

# Public-Private Partnerships

## Syllabus and Reading Guide

<u>Semester:</u>	Summer 2015, Seminar Series
<u>Program:</u>	Bachelor in Political Science
<u>Instructor:</u>	Stefan Verweij M.Sc.
<u>Time and Place:</u>	Monday, 10:00h-12:00h, F21/02.31
<u>Start:</u>	April 13th 2015
<u>Note:</u>	This course is taught in English



### Description

For centuries, partnerships between the public and the private domains have aimed to deal with the governance of complex socio-technical issues. Examples are the construction and maintenance of public road networks in ancient Greece and in medieval Britain, and the steady supply of grain to feed cities in ancient imperial Rome. More recent examples include the development and operation of public utilities and services such as (green/sustainable) power plants, rail networks and stations, hospitals, prisons, schools, water treatment facilities, space programs, and urban regeneration programs. What makes these issues complex are the many interrelated and dynamic technical, social, financial, legal, and organizational components of their governance.

In recent decades, Public-Private Partnerships (PPPs)<sup>1</sup> have gained increasing attention and popularity because they are believed to be effective and efficient strategies to deal with such increasingly complex and wicked governance issues. PPPs are now a widespread instrument of governance in society. However, partnerships between public and private actors are no easy feat. Public and private actors operate in different systems, with different values, practices and institutional logics; moreover, the sociopolitical environments in which PPPs are planned and implemented are very complex and uncertain. Successful cooperation between public and private actors is difficult to achieve, and PPP successes and performances are mixed at best. In this seminar series, we will examine the planning, implementation and evaluation of public-private partnerships, and seek to understand how public and private actors may cooperate for the successful governance of complex issues.

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<sup>1</sup> In German: Öffentlich-Private Partnerschaften (ÖPP).

## Course Objectives

There are various types of learning objectives, which are hierarchically structured in six levels:<sup>2</sup> remembering (level 1), understanding (level 2), applying (level 3), analyzing (level 4), evaluating (level 5), and creating (level 6). This course covers the variety thereof.

<i>Level</i>	<i>Objective</i>
2. Understanding	Describing and explaining different theories and manifestations of PPPs.
4. Analyzing	Identifying opportunities and challenges in the (a) planning, (b) implementation, and (c) evaluation of PPPs for the governance of complex socio-technical issues.
5. Evaluating	Assessing the planning and/or implementation of a PPP project.
6. Creating	Proposing alternative approaches to PPP planning and implementation if the applied approach failed to (completely) deliver the desired results.

## Mandatory Course Materials

- Academic articles, which will be made available through [Virtual Campus](#).
- Book Chapters, which should be available via the [University Library](#).

## Estimated Workload

<u>Workload:</u>	6 ECTS, 180 hours, 14 lectures
<u>Calculation:</u>	Course attendance (14x2h)      approx. 30 hours
	Literature study (14x3h)      approx. 40 hours
	Research project                  approx. 110 hours

## Contact Details

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<u>Speaking Hours:</u>	Tuesday, 10:00h-11:00h
<u>Virtual Campus:</u>	Public-Private Partnerships

This syllabus may be subject to changes by the instructor

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<sup>2</sup> See e.g., Kallenberg et al. (2014). *Leren (en) doceren in het hoger onderwijs*. Den Haag: Boom Lemma Uitgevers.

## Research Project and Grading

To successfully conclude the course, you are asked to actively participate, to read the prescribed literature prior to each class, and to pass the final exam in the form of a report, written in proper English, about a small research project. The report will be graded.

In the research project, you will analyze and evaluate a public-private partnership project. Using your gained understanding of theories and manifestations of PPPs, your PPP project analysis will identify opportunities and challenges encountered in the planning and/or implementation of the project. Based on your analysis and on in-class comparisons of different projects, you will create a proposal for the further improvement of PPP policies and practices for the governance of complex issues.

### *Substance of the research project: public-private partnerships*

In the research project, you will examine a public-private partnership case. PPPs can be found in many fields such as transport, technology, water, prisons, health, and urban regeneration. PPPs have emerged throughout Europe and beyond,<sup>3</sup> showing a wide variety of different forms. Some public-private partnerships are characterized by close and informal cooperation between public and private partners, whilst others may have formal contracts that draw clear and strict boundaries between the partners. Some PPPs involve large sums of money, and contracts that last for decades. For instance, the design, construction, and maintenance of the A15 corridor that connects the port of Rotterdam (Europe's largest harbor) to the German hinterland involves around € 2 billion and will last until 2035.<sup>4</sup> Other PPPs are much smaller and shorter-term (e.g., a fitness sport program to improve people's health in deprived neighborhoods). Public-private partnerships also have different government involvements, different numbers and types of partners which may or may not be from different countries, different sociopolitical and physical contexts in which they are planned and implemented, different goals and purposes, and so on and so forth. In short: there is a wide variety of PPPs. Of course, there are also common elements that allow us to identify a project as actually being a public-private partnership. Based on your reading of the literature, you will provide a definition of the PPP concept. On this basis, you select a PPP of your own choice.

### *Content of the research report*

The research report will consist of the following parts:

- The introduction. This contains a brief, current background of the PPP policy and practice in the country of your selected project,<sup>5</sup> positioning your case and research report.<sup>6</sup>
  - The research question is: to what extent and why are public-private partnerships an opportune instrument of governance for addressing complex issues, and how might their planning and implementation be improved?
- A theoretical discussion and framework. This covers at least (a) a discussion of the PPP concept and literature, and your ensuing definition and/or typology, and (b) a discussion and

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<sup>3</sup> See e.g., Grimsey and Lewis (2004). *Public private partnerships: The worldwide revolution in infrastructure provision and project finance*. Cheltenham: Edward Elgar.

<sup>4</sup> See e.g., the websites of [Strukton](#) or [Strabag](#).

<sup>5</sup> See for some 'example elements' of such a background: Klijn (2009). Public-private partnerships in the Netherlands: Policy, projects and lessons. *Economic Affairs* 29 (1), 26-32.

<sup>6</sup> PPPs occur in a variety of fields. You may want to focus on a specific field (e.g., transport, energy or prisons): often, different policies exist for different fields.

explanation of the opportunities of PPPs, and of the planning, implementation and evaluation challenges of the PPP type(s) that you distinguished. Within these requirements, you are free to emphasize certain aspects so as to focus your empirical analysis.

- Analysis and evaluation. In this part you:
  - Briefly introduce your PPP case, including a short timeline and the complex issue that the partnership seeks/sought to address, and you empirically describe it in terms of your theoretical definition and typology.
  - Identify and explain the opportunities [expected benefits, advantages; goals] of the PPP as envisioned by the governmental initiator(s) of the project.<sup>7</sup>
  - Assess the extent to which these opportunities are realized [outcomes, results].<sup>8</sup>
  - Identify and explain encountered challenges in the planning and implementation of the project that may explain any (partly) unrealized opportunities.<sup>9</sup>
- Discussion and conclusions. This contains at least the answer to the research question, informed by the project analysis and evaluation.
- A bibliography with the referenced literature and the empirical sources used in the research.

#### *Organization and planning*

- You will have freedom to pursue your own interests with regard to the selection of the case. It is important, though, to select a case that is at least beyond the stage of initiation and planning (i.e., being implemented), and about which sufficient information can be found.
- The normal standards of good scientific conduct apply i.a., with regard to plagiarism, and appropriate referencing to documents and literature.
- You are expected to make visible use of the course literature.
- The deadline for the report is **July 19th 2015**. We will have two plenary discussions about the research projects. These allow us to identify gaps in your analyses, and to have cross-fertilization (via comparison) of your gained insights.
  - Week 8, June 1st. Send me your work no later than **May 28th**.
  - Week 13, July 6th. Send me your work no later than **July 2nd**.

You can of course always contact me by [email](#) or during the speaking hours if you have additional questions or need help with the research project.

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<sup>7</sup> The raison d'être for the PPPs. You could e.g., look into the ex-ante evaluation – Public Sector Comparator (PSC) – of the projects, or other policy and/or project documents.

<sup>8</sup> You could look into e.g., media coverage, evaluation reports, or other documents (<http://academic.lexisnexis.eu/>).

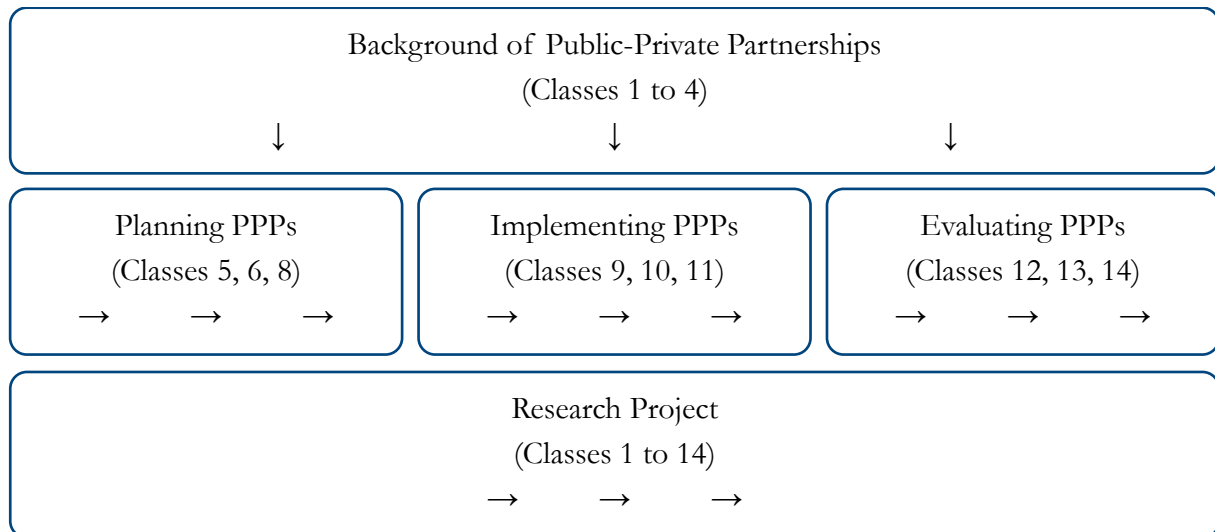
<sup>9</sup> Ibid.

## Program and Reading Guide

This program and reading guide briefly describes the content of each class. It also states the objectives for each class, and to which of the four course objectives (see above) these sub-objectives relate.

The reading guide offers a range of literature, intended to cover the variety of elements needed to inform your research project. The classes guide you towards the completion of your research, as shown in the figure below. The classes in the program are a mix of discussing literature with each other, and then directly working with it to use it in your research projects.

Please note that you are expected to have read the below prescribed literature prior to the classes.



### 1. April 13th *Introduction: why are PPPs so popular and where do they come from?*

The last few decades have seen an upsurge in discussions about and developments of public-private partnerships. But why are PPPs so popular? And where can we find them? And are they really something new? In this introductory class, we will look into these questions, and aim to get a first understanding of what PPPs are. I will also introduce the research project and the further course outline.

#### *Class objectives:*

#### *Level Objective*

1. Describing historical origins and the current revolution of PPPs.
1. Describing the general properties of public-private partnerships.
2. Explaining why PPPs are popular governance arrangements.

Related course objectives: understanding (level 2).

#### Literature:

Grimsey and Lewis (2004). *Public private partnerships: The worldwide revolution in infrastructure provision and project finance*. Cheltenham: Edward Elgar.

Parts: Chapter 1, Chapter 3 (esp. pp. 41-54)

Bovaird (2004). Public-private partnerships: From contested concepts to prevalent practice. *International Review of Administrative Sciences* 70 (2), 199-215.

2. *April 20th*      *Theories of PPP: a variety of manifestations*

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In the previous class, we gained a first understanding of why and what PPPs are. In today's meeting, we will continue our introduction of the PPP concept by taking a closer look at the various understandings and manifestations of PPPs, highlighting the diversity of the phenomenon, and providing a first basis for the theoretical framework of your research.

*Class objectives:*

*Level*    *Objective*

1. Describing different PPP approaches and types, and their opportunities and challenges.
2. Explaining the differences between the approaches and types.

Related course objectives: understanding (level 2).

*Literature:*

Weihe (2008). Ordering disorder – On the perplexities of the partnership literature. *The Australian Journal of Public Administration* 67 (4), 430-442.

Klijn (2010). Public-private partnerships: Deciphering meaning, message and phenomenon. In: Hodge, Greve, and Boardman (2010), *International Handbook on Public-Private Partnerships*, pp. 68-80. Cheltenham: Edward Elgar.

3. *April 27th*      *Theories of PPP: economic aspects*

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Last weeks, we already briefly glanced over some of the opportunities and challenges of PPPs. Partnerships are multifaceted phenomena, involving questions from psychology to law and everything in between. Above all, they are driven by economic and financial considerations. Therefore, today we will discuss some of the economic opportunities and challenges of PPPs by discussing an empirical example.

*Class objectives:*

*Level*    *Objective*

2. Explaining economic opportunities of PPPs.
2. Explaining economic challenges in PPPs in terms of the transaction costs and principal-agent relationships.

Related course objectives: understanding (level 2) and analyzing (level 4).

*Literature:*

Parker and Hartley (2003). Transaction costs, relational contracting and public private partnerships: A case study of UK defence. *Journal of Purchasing & Supply Management* 9 (3), 97-108.

4. May 4th *Theories of PPP: networks*

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In the previous class, we talked about economic aspects of PPPs. Another important strand of literature discusses partnerships as networks for dealing with complex and wicked governance issues. Today, drawing from examples of PPP research that embrace the network perspective, you will be introduced to some of the main aspects of PPP governance networks.

*Class objectives:*

*Level Objective*

2. Explaining main aspects of PPPs as governance networks.<sup>10</sup>
2. Explaining opportunities and challenges of PPPs as governance networks.
2. Explaining why PPPs are popular governance arrangements.

Related course objectives: understanding (level 2) and analyzing (level 4).

Literature:

Klijn and Teisman (2003). Institutional and strategic barriers to public-private partnership: An analysis of Dutch cases. *Public Money & Management* 23 (3), 137-146.  
Van Gestel, Voets, and Verhoest (2012). How governance of complex PPPs affects performance. *Public Administration Quarterly* 36 (2), 140-188.

5. May 11th *Processes of PPPs: planning 1*

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From today, we start looking into the different phases of the PPP process. In this class, we examine the planning phases of projects, focusing on the public-private relationship. In particular: what are opportunities and challenges of (a) the early involvement of the private sector in plan development, and of (b) procurement in PPPs, once the green light for a project is given?

*Class objectives:*

*Level Objective*

2. Explaining opportunities and challenges of public-private cooperation in the plan development for the governance of complex issues.
2. Explaining opportunities and challenges of PPP procurement.
4. Identifying opportunities and challenges of public-private cooperation in plan development in your PPP project.

Related course objectives: understanding (level 2) and analyzing (level 4).

Literature:

Lenferink, Leendertse, Arts, and Tillema (2014). Public-private plan development: Can early private involvement strengthen infrastructure planning? *European Planning Studies* 22 (2), 323-344.  
Siemiatycki (2007). What's the secret? Confidentiality in planning infrastructure using public/private partnerships. *Journal of the American Planning Association* 73 (4), 388-403.

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<sup>10</sup> See Koppenjan and Klijn (2004). *Managing uncertainties in networks: A network approach to problem solving and decision making*. New York: Routledge.

6. *May 18th* *Processes of PPPs: planning 2*

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An understudied but important aspect of PPP planning is stakeholder involvement; stakeholders to the project can influence the project's development.<sup>11</sup> Therefore, it is important to consider them in project planning: how are stakeholders identified, and how are/should they be involved? Today, we look into these questions, and you will start mapping the stakeholders of your selected PPP case for your research project.

*Class objectives:*

*Level Objective*

2. Explaining opportunities and challenges of stakeholder involvement in the plan development for the governance of complex issues.
4. Identifying PPP project stakeholders and analyzing their (potential) influence in your PPP project.

Related course objectives: understanding (level 2) and analyzing (level 4).

Literature:

De Schepper, Dooms, and Haezendonck (2014). Stakeholder dynamics and responsibilities in public-private partnerships: A mixed experience. *International Journal of Project Management* 32 (7), 1210-1222.

El-Gohary, Osman, and El-Diraby (2006). Stakeholder management for public-private partnerships. *International Journal of Project Management* 24 (7), 595-604.

[This article is optional.](#)

7. *May 25th* *Research project: no class*

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Because of Pentecost, there is no class this week, but I will be available for questions by [email](#). You can work on your research projects. The next week, we will have a midterm plenary discussion about your research projects. The deadline for submitting your concept report is **May 28th**.

8. *June 1st* *Research project: presentations and discussion*

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In this class, you will present about your research projects thus far. Commenting on each other's concept reports, we aim to further our understanding of the complexity, challenges and opportunities of PPPs. We will also identify points of concern for the further development and successful completion of your research reports.

*Class objectives:*

*Level Objective*

3. Explaining the planning and implementation of the PPP projects.
4. Identifying and explaining opportunities and challenges in the planning and management of the PPP projects.
5. Providing constructive criticism on the quality of each other's preliminary analyses.

Related course objectives: analyzing (level 4), and evaluating (level 5).

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<sup>11</sup> In PPPs, the stakeholder dynamics are different from traditional projects, because public and private partners bring different stakeholders to the project.



9. June 8th *Processes of PPPs: implementation 1*

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As we saw before (e.g., Klijn and Teisman, 2003; fourth class), fundamental boundaries between the public and private partners challenge partnership. How can these boundaries be crossed or managed in such a way that the PPP seizes its intended opportunities and realizes its goals? That is the topic of today's class.

*Class objectives:*

*Level Objective*

2. Explaining opportunities and challenges of public-private cooperation in project implementation for the governance of complex issues.
4. Identifying challenges to and opportunities for public-private cooperation in your PPP projects.

Related course objectives: understanding (level 2) and analyzing (level 4).

Literature:

- Van Marrewijk, Clegg, Pitsis, and Veenswijk (2008). Managing public-private megaprojects: Paradoxes, complexity, and project design. *International Journal of Project Management* 26 (6), 591-600.
- Jones and Noble (2008). Managing the implementation of public-private partnerships. *Public Money & Management* 28 (2), 109-114.

10. June 15th *Processes of PPPs: implementation 2*

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Today, we will have a closer look at stakeholder management in the implementation of PPP projects. Compared to stakeholder involvement in planning (sixth class), in implementation the position of stakeholders changes. You will map the stakeholders and stakeholder management in the implementation of your project, which allows us to reflect upon the changing role of stakeholders through the PPP lifecycle.

*Class objectives:*

*Level Objective*

2. Explaining the importance of stakeholder management in project implementation for the governance of complex issues.
4. Identifying the stakeholder management practices in the project implementation of your PPP projects.

Related course objectives: understanding (level 2) and analyzing (level 4).

Literature:

- De Schepper, Dooms, and Haezendonck (2014). Stakeholder dynamics and responsibilities in public-private partnerships: A mixed experience. *International Journal of Project Management* 32 (7), 1210-1222.
- El-Gohary, Osman, and El-Diraby (2006). Stakeholder management for public-private partnerships. *International Journal of Project Management* 24 (7), 595-604.

11. June 22nd *Processes of PPPs: implementation 3*

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In this third class on PPP implementation, we will have a closer look at two evaluations of the implementation of two different types of PPP projects. You are expected to have read the articles prior to class. In class, we will compare the two project analyses so as to draw lessons from this comparison.

*Class objectives:*

*Level Objective*

4. Identifying challenges in the implementation of PPP projects.
5. Evaluating the implementation of PPP projects.
6. Proposing alternative approaches to PPP project implementation for the two respective projects.

Related course objectives: analyzing (level 4), evaluating (level 5), and creating (level 6).

Literature:

- Verweij and Gerrits (2015). How satisfaction is achieved in the implementation phase of large transportation infrastructure projects: A qualitative comparative analysis into the A2 tunnel project. *Public Works Management & Policy* 20 (1), 5-28.
- Verweij (2015). Achieving satisfaction when implementing PPP transportation infrastructure projects: A qualitative comparative analysis of the A15 highway DBFM project. *International Journal of Project Management* 33 (1), 189-200.

12. June 29th *Processes of PPPs: evaluation*

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Given the heterogeneous and complex nature of PPPs, evaluating them is not as straightforward as it may seem. But if we want to know what kind of public-private partnerships work, under what circumstances, for whom, and why, we need to evaluate them still. In this class, we discuss some of the challenges of evaluating partnership projects, and reflect on those of your research projects.

*Class objectives:*

*Level Objective*

2. Explaining the challenges of evaluation in and of public-private partnerships.
- 4/5. Identifying the strengths and weaknesses of your PPP project evaluations.
6. Proposing recommendations for PPP project evaluation.

Related course objectives: understanding (level 2), analyzing (level 4), evaluating (level 5), and creating (6).

Literature:

- Jeffares, Sullivan, and Bovaird (2013). Beyond the contract: The challenge of evaluating the performance(s) of public-private partnerships. In: Greve and Hodge (2013), *Rethinking public-private partnerships: Strategies for turbulent times*, pp. 166-187. New York: Routledge.
- Lehtonen (2014). Evaluating megaprojects: From the 'iron triangle' to network mapping. *Evaluation* 20 (3), 278-295.

*13. July 6th*      *Research project: presentations and discussion*

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Today, you will present about your research projects so far. The deadline for submitting your concept report is **July 2nd**. Your concept reports and presentations will be reviewed by your colleague students, so as to further improve them towards the completion of your research projects.

*Class objectives:*      *Level*    *Objective*

4.      Identifying and explaining the opportunities and challenges in the planning, implementation, and evaluation of the PPP projects.
5.      Providing constructive criticism on the quality of the project analyses and evaluations.
6.      Discussing recommendations for more successful approaches to planning and implementing PPP projects.

Related course objectives: analyzing (level 4), evaluating (level 5), and creating (6).

*14. July 13th*      *Wrapping up*

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In today's meeting, we will wrap things up and we address any remaining issues towards the completion of the research projects. The deadline for submitting your research reports is **July 19th 2015**.