The Rhetoric and Reality of Public-Private Partnerships

ROGER WETTENHALL
rogerw@management.canberra.edu.au
Center for Research in Public Sector Management, University of Canberra

Key words: public-private mixes, partnerships, blurred sectoral boundaries, state-market-civil society

Abstract

“Public-private partnership” (or “PPP”) is now a very-fashionable concept in discourse about public sector management. For many, following a British lead, it focuses on attracting private financing for public projects. However there are several other forms of public-private mix that are also often described as partnerships, and some of them are not nearly so new. This article notes that several nodes of interest have developed to explore these mixes/partnerships, and raises some questions about them. We should consider whether all such mixes can properly be described as partnerships. Also we need to know more about their long history, to investigate the possibility of developing a classificatory system to help us better understand the various forms, and to consider what conditions are necessary for successful mixing or partnering, in particular for protecting the public interest at a time when market forces exercise great power.

Partnership is the new fashionable concept: it is difficult today to open a public sector management journal, look at a prospectus for a public sector management conference or a publisher’s list of new books on public sector management, or even scan a policy statement about public sector management from a politician, without seeing a reference to it. The term partnership is now a dominant slogan in the rhetoric of public sector reform, arguably capturing that status from privatization which held similar dominance through the 1980s and 1990s. As privatization captured the minds of so many would-be reformers over those decades and produced its own huge literature, so, it would seem, partnership—especially in the form of public-private partnership (or PPP)—is about to do the same.

The weight of relevant discourse is already immense and, as with the discourse of privatization, it is impossible for any observer to do justice to it all, either to support the notion and the practice, to make criticisms, or simply to offer general comment.

My purpose in this article is three-fold. I begin by scratching the surface of recent public sector reform literature to indicate just how widespread these partnership references are. Then I identify some earlier (one might now suggest,
pioneering) identifiers of this rising phenomenon, and comment on three recent surveys. Finally I probe further some questions asked or hinted at in these treatments. Answers to them should assist the cause of precision in understanding and analyzing what is happening, though it is likely that much more work will need to be done before any sort of finality is reached.

Two limitations need immediately to be stated. First, because of my own long-term research interest in public enterprise and privatization, my principal focus is on state-market connections. State-community and market-community relations (in the new language of governance) are equally productive of discourse about partnership, but they are noted here only briefly. Second, since I am most “at home” with Australian developments, many of my examples and references will be drawn from the Australian experience and discourse. However, the phenomenon is nearly universal, and my discussion will draw examples from other countries (on the same scratching-the-surface basis) where they seem relevant to my argument, and draw also from some cross-country explorations with which I have had a personal connection.

**Much discussion, many senses**

A trawl through recent numbers of *Australian Journal of Public Administration (AJPA)* reveals both the frequency of references to partnership and the variety of senses in which they are used. In a useful exploration Ryan notes that “the language of contestability and competition” is being replaced in many liberal democracies throughout the world with “the language of public-private partnerships, cooperation and relationships”, with “new governance structures associated with ‘joined-up’ government (and) holistic government” assuming prominence in efforts to improve service delivery (Ryan, 2001: 104). Here partnership is seen as an advance on—almost an alternative to—“contracting-out and privatization”, and it has a positive relationship with discourse about “The Third Way”, mutual obligation and trust (Muetzelfeldt, 2001). But others see it not as an alternative to but rather as a feature of contracting-out practice, as a commercial partnership between purchasing agency and service providers defined by the terms of a legal contract (Chalmers and Davis, 2001: 83; Zifcak, 2001: 88). This distinction is important, and more will be said about it later in this article. The related development of network theory stimulates interest in “productive policy partnerships” (Colebatch, 2001).

These numbers of *AJPA* refer also to connected urgings from Australian Commonwealth government sources and from a Reference Group on Welfare Reform. There are calls variously for “social partnerships involving governments, business and communities”, a Commonwealth Community Strategy demanding “cohesion, partnerships and responsibility”, and a “Community-Business Partnerships Program” (Chalmers and Davis, 2001: 79; Hess and Adams, 2001: 15). The last is a pet project of Prime Minister Howard drawing from recent