. The results from such new research directions, as well as continued

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1 A version of this paper was presented at the International Research Society for Public Management (IRSPM) conference in Prague, April 2013.
2 See Hodge, Greve and Boardman (2010) for more on these matters.
empirical findings on more traditional questions of value-for-money and timeliness, are likely to be at the heart of how we judge PPPs tomorrow. Our suggestion for a contemporary research agenda in particular emphasizes the fact that PPP is now a highly internationalized phenomenon, and a real challenge is to find adequate theoretical and empirical approaches to study this.

2. A RESEARCH AGENDA LINEAGE

There has been much written on the PFI form of PPP. In this section we attempt to develop a rough sketch of the historical lineage of past PPP research agendas. We do not draw on this past terrain in any comprehensive way, however, and only a few seminal parts of the available historic canvas are used to construct our picture.

Over a decade and a half ago, pioneering work by Broadbent and Laughlin (1999) moved past describing the project mechanics and project benefits themselves, and proposed five central questions for research concerning the Private Finance Initiative (PFI) form of PPP in Britain. Their five questions were:

1. Is PFI a form of privatisation of the public sector?
2. What it the nature of PFI and who is regulating its application?
3. How are definitions of PFI in terms of value for money (VfM) and risk transfer derived and operationalised?
4. How are PFI decisions made in different areas of the public sector and what are the effects of these decisions?
5. What is the merit and worth of PFI?

Later Broadbent and Laughlin (2003: 340) acknowledged that these questions “require detailed and … theoretically informed, empirical studies in specific areas over a period of time before meaningful insights will be forthcoming”. They also pointed out the empirical investigations needed to be conducted together with national audit offices around the world. Broadbent and Laughlin also called for an exploration of PPPs internationally and to focus on the “marked differences and overall emphasis, all of which are in need of analysis and comparison”.

By 2008, the PPP research agenda was increasingly being viewed as both a socio-political issue as well as a technical issue, including the central importance of language. Hodge and Greve (2008), for instance, discussed Broadbent and Laughlin’s earlier five questions and then established a ‘second generation’ set of issues in their unpublished IRSPM piece. They observed that there was much definitional uncertainty around whether PPPs (which they saw as a larger set of options than simply the PFI approach) and that PPPs did not necessarily constitute privatized activity. They argued that PPP projects themselves were regulated by ad-hoc long term contract regimes rather than by Parliaments and that as a consequence, there was a serious question as to whether citizens viewed these new arrangements as legitimate.

Next, they commented that the notion of value-for-money (VfM) was a purposely vague concept designed to re-orient discussion away from narrow conceptions of the ‘cheapest’ option towards broader notions of whole of life costs, risk transfers and risk adjusted discount rates for projects. They also commented that Broadbent and Laughlin’s last two questions concerning decision making around PFI projects and the merit of the PFI approach were not straight forward to answer. PPPs to them were not simply a technical tool for infrastructure delivery but were

3 As noted by Wall and Connolly (2009).
‘innate matters of government preference as policy’ and therefore rather than involving questions of accounting or economics alone, they involved ‘matters concerning governance, political economy and power’. They noted as well that for Long Term Infrastructure Contract (LTIC) type PPPs, three elements dominated the model:

- the preferential use of private finance arrangements and risk assessments
- the highly complex contractually ‘bundled’ infrastructure arrangements, and
- altered governance and accountability assumptions⁴.

They also observed that mixed evidence seemed to come from experience to date for both VfM and governance issues. They commented that whilst some of the glowing policy promises of PPPs had certainly been delivered, international evaluations had equally presented contradictory evidence as to effectiveness. To their mind, citizens paying for these projects faced considerable uncertainty. Given the observation of significant governance shortfalls in some instances, too, they argued that our attention...

‘ought to be turning from PPPs as a set of first generational technical matters, towards the politics of PPPs – or a second generation set of questions which put the political governance and regulation of PPPs at the forefront’.

Hodge and Greve (2008) saw nine questions as being ‘crucial to a renewed research agenda’ at that time:

1. The merit / worth of LTIC PPPs
2. The circumstances when they may give highest VfM and innovation
3. The circumstances when they may act as a better governance tool
4. How we can in future better regulate PPPs in the public interest
5. The role and findings of auditors general to date
6. Why their promotion ‘succeeds’ in some jurisdictions but not others
7. What is the nature and consequence of the global PPP industry?
8. What is the place of PPPs in the context of development?
9. What is the next chapter for PPPs and the implications?

Importantly, they noted that:

‘PPPs promise much to many actors. But determining the real merit of infrastructure partnerships requires more attention to how they solve problems for governments, how we might best govern their application in future and how particular types of partnership arrangements best serve specific infrastructure problems based on empirical experience.’

In other words, being careful to articulate and acknowledge who gets the biggest rewards out of PPPs was important to them, and crucial in order that governments maintain their policy effectiveness intelligence.

Wall and Connolly’s (2009) published article also reviewed the earlier Broadbent and Laughlin agenda, and more directly answered Broadbent and Loughlin’s questions before proposing their own agenda. To Wall and Connolly, the critical research agenda questions were:

⁴ See also Hodge (2004).
1. Is PFI/PPP the only show in town?
2. Who are the different stakeholders?
3. What is the impact of various policy changes on PPP?
4. Other areas such as why are PPP more interesting in some jurisdiction rather than others? Did cash based systems or accrual accounting lead to different decisions on PPPs? What are effects of the financial crisis on PPPs? What are the effects of rising transaction costs for PPPs?

Wall and Connolly put forward several lines of argument in support of their new agenda. They commented that the common perception of PFI as being ‘the only game is town’ appeared to constrain government decision makers, and yet HMT (2003) argued that over 85% of infrastructure investment was in fact conventionally procured. This paradox needed to be analyzed. They also noted that most PPP research was completed through the lens of the public sector, and that research was needed from many other stakeholder perspectives in order for us to understand these schemes in a more holistic way. A further priority was seen to be a better understanding of how various policy changes operated in practice and the effectiveness of these. Such changes included refinancing gains, the use of competitive dialogue, the recording of assets on or off balance sheet, and the calculation of scheme benefits.

Many other contributions to both our knowledge of PPP as well as the ongoing research agenda might also be mentioned here, albeit in an understated way. A few examples will again suffice. Many authors have argued that a strong historical pedigree of public-private relations underpins today’s attempts at LTIC ‘partnership’. Indeed, Wettenhall (2005; 2010) and Bovaird (2004; 2010) between them draw on the work of over three hundred authors and illustrate many threads, ideas and parallel paths as we have pursued the ideal of marrying the public and private sectors. Despite this, they also charge that there continues to be both insufficient learning from the past and little acknowledgement of the importance of historical fabric in much of today’s academic and industry literature. Following on from this, and forming a second thread of scholarship have been insights on the definition of PPP and our understanding of PPP as a phenomenon as well as PPP understood as a project; see for example authors such as Linder (1999), Van Ham and Koppenjan (2001), Teisman and Klijn (2001) or Klijn (2010). Recently, Hodge and Greve (2013a) argued that the phenomenon of PPP might be interpreted at any one of five levels;

1. a specific infrastructure project or activity;
2. an organizational form, project delivery form or a management tool;
3. a policy, brand, statement, or symbol as to the role of the private sector in a mixed economy;
4. a tool in the modern governance task, and
5. a phenomenon within the context of a broader national history and set of cultural assumptions.

The point here is that PPP is clearly as political a phenomenon as it is a technical or discipline specific one. The failure to acknowledge this bread is widespread. A third long thread of contributions has come in the domain of economic evaluation. Whether it is on issues of just what we know currently about the economics of PPP (see for example de Bettignies and Ross, 2010), or the rigor required for a reliable and legitimate evaluation the economic worth of PPP (see for example Boardman and Vining, 2010), there have been hundreds of contributions made to this knowledge frontier. Paralleling concerns about how little we really learn from history, Boardman and Vining assess the state of PPP economic evaluation as low and charge that ‘no government has performed normatively appropriate analyses of P3’ (as PPPs are called in
Canada). Another stream of contributions (our fourth stream) comes from those more interested in just how we are attempting to evaluate PPP on a broader level. Hodge (2010) for example reminds us that the straight technical challenge of assessing the relative success of a PPP is huge, and involves several serious issues. These challenges concern: defining the evaluand; multiple PPP objectives (eg. 24 different goals specified5); multiple discourses and disciplines; the evaluator's role itself; the evaluative rigor for an individual PPP; and accurately summarizing multiple evaluation studies. Add to this the fact that PPP assessment is itself inherently 'politically charged' (as Jeffares et al 2013 put it) and the fact that it is likely that 'there are probably more non-technical and implicit goals in PPPs and mega-projects than there are technical and explicit goals' (Hodge and Greve 2013b), then it is clear that we are at an early stage of truly understanding just what governments mean when they proclaim one particular PPP scheme or other a 'success'. A multitude of other contribution streams could also be noted; the detailed rates of return earned and financial veracity of PPP arrangements from the public's perspective (eg Shaoul, 2005, Hellowell and Vecchi, 2013); the manner in which PPP fits the political terrain and garners institutional support (Flinders 2010, Hellowell 2010, Hammerschmid and Ysa 2010, Greve and Mörth, 2010); questions of risk assessment and valuation (eg. Monteiro 2010); accounting treatment and veracity (eg. Heald and Georgiou); governance issues (eg. Skelcher 2010); Law (eg Tvarnø); concerns about accountability (Reeves, 2013 or Willems and van Dooren, 2011) and how PPP is being utilised in the context of development (eg. Brinkerhoff and Brinkerhoff, 2011, Nouamba-Um, 2010, Bull, 2010, and Pessoa 2010).

By 2011, Brinkerhoff and Brinkerhoff (2011) examined PPPs in terms of their different purposes: Policy, service delivery, infrastructure, capacity building, or economic development. "All PPPs, to justify public sector participation, seek to produce at least some public benefits and incorporate norms that in many cases are reflective of good governance principles", yet they note that many PPPs do not always live up to this ideal. Hundreds more studies could be cited here, but it is clear that the PPP phenomenon has a breadth that is not sufficiently acknowledged, and that despite evident controversies, it has huge political appeal. Its aims also encompass multiple goals, and as a consequence, many of PPP's performance domains have an inherently contestable nature.

Clearly, the research agenda has evolved from what it used to be. And whilst there has been much experience with LTIC PPPs, some of the debates around performance are likely to remain unresolved and continue into the future. Thus, early themes such 'the merit and worth of PPP' have been recurring as both governments and researchers have strived to examine if PPPs actually 'work'. Moreover, what may have been framed initially as simple questions of technical performance have with experience over time morphed into far more complex questions of evaluation, some of which may even be almost intractable. The need to move beyond old PPP debates and employ more theory-based evaluation frameworks is thus also clear (see Jeffares, Sullivan and Bovaird 2013).

3. TAKING STOCK

Our brief mention of some of the contributions to PPP frontiers suggests that there is much research to draw on for today’s knowledge base. This may be so, but it is equally true as we have commented before, that PPP research appears to have been concentrated into two separate academic areas of PPP literature; the political science / public policy / public administration literature, and the economics / engineering / project management and finance

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literature\textsuperscript{6}. And despite the availability of some reviews of PPP performance (eg Hodge and Greve 2013\textsuperscript{a}), little scholarship to date seems to have covered both literatures well. We now need to move beyond older debates and consider the extent to which important areas for PPP research may now exist which may not have yet seen the visibility that they deserve. PPPs have certainly now been empirically assessed by governments, auditors and by researchers. We will take stock by getting some insights from countries which have led the way (in the sense of being PPP policy advocates) - the UK, Australia and Canada. So, what relevant lessons have been learned then from the UK, to what degree are these lessons consistent with the experiences of Australia and Canada, and how might we extrapolate past these to articulate a new research agenda? It is to these questions that we now turn.

The recent UK HM Treasury report (2012) listed several recognized weaknesses of PPPs in the UK:

- "The PFI procurement process has often been slow and expensive for both the public and the private sector. This has lead to increasing costs and has reduced value for money for the tax payer.
- PFI contracts have been insufficiently flexible during the operational period, so making alterations to reflect the public sector' service requirements have been difficult
- There has been insufficient transparency on the future liabilities created by PFI projects to the taxpayer and on the returns made by investors
- Inappropriate risks have been transferred to the private sector resulting in higher risk premium being charged to the public sector
- Equity investors in PFI projects are perceived to have made windfall gains, and this has led to concerns about the value of money for projects"; UK HM Treasury (2012: 6).

These UK lessons are important in that whilst they were late in being acknowledged and came well after the Global Financial Credit crisis, they nonetheless mark a new chapter in PPPs in the UK. PPP experience from both Australia and Canada would as well, we suspect from our reading of the literature, largely support these findings. Both jurisdictions would also see the PFI process as being 'slow and expensive' and have the potential to reduce VfM for taxpayers, both would share concerns around the inflexibility of long term contracts, and both have voiced concerns about insufficient transparency of investor returns and inappropriate risk transfers and risk charges.

Other matters, however, would appear to attract different judgments depending on the jurisdiction. Future PPP liabilities, for example, are explicit in the case of the State of Victoria, where the State’s balance sheets show PPP liability levels. And it is true that concerns have existed historically about excessive private sector investment returns for early projects, but the more recent situation in Australia, for example, is more complex. On the one hand there has been a rash of high profile financial failures around Australia resulting in the private sector PPP companies being declared insolvent (eg. Sydney’s Cross City tunnel, where the private Cross City Motorways company was declared insolvent in 2006, Brisbane’s M7 Clem Jones Tunnel where the Rivercity Motorway Limited was placed into receivership in 2011, and Brisbane’s Airport Link where the Brisconnections company was recently declared insolvent.) But the current construction of Victoria’s $5.7billion desalination plant has been greeted with suspicions that private investment returns have been excessively generous. Putting these observations together, it would seem more accurate to conclude that citizens are more concerned about how

\textsuperscript{6} There are no doubt other areas that we could add here, such as the arena of mega projects (Priemus, H., Flyvbjerg, B. and Van Wee, B. 2008.)
PPP projects are to be governed and regulated in future so that private investors get a fair rate of return for the risks which are borne – ie. the role we would traditionally give an independent regulator of public infrastructure. We should also acknowledge the observation of Hodge and Duffield (2010) who argued that learning has occurred on both sides of the PPP debate in Australia. So it would be fair to conclude overall that PPP arrangements in that country at least have been more of a dance between the public and private sectors rather than simply a policy conspiracy underpinned by privatisation values in which investors always profited handsomely.

If we look across the global PPP experience, across the accompanying research literature in recent years and across studies post-global financial crisis, there is clearly a continuing interest in issues of PPP governance, along with financial market governance more generally, as well as several other matters deserving research. These additional research matters include: changing forms of PPP transparency (eg. Greve and Hodge 2012); the promises and perils of PPPs and pension funds (eg. Foster 2012); the influence of PPP on urban and regional planning matters; and the psychological appeal of PPPs to citizens, ministers and markets (Sturup 2013). Each of these areas of research are likely to be influential to the next generation of PPP.

Other broad observations of the literature should also inform our construction of a contemporary PPP research agenda. In this regard we could make several observations of the big shifts in our scholarship approaches. Our judgment is that PPP scholarship has moved in several ways;

- From the purely national studies to studies that compare country experiences or report beyond the nation state. In the recent “International Handbook on Public-Private Partnerships”, for example, there were several chapters that were comparative in nature as well as chapters which were concerned with PPPs in developing countries and PPPs seen from the World Bank’s perspective or the United Nations’ perspective.
- From the more technical, formal and utilitarian objectives towards more socio-political as well as informal objectives. As mentioned earlier, Jeffares, Sullivan and Bovaird (2013) and Verhoest, Voets and van Gestel (2013) argued for a more theory-based evaluation form that encompasses many different criteria for assessing the worth of PPPs. Donahue and Zeckhauser (2011) in their book on collaborative governance also present the option of a broader assessment of what shared discretion can mean for the involved parties. Brinkerhoff and Brinkerhoff (2011) talk about good governance norms that should apply to national and transnational partnerships. Geddes (2012) examines how state enabling laws on PPP can increase investment in PPPs.
- From a few academic disciplines to more academic disciplines. Initially, assessing PPPs was mainly a preoccupation for economists, law studies, and public administration/public policy/political scientists as well as project engineering and finance. Other academics soon got into the game, though, with accounting scholars, historians, financial analysts and risk analysts all coming to the forefront. Public management scholars have of course also examined management and governance challenges related to PPPs. Recently, evaluation scholars and mega-project analysts have also joined the discussion and lenses have expanded as far afield as psychology (Sturup 2013) and geography. PPP studies, today, is progressing towards a truly multi-disciplinary field7.
- From a focus on projects to a focus on the phenomenon. In some sense, there has been a move from PPPs (meaning projects) to PPP (meaning the phenomenon). There is now

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7 We might reflect that in terms of multi-disciplinarity, we are still some way off the ideal. For example, the recent Routledge ‘Companion to Public-Private Partnerships’ (edited by Piet de Vries and Etienne B. Yehoue) shares probably less than ten per cent of the references with the work of Greve and Hodge (2013) (Rethinking Public-Private Partnerships) or the earlier Edward Elgar International Handbook on PPPs Hodge, Greve and Boardman (2010).
therefore more focus on the branding and the ideas related to PPP. PPP cannot be discussed now without examining how the concept itself is being interpreted and understood – whether in terms of being hyped and marketed, or being criticized.

- From a focus on PPP as ‘the next big thing’ to a focus on ‘the fate of PPPs in and after the Global Financial Crisis’. In many early texts and reports on PPPs, there was a certain glowing light where the future was promised and people needed to see the light, so to speak. The global financial crisis led to a fundamental rethink of many PPP projects and of the PPP concept itself (Greve and Hodge, eds. 2013), however. This was not only because of the banks’ reluctance or inability to finance new infrastructure deals, but also a more fundamental questioning and skepticism towards accepting the advice of financial and market experts who promised public gains but took private commissions, or the advice of free market economists whose theoretical models of efficient markets and private superiority took a battering. The impact of the financial crisis has been addressed in several studies, including UK HM Treasury (2012) and in recent studies by Hellowell and Vecchi (2013), and Connolly and Wall (2013).

Perhaps then, our overall conclusion in this stocktake is that internationalisation has played an overarching part in not only the spread of PPPs, but also in our understanding (or misunderstanding) of it, our analysis of it, and on understanding its future possibilities (as well as its pitfalls).

4. **TOWARDS A CONTEMPORARY RESEARCH AGENDA**

This section examines how and why the internationalization of the PPP phenomenon took place, and asks how it might be studied more in the future.

The internationalization of the PPP idea has occurred in a number ways: a) Through leading organizations’ policy that gets copied by other organizations or other organizations are inspired by, b) Through policy learning where key international organizations formulate policy, c) Through “Best practice” case reports. d) Through companies that rely on the same prescription wherever they set up business. e) Through consultancy reports and academic research.

a) **Leading organizations’ policy and practice**

It is well known and documented in the literature on PPP that a small number of countries have been seen as “leading PPP” countries. These countries include the United Kingdom, Australia and Canada, and to a certain degree perhaps the USA. The UK in particular has been seen as being in the forefront. The UK have most projects (currently 700+), and it also had a number of organizations that formulated the policy and evaluated the policy systematically. HM Treasury in the UK pioneered the Private Finance Initiative, and the UK National Audit Office has done several systematic reports on the process and results of PPPs (NAO 2009). There were also the dedicated PPP units in Infrastructure UK and others in local government that acted both as a consultancy organization and as a think tank on PPP matters. The UK always seemed to be ahead in the discussions and deliberations on PPPs.

Key countries also learn from each other. Former Victorian premier Steve Bracks is a regulator visitor to Canadian PPP policy organizations and spoke as late as 20 March 2013 at an event for the Canadian Council for Public-Private Partnerships. Victoria’s formal PPP guidelines, themselves heavily based on the UK’s guidance, have also now been ‘copy catted’ around the world.
Recently, the UK’s PPP policy underwent a thorough review that relied on evidence and submissions from a broad range of stakeholders to the HM Treasury and the Infrastructure Unit. HM Treasury (2012) has published a new document called “A New Approach to Public-Private Partnerships” which is bound to be studied and referenced throughout the global PPP community. The forward-looking focus areas of the UK Treasury report are:

- Equity finance
- More efficient delivery
- Flexible service provision
- Greater transparency
- Appropriate risk allocation
- Efficiency and value for money
- Future debt finance

The HM Treasury report will most likely provide inspiration for other PPP units around the world in the coming months and years. Perhaps we are likely to see more reviews and recommendations like this.

b) Policy learning by key international organizations
These last couple of years have seen a number of international organizations getting interested in PPP policy and formulating policy as part of their learning process. The World Bank has published a number of papers on PPP. The European Union has been preoccupied with promoting and investigating a broader PPP approach especially since the beginning of the global financial crisis. The OECD has assembled a senior officials’ network that meet annually to have deliberations on PPP matters. In 2012, the OECD council published recommendations on PPP policy based on the OECD’s policy learning process (OECD 2012). The recommendations include the advice that risk sharing should be considered seriously, and that budget transparency and level-playing field competition is of essence. The advice from OECD (2012) included:

- “Establish a clear, legitimate and predictable framework supported by competent and well-resourced authorities
- Ground the selection of PPPs in value for money
- Use the budgetary process transparently to minimize fiscal risks and ensure the integrity of the procurement process”

There is also sound advice to be had from the European Investment Bank on PPP. The Supreme Audit Institutions (SAI) in Europe dedicated a two-day conference to PPP in the spring of 2011 at a meeting held in Bonn, Germany.

c) Best practice case reports
There has been a surge of interest in documenting and publishing advice on best practices for PPP projects throughout the world. The OECD (2010) published a report on experiences with dedicated PPP units as best practices to get inspired by and to learn from. A current project on best practice in the transport PPP area is also being performed by the University of Central Florida in collaboration with other partners. The European Investment Bank lists a number of case studies on their website and tries to document new cases. The Central PPP Unit in Ireland lists a number of case studies on its comprehensive website. A number of academic books report case studies as do recent Ph.D. theses on the topic of PPP. It seems that there is bundle of work of best practices to be studied. Best practice and case studies from a blood and tissue
bank in Spain, brown field projects in New York State, Flanders in Belgium, and water services and schools Ireland were presented as part of a recent edited volume (Greve and Hodge, eds. 2013). Cases also formed the backbone of the recent volume on collaborative governance by Donahue and Zeckhauser (2011).

d) Companies that sell solutions on PPP worldwide
A number of companies are prominent actors on the PPP scene. They deploy their services and their expertise around the world. They are part of the “global PPP” industry, and they carry their solutions with them to new markets. The first Danish highway built as a PPP was constructed mainly by an Austrian company “Stramag”. Skanska is a large infrastructure company that originated in Sweden, but is now a global PPP player. Funding for PPP projects have come from financial institutions such as Macquarie Bank in Australia. These are all companies that are part of “mega-projects” and that appear in many jurisdictions. These companies obviously have a lot of expertise on various aspects of PPP deals and projects, or they have access to expertise on PPP from other related companies.

e) Consultancy companies disseminate practical knowledge on PPP, and academic research provides research-based information on PPP
Consultancy companies carry forward “prescriptions” and advice on all matters related to PPP. The larger consultancy companies such as Deloitte, Ernst and Young, PWC, all have high expertise on PPP and have consultants available worldwide who can deliver expert advice to governments and other companies on PPP. Some of the consultancy companies’ analysis or findings are spread and used by a number of actors related to PPP. Deloitte’s (2006) “maturity of PPP markets” figure has been used in many presentations worldwide. This way, the big consultancy firms are able to influence policy. Academic research also gets read (sometimes) and becomes referenced by policymakers and companies alike.

Understanding the emerging international dialogue on PPP?
It would seem that there is an emerging and often vibrant international dialogue on PPP. PPP is discussed and debated through “leading” countries’ experiences, policy learning by international organizations, best practice case reports, companies’ concepts and business models, and consultancy companies and academic research on PPPs. How do we understand this dialogue and what are the consequences of this increasing international dialogue? The dialogue clearly needs to be understood in terms of the PPP ‘phenomenon’ (which if we follow Hodge and Greve’s (2013a) model would predict a dialogue encompassing five levels ranging from the project and the delivery mechanism; to the policy; the governance tool; and the cultural context). Beyond this, there are several consequences for PPP scholarship.

Do we need to do more than comparing nations? The PPP dialogue is more than just comparing countries' or regions' different empirical experiences with particular PPP projects (see Brinkerhoff and Brinkerhoff 2011). Countries learn from each other fast and to only study “the British model”, the “German model” or the “Danish model” in isolation or even through country comparison is bound to miss out of at least some of the dynamics possible to the learning process. Instead, the governance schemes must be studied. Adopting Brinkerhoff and Brinkerhoff’s ideas, for example, suggests distinguishing between partnerships in terms of their purposes: policy, service delivery, infrastructure, capacity building and economic development (p. 8.).

Who is learning from whom? It would be fascinating to try to trace the spread and dissemination of knowledge on PPPs that is taking place? Is the Australian government really learning from the UK government and do the Canadians pick up on what the British and Australians are
doing? How does a country like Germany get its inspiration and know-how when that country embarks on a new PPP project? How do the BRIC-countries of Brazil, Russia, India and China get their knowledge on PPP and what kind of mark do they put on the policy when they try to apply it in their home countries? How are developing countries learning about PPP and could this knowledge dissemination be improved?

Which best practices and consultancy findings get selected? We often hear of specific best practice cases that get more attention than other projects. Who or what determines if a best practice case receives the majority of interest? We all know some of the UK hospital projects, the Sea to Sky highway in Canada or the London Underground example (Transport for London 2010) in United Kingdom, but what makes these cases so interesting and should there be other cases that ought to crave our attention instead? Is it possible to single out the genuinely superior of the best practice cases so they could become truly international inspirational cases to learn from?

Theories for understanding policy learning of PPP projects
Fortunately, there are a number of theories or theoretical approaches that can be used for inspiration as how to further research in this area. This would, of course, require a more elaborate discussion than we can provide here. Some of those theories potentially applicable could include, for example:

1. Theory of epistemic communities: First formulated by Peter M Hass (1992), this theoretical approach holds that a group of international actors come together on a particular topic of which they are experts. Other related concepts could be a policy community or a policy network.
2. Theory of policy learning: As hinted above, there is a literature on policy learning (Rose 1993) and advocacy coalitions that could apply to the notion presented here on international PPP policy dialogue. It is a challenge to trace the policy developments across organizations and continents.
3. Theory of ideas and acceptance. Much in the vein of Christopher Hood’s “Administrative argument” (Hood and Jackson 1991) it could be examined why certain PPP ideas or models become accepted in certain institutional settings.
4. Theories and methods on global public policy networks that focus on PPPs. McNutt & Pale (2011) recently focused on so-called “virtual policy networks” (VPN’s) and used IssueCrawler to identify and follow links on the internet to map out the global policy network. This could be used for PFI/PPPs as well.

Each of these give tentative directions for future PPP research, but we are also clearly a long way from understanding the primary dynamics driving international PPP popularity.

5. CONCLUSIONS
This paper has noted that much research has been done on a number of important aspects related to PPP in recent years. The paper identifies a lineage of research agendas going back from Broadbent and Laughlin’s first generation ideas of 1999, through a second generation set of agenda items around 2008/9 from both Wall and Connolly, and Hodge and Greve, up to the present day. There is little doubt that research ideas for PPP have evolved from early technical issues and narrow disciplinary lenses towards far broader sets of concerns. We have moved a focus on PPP as projects to a focus on PPP as a phenomenon. We have also moved from a national to a more comparative studies focus; from attention on the formal and the technical, to more socio-political and informal concerns; from a few disciplinary lenses to many; and from
regarding PPP as ‘the next big thing’ to seeing it as a series of ongoing experiments as well as a longer term collaborative ideal. Looking back at this lineage, there is also little doubt that whilst the research agenda has evolved, the fundamental issue of the merit and worth of PPP has remained a recurring theme. Moreover, it is likely that it will remain highly contested, given the multiple expectations of governments when they pursue PPP. This movement from simple questions of technical success to more complex questions of governance and regulation, of collaborative success and of infrastructure performance now requires a more sophisticated and theoretically informed approach to assessments.

A third generation contemporary research agenda is now possible. Such a contemporary agenda can tentatively be build around the fact that PPP is a highly internationalized, it is beginning to adopt multidisciplinary analytical approaches and ideas and practices are developing dynamically. This internationalization has occurred in a number ways: policy copying those leading jurisdictions; policies from key international bodies; through best practice case study reports; through companies that rely on the same prescription wherever they set up; and through consultancy reports and academic research. The challenge now is to find adequate theoretical and empirical approaches to study these internationalization mechanisms of PPP growth.

References:

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