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Public-private partnerships for infrastructure development: Finance, stakeholder alignment, governance

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Book Review

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Levitt, R. E., Scott, W. R., & Garvin, M. J. (Eds.). (2019). *Public–private partnerships for infrastructure development: Finance, stakeholder alignment, governance*. Cheltenham, UK: Edward Elgar. 360 pages, £22/\$31,¹ ISBN 9781788973175.

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For various and well-documented reasons, public–private partnerships (PPPs) are popular governance models for delivering transport infrastructure projects and services. The last decades, we have seen a proliferation of scholarly research into PPPs (see Cui et al., 2018; Hueskes et al., 2019; Ke et al., 2009; Tang et al., 2010; Wang et al., 2018). We know from this literature that there is a huge variegation of definitions and manifestations of PPPs and experiences with PPPs (e.g., Hodge, 2010; Hodge et al., 2010; Soeipto et al., 2016), and that the performance of PPPs has over the years remained mixed and contested (Hodge & Greve, 2017; Palcic et al., 2019). To learn how the performance of PPPs can be improved, the comparison of different PPP models and experiences from different countries is an important way forward (cf. Van Assche et al., 2020). Comprehensive efforts to that aim are much needed. The volume *Public–Private Partnerships for Infrastructure Development: Finance, Stakeholder Alignment, Governance*, edited by R. E. Levitt et al. (2019), offers various valuable contributions to that agenda.

The volume addresses the governance, financing, and stakeholder management models for PPPs in the delivery of transport infrastructure projects and services. It has a clear focus on the United States, and as such offers detailed knowledge on the manifestations of PPP models and experiences in the United States. In various chapters, comparisons are drawn between the United States and countries with more “matured” PPP markets, such as Australia but also the United Kingdom and Canada. Those comparisons highlight the barriers to, and challenges for, the uptake and performance of PPP in the United States; and they result in proposals for institutional structures—that is, proposals for institutional design—to overcome the barriers and challenges.

The book emerged from research conducted at the Global Projects Center at Stanford University, research that has been influenced by various strands of literature, including: organizational theory and design, transaction costs economics, public administration, stakeholder management, and finance theory. The chapters are organized in five parts that all have their specific focus but which all, to lesser or more extent, address the interrelated challenges of PPP finance, stakeholder alignment, and

governance—as per the subtitle of the book. Across and within the chapters, theoretical discussion and empirical application alternate, often concluded with recommendations for the institutional design of PPPs in the United States. In the chapters, various research strategies are applied, including social network analysis, but mainly case descriptions, institutional analysis, and case or country comparisons. The book assumes that the reader has a decent amount of prior knowledge on PPP.

The book addresses the pressing question of how PPPs can be used to deal with the renovation and upgrade of aging and deteriorating infrastructure in the United States, a question that other matured economies such as the Netherlands are also facing (Busscher & Verweij, 2019). The insights that the book offers therefore also bear relevance beyond the United States. I will highlight only a few of those here. The chapters stress the importance, as part of a national strategy, to prioritize infrastructure investments through PPPs by developing investments programs; the importance of managing the differences between the public and private sector systems (Chapters 5 and 9), a failure of which to do so may lead to implementation difficulties; the dynamic and complex nature of the stakeholder environments involved in PPPs (e.g., Chapters 2, 4, and 7); as well as innovative ways in which these can be managed via the inclusion of stakeholders in novel institutional structures (Chapter 12) or crowdfunding (Chapter 13). The book also provides insights into the current state of PPP practice in the United States (Chapters 9–11), and the important role that PPP units can play in prioritizing and successfully designing PPPs (Chapter 11).

The book focusses on the United States and this is a logical consequence of the authors' affiliations. To gain more insight into PPPs for transport infrastructure development beyond the United States, a nice compeer can be found in, for instance, the edited volume by Roumboutsos (2016; for a review see Verweij, 2017), in which similar issues and questions are addressed for Europe. A risk with edited volumes is always that inconsistencies creep in the text; and this also happened in Levitt et al.'s (2019) volume. An issue I wish to highlight here, given the many concerns that have been raised about it in the literature (see for example, Wettenhall, 2010), concerns an inconsistency in how PPP is defined in the book. Some authors consider Design-Build (DB) as a type of PPP (Chapter 9), while others consider DB as “a derivative of design-bid-build” (p. 209) and therefore not a type of PPP (Chapter 10). Although the chapters are internally consistent in how they define the scope of the PPP concept, such inconsistencies do not help the convolution of PPP terminology in the literature that is creating “conflicting findings and inconsistent statements about the worth and merits of PPP” (Weihe, 2008, p. 430). Another comment is that the analyses of stakeholder complexity and dynamics in PPP remain rather descriptive, which is, admittedly, inherent to social network analysis. It does beg the question, though: What are the management implications of the observed complexities and dynamics? Literature on process management and the management of governance networks might provide valuable points of departure for studying those questions.

An interesting and valuable insight from the book is that it is important that contractual management (contractual mechanisms) and relational management (collaborative mechanisms) in PPPs are combined. Contracts between public and private sector

actors do not automatically produce favorable results and they need active collaboration and management to be successful. The book talks here of combining normative-cognitive and regulative institutions in the implementation of PPPs, explicitly building on the work of W. R. Scott on institutions and organizations. This interaction between different types of mechanisms, and also with the context of the PPP projects, is an interesting topic to further explore in empirical research. Such analyses are starting to appear more frequently (e.g., Benítez-Ávila et al., 2018; Van Gestel et al., 2012; Verweij, 2015; Warsen et al., 2019), and a next step will be to conduct them cross-nationally.

In conclusion, the editors of the book have collected a series of chapters that provide a valuable and contemporary look into the state of practice of PPP in the United States, it offers various interesting proposals for the improved institutional design of PPPs, and it inspires and strengthens the comparative research agenda on studying the performance and design of PPPs.

Note

1. eBook available from Google Play, ebooks.com, and other eBook vendors. The print book can be ordered from www.e-elgar.com.

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