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Public-Private Partnerships and Their Economic Contribution

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Abstract

Against a scenario that very little is done in terms of assisting the economic life of a country or even its broader justification for doing something from time to time, the public-private partnership (PPP) approach can have a strong positive influence albeit small in terms of the overall aggregate level of the economy. The welfare effect of carrying out PPP work is positive as it assists growth and progress. Quite often, some of the negative influence working against such projects is the limited interest shown by the private sector. This is mainly associated with issues related to risk bearing in commercial projects. It seems, nevertheless, that the 'profit' motive and its accountability and transparency along the lines of quality and ownership that are so much needed to fulfil those very demanding business activities are stumbling blocks to PPPs spreading widely. The lack of knowledge on what public-private sector partnerships can actually do and other methods of control policy by major players can also contribute against the formation of PPPs. In this work, the intention is to identify and highlight the major current issues related to implementation of PPP; the two sector and tri-sector approach to efficiency, quality, outcome results, and policy efficiency, are developed into a brief macro-analysis of PPP. The choice of partners and issues related to PPP formation are considered carefully in order to create a better understanding of the importance of PPP for the politic-economic system to generate efficient change of economic growth and sustainable progress.

Keywords: PPP, PFI, PPP Projects, Market Governance, Efficiency, Social Benefits, Commercial Gains, PPP Accountability, Project Spectrum, Appraisal Issues

Introduction

In the last two decades or so the UK economy has been deeply involved in a widespread privatisation programme, during the 1980s, and attaching considerable energy into public-private partnerships projects, during the 1990s. Perhaps, for the 2000s, the most obvious process is one of consolidation. The radical transformation from a mixed economy, up to 1980s, into greater market-led initiatives, as from the 1980s, has made business managers and policy-makers to engage their activities in a much closer relationship, hence the term 'partnerships' to reflect what companies and the government can do together[1]. By many accounts, the expected outcome must be huge for those strategies taking into consideration the socio-economic benefits of a substantial number of stakeholders from varied areas of economic activities as they come together to undertake joint projects of economic regeneration or something akin, *viz* partnership project operation. Equally important is the change of the capitalistic nature of wealth creation, distribution, and contractual relationship between members of the public and private sectors, which has had, undoubtedly, a paramount significance to those questioning the political-economic strength of a system supported by a large number of operational projects based on public-private sector partnership[2]. It seems, however, that the time has come, at least for those expecting a speedy business related success, for concentrating on economic projects that has a 'win-win' characteristic right from their inception. Owing to their 'plan-execute-deliver' nature, PPP has the benefit of measuring returns more accurately than a traditional business operation. However, fewer are able to appreciate the long-term financial implication of PPP and its prerequisite of an endurance nature. The government looks to a contractual programme that makes public projects the least expensive and the best 'value-for-money', on the one hand, and project bidders deliver something that has a high 'value-added' to the company and their shareholders, on the other hand. The time to learn that 'the art of business is to do it for profit'[3] is beginning to have a more effective way in the managerial thinking of those in the public sector[4]. As part of a PPP process, the public and private sectors work together under the conditions of a free-market process in terms of maximising the benefits associated with resource production and allocation. So much so, that the politics of the public sector in which it is played for popularity and, quite often, political acceptance and re-election gains, often perceived of as 'risk-averter' behaviour, absorbs a little more of the private sector role as it plays for profit and financial stability, almost along the 'risk-lover' approach. To some extent, this has the influence of restricting the number of 'active' players to ensure an overall 'win-win' success for all, albeit strengthened by a restricted small number of project partners. As a result, the main focus on 'partnership' as it was then perceived during the early 1990s[5] – a wider range of stakeholders – has moved away from that position. Nowadays, in the UK at least, there exists a tendency for restricting the number of project players under the auspices of PPP projects, e.g. Private Finance Initiative (PFI), which is carried out often by one major supplier and this has been, quite often, a member of the construction industry or some of the 'new' consulting enterprise that are buying in expertise as needed to process and operate partnership projects. It seems, therefore, that the popularity of the term 'partnership' based on a principle of many actors is beginning to reverberate like a 'contracting' or even 'subcontracting' relationship only for a few. This is having the implication of understanding what the process of working together can mean to those directly related to project discussion, negotiation, implementation, and delivery. It is the intention of this work to probe into the present time meaning of 'partnership projects' and its economic impact as part of the process of political economy related to the importance of public-private sector partnerships for a wide range of players.

Implications

Undoubtedly the significance of the issues related to public-private partnerships has become more intense in recent times. To some extent, this is due mainly to the 'lucrative' and widespread nature of PFI – a partnership between two players, i.e. the government or local authority and one project provider. The extent to which the term 'partnership' has been widely used is beginning to worry serious academics and strategies. Along such a process, the politic-economic relevance of the term partnership begins to suffer some dilapidation. The extensive use of the term by the media and those interested in obtaining 'secure' benefits either of a financial nature or reputation along with power and/or control seems to be reflected by the vast number of daily news, meetings, and conferences organised by national and international institutions and academic learning centres. Some of these have had the influence of attracting world-wide businesses leaders as well as political, government workers, mostly from countries in Africa, South-America and Asia, to attend meetings in Europe or the US, that soon questions will be asked in terms of who is left in their countries to run their affairs. Currently, it seems that anything and everything that accounts for a business-related act of 'partnership' is likely to sound good and, therefore, must be pursued further. There have been, however, several negative effects due mainly to the learning-by-doing and learning-curve effects[6]. These must be taken into account and further discussion on them along with terminology clarity will create a much-improved structure to base economic decisions.

It is the intention of this paper to elaborate further on the broad issues related to PPP as a choice of wealth creation, sustainable growth, along with social projects delivery. Overall, PPP has to be seen in terms of its contribution and benefits created to society at large rather than what financial returns they can generate for those directly involved with its delivery. Furthermore, it is time that the capitalist regime of wealth accumulation must subject itself to a more broad-based structure in which the decision process of business related activities are placed in the hands of many stakeholders.

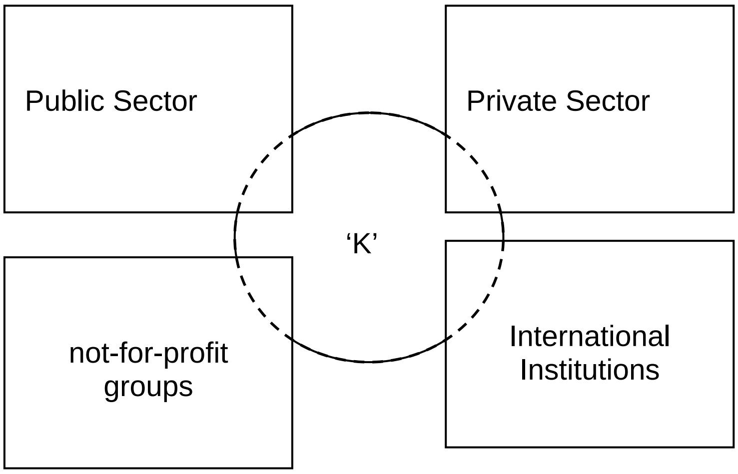
PPP: What are they?

Quite often collaboration, co-operation, alliance, along with partnership have the meaning they are intended for, i.e. a union or association or formal agreement between two or more elements of a group intending to work with one another in a joint project. The fundamental points in here are the legal and economic influences likely to support the formation of such groups. In an attempt to give a business flavour to the context above, Holland (1984) identified it in terms of a co-operation between people and/or organisations either part of the public or private sector aiming at mutual gains without, however, being clear in the perception of results. Following similar lines, Harding (1990) states along similar lines that a PPP is an action based upon the wills of members of the public and private sector likely to contribute to the betterment of the economy and life-quality. McQuaid (1999) goes farther in seeing partnerships as part of the overall regional development of an area. In here, for the sake of definition clarity, the coming together of the public and private sectors to form a partnership has to be seen in terms of a shared activity carried out by members of a similar or diverse economic sector, which directly contributes towards the overall business enterprise background of a community and their region(s). This means that to some extent each of the sectors represented in such association will continue to be part of their core activity dedicating, however, a small proportion of skills to PPP projects that are described below.

PPP: Its justification

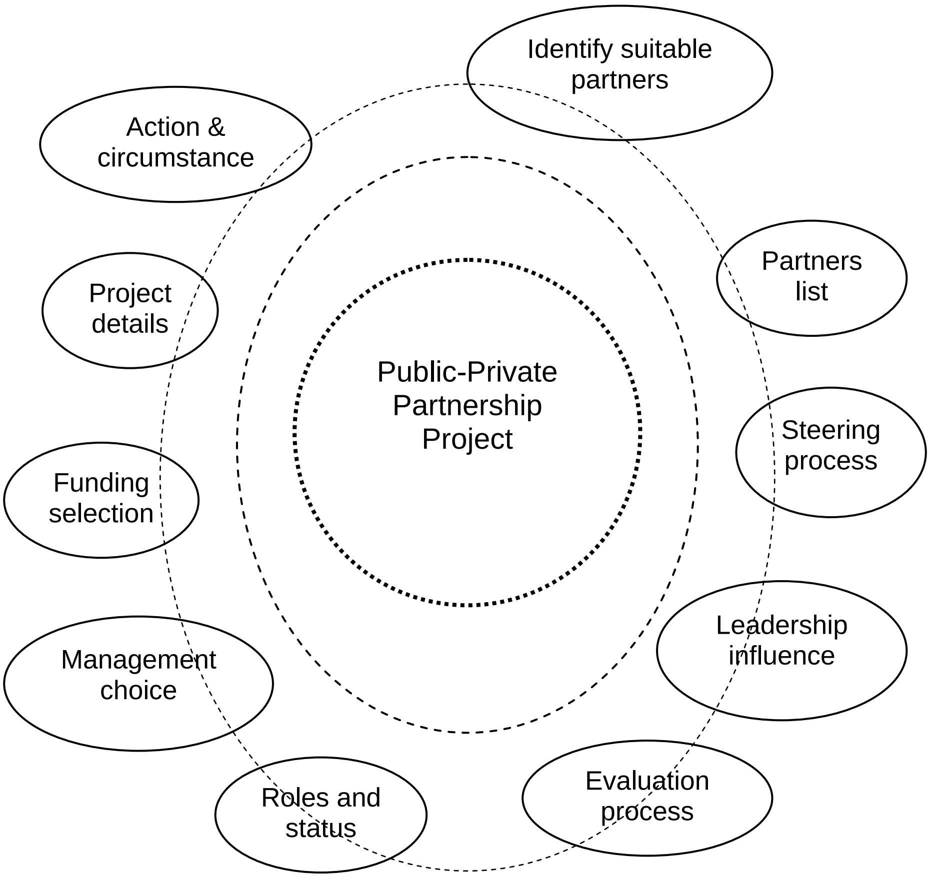
There is little doubt that a step forward from the traditional approach to either totally publicly funded project, i.e. the Keynesian policy approach, or totally privately controlled, i.e. the monetarist approach along with Porter's support to a successful competitive nation, which overall are based on the premise that each group will look after itself almost in competition or on the basis of being strategically desirable, cannot be totally suitable today. On the one hand, the former possesses little long-term expectation of success as most steps are taken for political reasons and are strongly supported by short-term strategy. In the course of administering public initiatives, quite often, projects can get out of focus. Also, the accountability of the public sector, mainly because of its political ties, is very fragile when compared with some of the traditional returns on investment approach adopted by many in the private sector. On the other hand, the latter has strong financial obligations and, quite often, measuring projects as a business driven initiative on a net-present value method or even under the rate of return on capital invested, they must perform rather well to be chosen. It is the case that sound projects, which do not meet the investors' desire for a certain profit-maximisation level, are not selected. However, in these cases alike, it is perfectly feasible that the social gains of bringing players representing the public and private sector together can generate good results of a social nature and these need to be better explored. In multi-organisational partnerships, some critics have questioned the fact that one expects a small percentage return only to be fulfilled at a given time. As each partner has an almost fixed set of performance deliverables, the tradable area given to partnership projects is therefore expected to be very small in relation to the overall total. It must be the case that where little is put into it, little will then be delivered under the conditions of proportionality. The point of public-private partnership congruence is given by position 'k' in Figure 1 below. As part of the overall economic set up, players within a public-private initiative can attribute a small percentage of their interests to partnership projects. As most of their initiatives are performed within their chosen set of business activities, it is, therefore, only a limited amount of the total given to develop further partnership enterprises[7]. Many business partnerships, which tend to be economically appreciated by policy-makers, are, therefore, pursued within a very limited commitment as this type of work has low priority choice for private sector members. Also, these are perceived, partly due to bad publicity, as performing poorly in terms of value-added for their companies. Many must agree that public-private partnerships can perform satisfactorily when each of the members has a stake in the project as this gives them a great degree of accountability to the project as well as to each other. However, in the UK experience, partnerships have had a much stronger appeal to members of the public sector community.

Figure 1: Public private sector partnerships: level of interaction between players (congruence point 'k')



In general, public-private partnerships have been established to improve the quality and availability of goods and/or services without requiring, in most cases, additional tax to fund new projects. The objective of a partnership project is that the private sector should design, finance, build, and operate projects which in return allow companies involved in the agreement to take most of the net revenue generated. Partnerships can be seen as a network of businesses representing multi-organisation groups and leaders of local authorities, i.e. municipalities, working together to reach levels of maximum efficiency in the allocation of resources[8]. However, it is significant to bear in mind that the public sector approach to developing partnership comes from a principle of: (a) GIVE ---> TAKE ---> GIVE, whilst the private sector drive comes from the principle of (b) TAKE ---> GIVE ---> TAKE. The significance of these points is that the public sector groups will have, quite often, more to give to the project than is actually expected to take from it. The private groups will inevitably want to take from it more than they are actually putting into such initiatives. As these parameters start to form a reverse order, it is very likely that public-private partnerships can deliver better results than a public-public or even a private-private initiative. However, in implementing a PPP project, it is important to access the work carefully in terms of all actors and their individual objectives. Figure 2 is an attempt to guide this process. It is very significant to realise that prudent managerial skill would require these steps to be followed in order and, after a certain period of activity, to re-visit the initial starting point.

Figure 2: PPP project implementation plan



In the planning implementation stage as identified above, it is important to keep in mind a set of stages which will determine the future and path for PPP success. It is important to keep sight of the details given in Figure 2 against the economic issues fundamental for most aims and objectives of the PPP as follows:

- business expansion
- business success
- risk spreading and management of risk
- project administration
- financial and legal issues
- ownership, quality control, and further R&D (Research and Development)
- stakeholders gains
- social gains

PPP: Accounting for Outcome Results

Other points equally strong in supporting public-private partnerships can be related to projects that encompass a competitive edge for some and, social/community gains for others[9]. So, a policy turned towards multi-organisation groups must carry the concern of business expansion and success, risk spreading, financial funding opportunities, and, finally, some social benefits. The relevance of these can be seen along the following points:

1. Business Expansion and Success: business expansion is expected through partnership as efficient partnerships work in groups and bring in motivation, vision, aspiration, and a fresh insight into socio-economic solutions which were not available before as a competitive package to consumers. By bringing the effort of groups together, this creates incentives which did not exist before[10];

2. Risk Spreading: projects which carry low net-present value and uncompetitive rate of return on investment can be dealt with by pulling together skills from a wider range of organisations. This will assist a less financially capable business to join together with a strong enterprise so as to ensure a good business return by having different players taking part. It is feasible that this will increase the chances of business success as partnerships bring in different skills and motivation, along with more and better commitment towards a successful project so that business uncertainties are reduced[11];

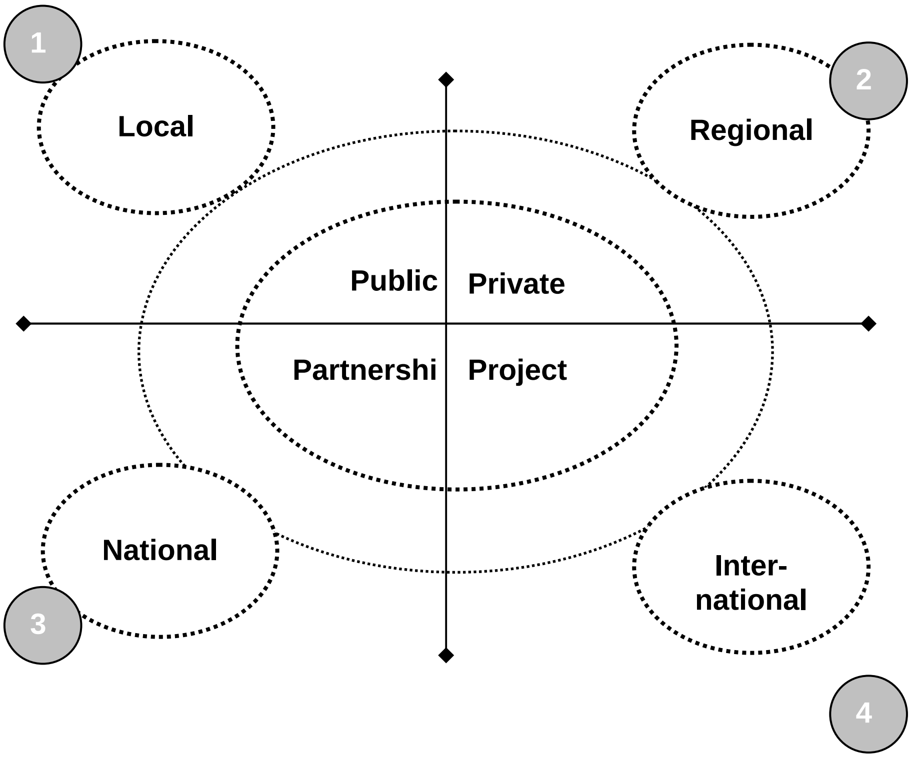
3. Financial Funding: partnerships will have a certain degree of access to sizeable financial funding/support from central government, private lenders, as well as through the European Union (EU) funding sources. As business people, not the government, are leading projects of greater regional importance, finance availability is stronger, although one must recognise that the risk nature of certain projects can certainly create a more favourable option to many investors or ‘not-to-be-touched’ appeal to other businesses. However, most partnership projects are rather unique and their special characteristics can return considerable levels of benefit to those taking part[12];

4. Social Gains: the social benefits are generally much greater than their costs, especially because partnership projects are carefully chosen to yield maximum benefit to a larger number of people who will gain either as consumers, i.e. users/beneficiaries, or as part of the supply/production chain, i.e. as employees, professional advisors, resource suppliers. The risk-spreading nature of public-private partnerships can ensure better overall returns to all those concerned[13].

An attempt to bring together potential stakeholders of public-private partnerships projects to display the potential magnitude of these projects is given in Figure 2. This shows a few sub-groups of participants at the start of the partnership but the number of them can be less or more depending on the size and importance of the task. As the work develops, once again, the entry of new members or exit of old ones can grow or decline depending on the project’s significance and how important it has become to potential partners.

It is acceptable that public-private partnerships enrich some aspects of the regional economy and give its contribution to the national economy. In the short-term, the aggregate level of supply of goods/services can rise as a result of public-private partnerships, whilst the level of aggregate demand will be adjusted in the long-term only. During these periods a condition of excess supply of aggregate output including labour, will prevail, i.e. at levels before reaching the full-employment position. Multi-organisation partnerships has something to contribute to the economy overall in either case. Against a background of nothing at all being done, it is perfectly feasible that PPP, either from a small and humble beginning – mainly at local level – can start to grow and take a more important role in the regional and national level of the economy. This seems, therefore, as indicated above a kind of 'win-win' result.

Figure 3: Stages and levels of PPP projects



PPP: The Spectrum of Projects

As indicated PPP work has to be part of a 'plan-execute-delivery' process as depicted in Figure 2. This has certainly been put into the context of a list of points in which PPP work will be aimed at. It is very important to have a kind of 'Why' approach in terms of explaining whether PPP work will benefit the most. As evidence on the level of returns and quality improvement associated with PPP are still lacking overall, it is hard to justify PPP as a possible way forward when critics are looking for tangible outcomes. Policy makers can see a PPP as a small local project, under stage 1, with the potential to delve further to rise to a level 4 in terms of international importance. At this level, it is certainly the case the likes of EU, World Bank, IMF, Red Cross, and many other institutional organisations would certainly like to involve themselves in the PPP project.

PPP: The Extent of Business Governance

There is yet a certain reluctance to allow the free-market approach to rule all decisions in society. The attempt in here is to say that this must not always be the case. The market economy does lead to efficient decisions, better choices, and quality results that are governed by the desire of many when fulfilled out of the work of businesses. To a large extent, PPP has to be seen as one of the system's agent in terms of:

- efficiency
- accountability
- financial results
- creating opportunity for all through new ideas and fresher 'vision'
- reducing poor public administration

It seems, therefore, that some of societal failures, including both public and private sectors', via the free market can be corrected by the implementation of financial projects where the public authorities, in particular, are brought to a great public transparency and accountability about what they actually do on behalf of voters. Quite often, many political leaders just like to 'pretend' they are working for and on behalf of people[15]. Well, PPP can become a tool of proper business governance of public affairs. To this, PPP can generally contribute towards improving:

a) the community's social structure, i.e. mainly in terms of a better quality of life overall especially for those least capable and needing to be cared for

b) the country economy, i.e. by business creation in terms of: ideas being shared, jobs being found, and financial gains being achieved

c) the economic sustainability of growth and resource allocation, i.e. these issues are so vital to support capital related projects in terms of achieving quality and efficiency at managerial level. Perhaps, this is one of the strongest arguments in favour of an economy-wide coverage of PPP projects[16].

PPP: Appraisal Issues

The public sector quite often is the sector with large financial means and social needs to fulfil. This means that the government either at national or local levels have means to exert control upon a huge number of useful resources in the economy which are better utilised with some financial backing and risk-taking initiatives of the private sector. For many analysts, it is no longer acceptable that business strategists alone have once again led the way towards implementing a better and richer socio-economic basis for the relationship between those sectors. This means that the spectrum of partnering success is still to be fully accounted for. It is extremely significant to examine closely the broader and longer-term consequences of partnerships for the business community, public sector groups, and the local and regional communities. This must be done in terms of what their past achievements have been and their overall potential for the future ought to be.

In terms of previous attempts on PPP, it is remarkable that Britain is again leading the way in forming a much clearer understanding about the relationship between the public and private sectors. Members within the 'New' Labour government of Tony Blair work very hard in the promotion of partnering projects. This is certainly linked to the approach the government is taking in relation to a much greater market orientation on the public decision process. For once, many critics would have to agree that North-Americans, especially the USA, is not at the forefront of integrating public and private sectors in partnership projects. PPP, for the time being, is very much a British way of project allocation via the market mechanism.

Feasible Results

Some criticism has been raised, however, at many partnership projects in the UK describing them as having remained very superficial. Perhaps, the fact that a small number of local authorities have engaged themselves into too many partnerships, the focus of relevance for partnering links can be seen as responding adversely to the broader intention of public-private partnership projects. Very few would doubt that to pursue a public-private partnership path is not demanding and challenging enough. In many ways, partnerships are 'new' ways of doing business which both the public and private sectors must become more familiarised with. Not only that, there is the potential for great economic stability via an integrative economic role for both public and private sector actors. The complexity in setting up working parties and policy-making groups can hold back the potential progress associated with partnership projects. Also, the unavoidable political-party game playing with experimenting different approach purely for political gains, tend to restrain partnerships from achieving a genuine community involvement or a more coherent set of aims and objectives with such projects. It is important to recognise that for greater business involvement it is significant to identify the overall level of local economic regeneration that companies accept as reasonable in order to make some positive contribution to the community.

Table 1: PPP and some of its appraisal issues

Context / area of influence:	**PFI Model of Involvement (two sectors only)**	**PPP Model (tri-sector or four sectors)**
Bidding costs	very expensive; not recoverable	shared between actors as some having more than others
Financial Benefits; ownership; control; and start-up costs	a company has/manage all	shared among a number of stakeholders
Research and Development; Intellectual property	a company has/manage all; kept under control	shared among a number of stakeholders, tendency to rise
Inflationary influence	constant or upwards	pushed downwards
exchange rate pressure	encourage upwards	weak or controllable downwards
export potential	strong inclination	minimal
influencing business cycle /sustainable growth	weak or almost constant	positive upwards
new business formation	no influence	strong support (encouraged)
political reaction	contested	stability
Formation: setting-up & management roles	straightforward; short-term target, single ownership control	very complex; long-term target, too complex to manage by a small team
Governance orientation	corporation manipulation/control	market emphasis
Quality and economic influence	static working as per contract (constant)	dynamic and seeking new opportunities (adjustable)

Conversely, it is the case that members of the private sector may prefer not to involve themselves in public-private projects considering that they can run some projects more efficiently on a purely-for-profit basis. This is not so. Companies must assume a more socially related commitment to regional groups in order to add to the overall socio-economic success. Perhaps, they should see also that their role is justified within PPP projects in terms of creating a more sustainable regime for capitalism to expand in order to broaden its benefits to society. Benefits that some of the more powerful Western countries have enjoyed for many years. Political strategists must also be alert to the potential that supporters of alternative political models, mainly on the grounds of competition, might not want a Western type of social/business model to success. This means ‘no’ to changing and improving the current for ‘capital’ model. PPP is yet another set of ‘means’ to help the system to perform well.

It is important, therefore, that academics, practitioners, and policy makers are given the opportunity to inform and learn from each other through sharing their experiences. This hopes to widen the learning opportunities as well as the study of public-private partnerships. The combination of theory and practice impose demands on all of us to search for better working models for equitable resource allocation. This is, however, a very brief and modest attempt to be carried out in this paper.

PPP: The Benefit Dichotomy

It has been widely reported in the academic literature most of social and/or economic benefits of bringing partners together representing the interest of the public and private sector alike. Undoubtedly, representatives of these sectors may want rather sooner to gain tangible benefits although, it is recognised that partnerships have provided only limited success, in the short-term, and some socio-economic gains in the long-term in the opinion of some analysts. The emphasis of this analysis is therefore, to explain whether or not such gains can be fully justified. Also, whether social gains are greater when partnerships are pursued as a matter of course against a possible option of doing nothing at all. No doubt, societal’s gains must be considerably greater to justify the principle of business based partnerships, as this brings together the risk-averter’s policy makers of the public sector together with the profit-maximising pursuit of those in the private sector.
In order to appreciate much of the benefits associated with PPP this has to be seen in terms of its contribution towards macroeconomic targets so as to assist us to understand whether or not partnership projects can be judged as successful. PPP projects can create opportunities to join in at several stages – as taken from Figure 2 – and this can give rise to an ‘opportunistic’ behaviour by some potential partners. PPP has to be taken as part of the long-run process that evolves from the dichotomy of the process in each of the following phases:

Phase I:	Give --->	Take--->	Give			
Phase II:		Give --->	Take--->	Give		
Phase III:				Give --->	Take--->	Give

PPP: Stakeholders’ Choices

It is a demanding task to measure the overall number of successful PPP projects in the UK at one given point. The opportunities that public-private partnerships created were to account for a tremendous amount of effort by many. In this process, the academic community has also taken part to support the principles of wealth creation as they provided: advice, guidance, teaching, and support towards the need of specific partnership project development. Owing to the nature of the capitalist process, it is undoubtedly the case that some projects proved to be financially more viable than others; some projects gave better returns to investors; some projects contributed to the social conditions of poor regions more than expected and, quite a number, failed to deliver what had been expected. Overall, the question in many decision-makers' minds is whether the rate of failure and success are justified against each other. So much so, that even accounting for a few large failures, the overall picture on the number of successes is big enough to support the view that there must exist something for most people taking part in public-private partnerships[4]. Against such a background, it is possible to formulate the stages in which financial controllers would prefer to operate PPP projects. These are as follows:

Option A:	**Option B:**	**Option C:**
'Winning All'	'Winning Always'	'Winning Sometime'
which means maximum returns all the time; passing losses to others; optional maximising or outcomes	which is achieving break-even point and above and having a dislike for negative projects	which means having modest returns out of several attempts when some have been negative

Conclusion

In this work it has been demonstrated that wealth creation and sustainable growth are mainly associated with a successful range of efforts in the productive work of business enterprises. This is overall the main work of profit-making organisations. They are prepared to take a certain amount of risk as they manage economic and human resources to progress towards chosen goals in their production method choice. It is inevitable that the economic cycle of the capitalist system creates winners and losers, success and failure, growth and decline, very often, at disproportional levels. In this process, the social pendulum moves from one point to another creating, too often, undesirable outcomes. Many would say, however, that as a result of poor economic progress, the social side of the free market pays a heavy price for the lack of business opportunities, e.g. too many people out of jobs[17] and too much idle assets laying around. Also, it has to be admitted that the cyclical process helps to reduce the level of inefficiency by cutting off from the market economy the ones less likely to succeed. Whichever way one looks for economic solutions then, if not generally, at least when the economic levels are poor, it is quite often the case, unsurprisingly, that committed government at either central or regional levels come up with alternatives in which to set the economy back to its course again. To some extent, in the UK at least, the upsurge of public-private sector partnerships albeit in the form of PFI [two sectors only partnership] has invigorated the overall economy in the last decade and it shows that it will continue to sustain the recent economic success[18].

By many accounts, on a macroeconomic level which are discussed within the limits of this work, public-private partnerships seem to have as target-point areas based on the following:

- expanding the local economy – to support infrastructural work to turn derelict areas into more prospectus communities with new shopping areas and residential dwellings;
- diversification of regional business activity – by providing a better transport network;
- encouraging sustainable enterprise – by contributing the need of creating business related projects;
- improving education and training – by creating access and efficiency in the administration and delivery of educational skills starting at the school level;
- providing support for community development – by improving the provision and access of housing, hospitals, prisons, roads and transport;
- enriching the physical environment – taking care of the environment and improving the leisure services provision[19];
- enhancing quality of living/social matters –historical buildings, theatres, parks and leisure areas[20];

In here, this work has shown that public sector management at local, i.e. municipal level towards central, i.e. national level, has been substantially influenced by the application of PPP projects. This has created the opportunity for further training and management skills for those in the public and private sectors alike. To some extent, the new role for public sector employees at local, regional, and national levels must have had a clear identification rooted on traditional issues of consumer's expectation and the functioning of the free market economy. In terms of economic governance perspective this has meant new challenges for public sector leaders, above all, in terms of improved accountability and transparency, which have been paramount towards societal stability and economic growth. Nevertheless, most of the socio-political issues of current political, company, or market governance are relying on a certain degree of mutual trust, delivering on time and quality levels or even in terms of 'give-take-give' – 'take-give-take' along to choosing Option 'C', i.e. 'winning sometime' which, in all, seems to represent the approach to a much improved stage for a capitalist economy. In these areas, a single player – either public or private – cannot handle the multi- facets of the market nor force others to follow their instructions. Thus, current market governance related to PPP projects is assigning collaborative networking for all those partakers of economic success.

The main emphasis of the work has been to demonstrate some of the real colours of public-private partnerships along the process of market governance in which stakeholders have a much deeper say in the overall allocation of resources and projects choices. Perhaps, the caution note is that although members of the private sector would go for 'win-win' projects under the condition of 'take-give-take' structured mainly around a restrictive partnership set-up – levels 1 or 2 in Figure 3 – a much wider partnership network can create a better emphasis on the socio-economic scope of projects. Furthermore, the lack of research work on quality, efficiency, financial outcomes, and consumer's consideration on long-term results of PPP are still a major drawback on whether or not PPP can outperform the traditional method of wealth production and services provision. Also, the project direction must be based on visions and expectations for a much wider number of stakeholders – levels 3 and 4 in Figure 3. PPP projects can altogether contribute directly to improving the role of policy implementation as public as well as companies' managers work alongside each other learning how to play the 'risk-minimisation' and 'efficiency-resource-usage' entrepreneurial roles.

Notes

1. A detailed account of this can be found in the work of Professor Richard Haines (2001), ‘Beyond the Market? State, Society and Public-Private Partnerships in Contemporary South Africa’, *International Journal of Public-Private Partnerships*, Vol.3, No.2, pp.157–186.

2. An interesting discussion on this topic is found in the work of Dr Helge Tetzschner (2001), ‘The Market System and the Role of Public-Private Partnerships’, *International Journal of Public-Private Partnerships*, Vol.3, No.2, pp.219–234.

3. This theme has been extensively developed in the work of L. Montanheiro (2000a), *Applied Business Economics*, SHU Press, Sheffield, 2000.

4. The work of Ron McQuaid (1999), The Role of Partnerships in Urban Economic Regeneration, *International Journal of Public-Private Partnerships*, Vol.2, No.1, pp.3–28, is extremely significant to this point.

5. Martin, Steve and Oztel, Hulya (1997), Strategic and Operational Management of Public-Private Partnerships: lessons from the Business Link initiative, in L. Montanheiro *et al* (eds.) (1997), *Understanding Public and Privates Sector Partnerships*, pp.113–124. SHU Press: Sheffield-UK.

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