Chapter 2

Quests for Public–Private Partnership

ABSTRACT

This chapter critically reviews seminal literature on PPPs, in order to identify core congruent issues, motif, basics and environment as necessity to answer the quests for quality service delivery so rampant world over. It draws out a number of key themes to better understand why the quest for PPP has turned out to be the ‘driving tone’ for all governments, even though successive reports/news prints, have uncovered many challenges in their implementation. Acknowledging that there is no one clear definition, strategy or template for the effective partnering, findings from extant literature highlight principles and critical success factors (CSFs) deemed integral to augmenting PPP performance and success. So, whilst governments invariably conducts their businesses with a smaller ration of strategic partnerships than commonly believed, and accepting private partners dominance has predominantly remained, it is advocated that there is an exigent need to disentangle the PPP initiative through some form of proper risk analysis in the project phases. The case for this is presented through a relationship schema that maps the fabric, reliance and drivers for PPP success.

The purpose of life is to collaborate for a common cause; the problem is nobody seems to know what it is. - Gerhard Gschwandtner

INTRODUCTION

There is a growing interest in policy circles in both developed and developing world in promoting better production to produce quality goods and services and obtaining a suitable strategy to achieve this (Bovaird, 2010). Policy makers are typically concerned with how their economy has been performing in relation to: a) quantity of production; and b) quality of goods and services produced vis-à-vis the high and ever changing demands of the public for quality goods and services. Similarly, academicians and researchers have since the turn of the century embarked on a series of investigations with constant

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research on the costs and benefits of production in relation to consumption of quality goods and services on a worldwide basis. The interest has fueled several attempts to devise an integral development indicator at country level, a composite measure combining the organizations in the public and private sectors of an economy according to their areas of operations. The numbers of projects implemented under such arrangements are growing by the day; experts and consultants involvement as well as interventions from financial institutions is growing and even becoming increasingly influential in policy formulation and implementation of such projects.

Against this backdrop, this chapter appraises some insights on the literature on PPP and puts forward the current quests for PPP that seems to have taken the world as a storm. The first section on “Triangular motif for public private partnership” examines three key reasons for the urge for adopting PPP in any development discourse, those are: the need for broader public sector reforms, mobilization of private capital to meet development needs; and greater efficiency. Each of these motifs shall be analyzed within the context of PPP and their strength and weaknesses will as well be captured. The section on “Basics of public private partnerships” constructs a simple analysis of three main sub components of PPP (rationale/critical success factors, principles/benefits, and dangers/challenges) and presents the results by illustrations and examples. This is thought to provide the most core of the most basic knowledge needed on a PPP. The section on “The process of public private partnership” examines potential determinants of a successful PPP projects and concludes that the environment, legal framework, and the cycle of the PPP project are closely associated with each other for a better results-oriented success of a PPP project. Reference materials for this chapter shall be provided though after a precise conclusion had been drawn.

TRIANGULAR MOTIF FOR PUBLIC-PRIVATE PARTNERSHIP

According to Hayford (2013), the core of any partnership is the idea of shared authority and responsibility, joint investment, sharing liability/risk taking and mutual benefits. As a result of these, Shen, Platten and Dang (2006) claims that a PPP is characterized by involvement of two or more actors (at least one from the public and another from the private sector) with each party being a principal. Cheung, Chan and Kajewski (2009b) attest that PPP is an establishment of an enduring and stable relationship among actors implying that the parties enter into a long-term relationship. Delmon (2010) maintains there is transfer of resources from both parties. These resources could be material, authority or other symbolic values meaning that no matter how small, each participant brings something to the partnership. Trafford and Proctor (2006) articulate that there is usually a shared responsibility for outcomes or activities which closely relates it to the core highlighted above.

In spite of these, anyhow, the global quests for PPP are dominated by three triangular motifs, each of which is related to the other. These motifs: public sector reforms, private capital and greater efficiency have attracted attentions of policy makers and well as implementers and generated lots of debate in the development circle both in the developing and developed world. Scholars and researchers have been publishing articles and papers on PPP since 1980. At the heart of these publications is PPP that shows the relative positioning of a new avenue for authentic service provisions. Wettenhall (2010) terms it a ‘tool of procurement’ while Kamarkar (2014) calls it ‘a new mode of service delivery’. Both terms suggest that PPP involves a thorough assessment of the existing level of service delivery in any country and provides a realistic basis for designing future development policies to promote PPPs. The focus of