

# How do professionals perceive the governance of public-private partnerships? Evidence from Canada, the Netherlands and Denmark.

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## ABSTRACT

In public–private partnerships (PPPs), the collaboration between public and private actors can be complicated. With partners coming from different institutional backgrounds and with different interests, governing these partnerships is important to ensure the projects' progress. There is, however, little knowledge about the perceptions of professionals regarding the governance of PPPs. This study aims to explore professionals' viewpoints about governing PPPs, and to explain potential differences using four theoretical governance paradigms. Using Q-methodology, the preferences of 119 public and private professionals in Canada, the Netherlands and Denmark are explored. Results show four different viewpoints regarding the governance of PPPs. Experience, country and the public–private distinction seem to influence these viewpoints. Knowledge of these differences can inform efforts to govern PPPs and contribute to more successful partnerships.

## 2.1. INTRODUCTION

Public–private partnerships (PPPs) are by now a well-established organizational arrangement to provide public goods and services (Grimsey & Lewis, 2004<sup>a</sup>). These partnerships can be defined as “*co-operation between public and private actors with a durable character in which actors develop mutual products and/ or services and in which risks, costs, and benefits are shared*” (Klijn & Teisman, 2003: 137). The most well-known PPP model is the long-term infrastructure contracts (LTIC) in which several project phases (design, build, finance, maintenance) are integrated. This allows for lower coordination costs and optimization gains between project phases (Greve & Hodge, 2013).

PPP is a hybrid arrangement in the sense that it cuts across the public and private domain and aims to combine public and private practices that may prove to be hard to align. The variety of governance ideas and mechanisms associated with it emphasizes its hybrid character (Alam et al., 2014; Quélin et al., 2017). For instance, public–private partnerships reflect elements of the New Public Management (NPM) paradigm, including the strong focus on performance indicators and contracts as safeguard against opportunistic behaviour (De Palma et al., 2012). Simultaneously, there are clear indications of a collaborative governance paradigm, emphasizing collaboration, trust, and horizontal coordination to achieve win-win solutions (Klijn & Teisman, 2003). Because of the different governance ideas associated with PPPs, partners in PPPs can hold very different views on the most appropriate and desired governance perspective and mechanism (Cheung et al., 2010). This may lead to a mismatch of attitudes and expectations.

Currently the literature on PPP governance is well developed on a macro- and meso-level (Van den Hurk & Verhoest, 2015; Hodge et al., 2018; Wang et al., 2018). For example, Hueskes et al. (2017) focus on governance instruments to realize sustainability consideration in PPPs. It is also widely identified that partners in PPPs do not always share the same expectations and perceptions, which may lead to suboptimal performance or straightforward failures (Bowman, 2000; Reynaers & van der Wal, 2018). However, less systematic research has been done on a micro-level, examining the perceptions of professionals regarding PPP governance. Exceptions are Hodge et al. (2017) who study how Australian professionals react to PPP governance after the contract has been signed and Willems et al. (2017) who asked Belgian professionals about their perception of PPPs. Yet, a gap exists with regard to systematic, cross-country comparative research in this respect. Although the application of LTICs is an international practice in which there has been considerable policy transfer and emulation between countries, governance ideas and practices have specific effects and meanings in different administrative contexts (see Hodge et al., 2017). The research presented in this article aims to fill that gap by systematically analysing the percep-

tions of PPP professionals in three countries with various levels of PPP experience: Canada, the Netherlands, and Denmark.

The central question of our study is: *How do professionals involved in public-private partnerships in Canada, the Netherlands, and Denmark perceive the (ideal) governance relationship in these partnerships?* We use Q-methodology which is especially suitable for identifying and systematically analysing these viewpoints (Watts & Stenner, 2012).

In the remainder of this article, we first distinguish the four theoretical governance paradigms used to formulate statements for the Q-methodology. Then, both Q-methodology and the respondent selection are explained. Next, the analysis of the viewpoints of PPP professionals shows four different profiles. Finally, we address important conclusions and limitations and consider avenues for future research.

## 2.2. GOVERNANCE PARADIGMS AND PPPS: A THEORETICAL EXPLORATION

Within the literature on governance and public-private encounters, we can distinguish paradigms that share a specific focus on values or governance instruments. In this section, we highlight four paradigms that have proven to be recognizable and relevant in the view of both academics and practitioners: Traditional Public Administration, New Public Management, Collaborative Governance, and a private governance mechanism (compare: Christensen & Laegreid, 2011; Ansell & Gash, 2008; Osborne, 2010; Koppenjan, 2012). These paradigms are not the only possible way to distinguish ideas on governance nor are they mutually exclusive (e.g. Pollitt & Bouckaert, 2017). Hence, we do not strive towards a definitive clustering of the governance literature but use the paradigms as a heuristic instrument to identify and distinguish the perceptions guiding actors involved in PPPs and inform the development of the Q-set.

### 2.2.1. Traditional Public Administration: safeguarding public values

The first theoretical paradigm to typify the way professionals may think about governing PPPs is that of traditional public administration (TPA). TPA focuses on governance as safeguarding public values and achieving political goals (Wilson, 1989). The primacy of politics is an important principle, implying that political decisions are taken by democratically elected politicians and that the administration is under formal control of political leadership. The presence of impersonal and stable rules shields citizens from arbitrariness, power abuse, and personal whims (Hughes, 2018). With regards to the relationship with private partners, this implies that interaction should follow clear regulations. The explicit standardization of roles, processes, and rules makes interaction predictable (Hughes, 2018). Safeguarding public values, like impartial-

ity, equality, and transparency is key now that private parties are involved in public service delivery. The large interests involved and the lack of transparency of PPP-arrangements may threaten democracy and create risks of collusion and corruption (Bowman, 2000). PPP projects should be publicly defined, and politicians maintain the freedom to take political decisions. Private parties might have to be compensated for new policies or political decisions, even if this limits the effectiveness and efficiency of PPPs. This traditional model is now being challenged as rapid changes in society have led to the rise of different paradigms, like New Public Management (Hughes, 2018).

### **2.2.2. New Public Management: running government like a business**

The New Public Management (NPM) paradigm focuses on efficiency and effectiveness using (performance) management and competition (Hood, 1991; Christensen & Lægreid, 2011). Governments define goals, translate these into output- and performance indicators, and then decide through a competitive tendering process who delivers the service (Hood, 1991). NPM both had a principal-agent focus (making managers manage) and a managerial focus (letting managers manage) (Christensen & Lægreid, 2011). When governments act as principals towards private partners that are considered self-interested agents, strict contract management is needed to keep the agent to the contract. However, this principal-agent relationship is vulnerable to strategic behaviour from both sides (Shaoul, 2005). The principal may impose unrealistic contract conditions and the agent will only fulfil the obligations made explicit in the contract and will be inclined to cut corners if allowed (Leruth, 2012). In the managerial focus, a 'letting managers manage' approach may lead to a more balanced relationship between both partners. However, business-like control systems are still used to hold them accountable for their results.

### **2.2.3. Collaborative Governance: managing performance through joint interaction**

The collaborative governance paradigm in the context of New Public Governance focuses on public decision-making and service delivery in networks of mutually dependent actors. It emphasizes the importance of interdependencies, collaboration, and coordination (Ansell & Gash, 2008; Osborne, 2010). Public goals are defined and implemented through a process of interaction and negotiation, aimed at realizing in win-win situations (Klijn & Koppenjan, 2016<sup>a</sup>). Governing PPPs implies collaboration and negotiation between actors in a horizontal way and the creation of conditions that facilitate these processes. Relationships are less defined as principal-agent relationships, but rather as partnerships and stewardship relations, in which actors have a mind-set that stimulates them to collaborate (Koppenjan, 2012). This requires the acknowledgement that interests diverge, the sharing of risks, and a joined effort in

managing PPPs (Grimsey & Lewis, 2004<sup>b</sup>). This paradigm assumes close interaction between partners, or even joint activities and joint teams (Klijn & Koppenjan, 2016<sup>a</sup>). In contrast to NPM, the focus is less on contracts and more on relational governance and mutual trust (e.g. Alam et al., 2014).

#### 2.2.4. Privatized governance

A fourth paradigm represents the business perspective of PPPs and builds upon the ideas of privatization and self-governance. Some scholars consider PPP as a move toward privatization (e.g. Savas, 2000). Promises of more efficient and innovative service delivery require governments to transfer tasks and risks to the private sector (Greve & Hodge, 2013). Governments should leave the daily management of the PPP project to the private companies so they can use their expertise, skills, and creativity to determine how to execute, manage, and monitor their tasks (Bovaird & Sharifi, 1998). This paradigm is very much in line with the original principles of PPPs as it originated in the Private Finance Initiative in the UK. The initial idea for PPP was to let private finance into the project and let the private sector take much of the risks and responsibilities. The Private Finance Initiative was very much about tapping into private sector expertise, both in terms of acquiring finance, but also for using private sector expertise in the design, build, and maintenance (Shaoul, 2005). As such this paradigm emphasizes a form of governance that leaves the daily project management and the initiative to the private sector after the framework conditions have been agreed on.

#### 2.2.5. The four paradigms compared

The governance relationship between government and private parties can thus be perceived in very distinct ways. In practice, of course, mixes of these paradigms are possible and likely, but each paradigm has a distinct focus and approach to public-private partnerships. In this study, we aim to explore and present different perspectives on the governance of PPPs, using these theoretical paradigms as a starting point. Table 2.1 provides an overview of the main characteristics of the four paradigms.

### 2.3. RESEARCH DESIGN: A COMPARATIVE STUDY USING Q-METHODOLOGY

In this section we will first elaborate on our decision to include professionals from Canada, the Netherlands, and Denmark in this study, and then provide a general overview of Q-methodology and the Q-sort statements we have designed. Finally, we discuss the respondents' selection.

	Traditional Public Administration	New Public Management	Collaborative Governance	Privatized governance
Focus	Achieving political goals and safeguarding public values	Improving efficiency and effectiveness of service delivery	Improving inter-organizational coordination and collaboration	Private partners take most risks and responsibilities
Roles of public officials	Neutral bureaucrat	Monitoring entrepreneur	Partner and Network Manager	Distant facilitator
Relations private parties with government	Safeguarding the primacy of politics and political control	Principal-agent relationship governed by contract (management)	Partnership with intensive interactions aiming at high trust relationships	Limited interactions between partners. Autonomy of private partners.
Core ideas/ management techniques	Rules and regulations	Using business instruments (contracts and performance indicators)	Ongoing collaboration, negotiation and network management	Improving the use of expertise by enhancing and facilitating autonomy of private parties

Table 2.1 Four paradigms on governing public private partnerships

### 2.3.1. Country selection: Canada, the Netherlands, and Denmark

By now, PPPs have been adopted by many countries around the world. Given the international debate about PPPs (e.g. at the World Bank, the PPP knowledge lab, and the European PPP Expertise Centre) and the fact that most countries base their PPPs on the British Private Finance Initiative- model, one might expect that the use of PPPs is similar in most countries. However, research shows that practices and governance ideas of PPPs vary across countries (Hodge et al., 2018). Besides administrative traditions, the moment of adoption and experience with the PPP-model may influence the development of the discourse regarding PPP in a given country. Therefore, this study adopts a comparative perspective. Canada, the Netherlands, and Denmark all make use of the PPP-model, but differ in their experience with PPPs, their use of PPPs, and national government support for PPPs. Canada is an early adopter with much experience with PPPs, while Denmark is a late adopter and has limited experience with the PPP-model. The Netherlands is an experienced user of the PPP-model. It shares many of its administrative traditions with Denmark (both fit in the Rhineland tradition), but in terms of support for, and policy on PPPs, both countries take an entirely different approach. So, our study includes two countries (Netherlands and Denmark) that differ from each other in terms of active PPP policy, but share the same administrative tradition, and we have one country (Canada) as comparison with a significantly different administrative background (Anglo Saxon).

Canada is considered a global leader in using PPPs. Between the early 1990s and 2018, over 200 infrastructure projects are or have been developed through PPPs. As a result of the constitutional allocation of powers in the country, most PPPs in Canada

are led by the provincial governments, resulting in variations in regulatory structures, practices, and cultures of PPPs across the country. In general terms, PPPs in Canada can be divided into two waves. A first wave of projects beginning in the early 1990s that sought to attract new revenue through user fees, transfer significant risk and responsibility to the private sector, and faced criticisms about high costs and a loss of government control over public assets (Vining & Boardman, 2008). The second wave of PPP projects beginning in the early 2000s maintain considerable government control over policy setting and asset ownership, while aiming to achieve value for money by implementing pay for performance models using availability payments (Siemiatycki, 2015). Based on this history, it would be expected that Canadian practitioners see PPPs within the framework of traditional or new public management approaches to governance, where there remain firm delineations between the public and private sectors and the PPP is seen as a performance based contract rather than a vehicle to govern through collaborative relationships.

Since the late 1990s the Netherlands has proven one of the most committed followers of the British Private Finance Initiative model. Similar to the Canadian context, the initial aim was to attract private investments in public infrastructures. Most PPPs in the Netherlands take place on a national level, with the PPP expertise centre of the Ministry of Finance leading the introduction of these contractual partnerships. However, it took until 2004 until a substantial number of projects were developed. In contrast to many other countries adopting PPPs, availability payments became the dominant financial arrangement in the Netherlands as existing legislation excluded the use of user payments (Koppenjan & de Jong, 2018). In response to challenges with PPPs, the highway and water management agency Rijkswaterstaat and various private parties initiated a new approach to PPPs: the so-called Marktvisie. Despite elaborate contracts, more attention should be given to developing high-trust relationships (Rijkswaterstaat, 2016). The expectation would therefore be that Dutch professionals attenuate some of the importance of contract-oriented governance mechanisms that were originally part of Dutch PPPs and carefully try to combine these with attention for trusting relationships between project partners.

Denmark has traditionally been a slow-moving country in implementing PPP projects. Only in the first part of the 2000's did PPPs make their way onto the policy agenda in Denmark. The first PPPs were realized by local governments. Officially Denmark now counts 47 PPP projects, but only 30 include private finance (Danish Competition and Consumer Authority, 2018). To date, the Danish national government has not endorsed an official PPP policy or strategy nor is there an official, specialized governmental PPP unit. Instead, it is up to ministries and local governments individually to decide if they want to go ahead with the PPP model. In consequence, each PPP is treated as a stand-alone project. Scholars have noted how PPP develop-

ment in Denmark has been marked by a variety of challenges, most of them created internally in Denmark by the government (Petersen, 2011). Nevertheless, the number of PPPs in Denmark is rising, especially in the area of social infrastructure as several Danish local governments are continuing to explore the PPP option. The expectation would therefore be that Danish professionals view PPP from a pragmatic perspective of what will work or not, and that the professionals do not have high expectations for a systematic and coherent PPP policy framework provided by the government.

### 2.3.2. Using Q-methodology: designing statements

Q-methodology, introduced by William Stephenson in the 1930s, is designed to analyse perceptions of individuals on a specific topic and it is increasingly used by public administration scholars (Watts & Stenner, 2012). Participants in the study (the P-set) are asked to sort a set of statements representative of the debate on a topic (the Q-set) into a distribution of their preference. From this distribution, statistically significant factors can be derived and interpreted (Watts & Stenner, 2012). Each factor distinguishes a group of individuals who have ranked the statements in a similar fashion, and thus share a similar perspective about this topic.

The Q-methodology is done according to a three-step procedure. The *first* step concerns the design of the Q-set. This set of statements can be designed using interviews, policy and media discourses, or academic discourses (Jeffares & Skelcher, 2011). In this paper we take the academic discourse as a starting point using four theoretical governance paradigms to capture the governance debates among PPP-professionals (examples are Durning & Osuna, 1994; Klijn et al., 2016<sup>b</sup>; Nederhand et al., 2018). The academic discourse also allows us to relate the empirical results to existing theoretical debates. The statements in our study stemming from the first three paradigms are derived, but somewhat adapted, from an earlier Q-sort study by Nederhand et al. (2018). The statements based upon the last paradigm were developed specifically for this study. All in all, a total of 24 statements were used (see Table 2.2), which should largely cover the debate on governing PPPs.

### 2.3.3. The P-set: The participants

The *second* step is to present the study to participants. Potential participants in Denmark and Canada were identified by an online search, using LinkedIn, news items on specific projects, and websites of organizations involved in PPPs. In the Netherlands, invitations were spread among professionals in a Dutch network of PPP practitioners to get a representative sample. Given the demographic of our P set, we decided to administer our study online using an application called POETQ (Jeffares & Dickinson, 2016). All selected professionals received an invitation to participate via email. They were also invited to forward the invitation to relevant colleagues. Besides an initial in-

Ideal type/ basic mechanism	What is steering?	Who is steering?	What does the steering mechanism look like?
<b>Guiding principle:</b> In public-private partnerships, it is important...	1 ... to safeguard public values like equality, democracy and transparency.	5 ... that political authorities play a significant role in formulating the aim and direction of the project.	9 ... that impartiality and the public interest, as the most important values, come first.
	2 ... to reward private consortia when they contribute to the efficient realization of policy goals.	6 ... to define clear performance criteria to hold private consortia in the partnerships accountable.	10 ... to establish a performance-based relationship between public and private partners.
	3 ... that collaboration takes place on an equal basis between public professionals, private contractors and other relevant involved actors.	7 ... for public professionals and private partners to jointly determine how to support each other during the project.	11 ... to compose mutually agreed rules of behaviour so that both partners know what to expect.
	4 ... that the private partner makes its own decisions on the realization of the project within the scope of the contract.	8 ... that the private partner is given the opportunity to monitor its own performance.	12 ... that the private partner is responsible for the implementation of the project, assisted by public professionals where required.
<b>Role of the public professional:</b> The public professional must...	13 ... prevent that the functioning of public-private partnerships results in unwanted situations (like exclusion, arbitrariness).	17 ... keep a clear view of, and control on, what happens in public-private partnerships.	21 ... check if nothing happens that might conflict with governmental policies or the requirements in the contract.
	14 ... apply strict contract management and monitor the performance of the private consortium.	18 ... encourage the private partner to be transparent about their performances.	22 ... hold private partners accountable for delivering on the output specifications and apply sanctions if performance falls short.
	15 ... guarantee the collaborative process between partners and create the right conditions to achieve synergy between them.	19 ... encourage an open attitude towards intensive collaboration and consultation between partners in a public-private partnership.	23 ... work together with private consortia in public-private partnerships and their partners to achieve public goals.
	16 ... not prescribe how private partners should carry out their duties within the project.	20 ... remove obstacles and barriers encountered by the private partner that hinders them in doing their job.	24 ... have confidence in the private partners to manage their own consortium based on their own expertise.

Table 2.2 Statement sampling grid

itation, several reminders were sent out. On average, the response rate was 30.4 per cent. In total, 119 public and private professionals from Denmark (40), Canada (44), and the Netherlands (35) responded. The data was collected between June – September 2017 in Denmark, and from May – August 2018 in Canada and the Netherlands. There are 77 participants working for the public partner and 42 participants working for the private partner, all of them involved in PPPs, either working on actual PPP projects or

operating at a management level in organizations that deal with PPPs. Table 2.3 and 2.4 show the type of organizations and functions they work in.

Type of organization	Number of participants
Central government	36
Local or provincial government	28
Construction firm	21
Consultancy firm	9
Law firm	3
Other	21

Table 2.3 Overview of participants based on the organization they work for

Type of profession	Number of participants
Project leader	38
Private sector manager	18
Public sector manager	14
Contract manager	10
Legal manager/ advisor	8
Technical manager/ advisor	7
Financial manager/ advisor	6
Consultant	4
Other	14

Table 2.4 Overview of participants according to their profession

The *third* step concerns the sorting process. This process takes place in three stages. First, the participants were asked to state whether they agreed, disagreed, or had a more neutral viewpoint towards each of the 24 statements (which were presented in a random order). Then, the participants sorted the statements into a grid, ranging from ‘most agree’ (+3) to ‘least agree’ (-3) (see Table 2.5). Respondents had to choose between the statements, as only a limited number of statements could be placed in each pile. It is important to stress that the participants were not presented with the theoretical paradigms.

Ranking value	-3	-2	-1	0	+1	+2	+3
Number of items	2	3	4	6	4	3	2

Table 2.5 Forced-choice frequency distribution

In the third stage, participants are shown their fully sorted grid, and given the opportunity to make adjustments before confirming the order of the sorted statements. This double-check method used in the POETQ program enhances the reliability of

our findings since respondents have to check and confirm their choices. Moreover, participants were asked to reflect on their choices for statements at the extremes of the grid (-3 and +3). The vast majority of the respondents (107 out of 119) used this opportunity to clarify their choices. Finally, as an extra step regarding the robustness of the results we performed a linear regression for each profile to check whether the perceived differences, between countries and between professionals working for the public and the private partner, hold. The results can be found in Appendix IV.

## 2.4. RESULTS

### 2.4.1. Four profiles on governing public-private partnerships

The factor analysis, performed with the software package PQ-method (Schmolck & Atkinson, 2013) resulted in the extraction of four factors. For the interpretation of the factors we used factor interpretation crib sheets (for an example, see Appendix II). 55 out of the 119 participants are significantly associated with one of these factors ( $p < .01$ ). The total explained variance of 43% is sufficient (Jeffares & Skelcher, 2011: 199). Since each factor represents a group of respondents with a certain viewpoint towards PPP governance, we refer to the factors as profiles.

#### *Profile 1. Privatized governance within boundaries*

Profile 1 has an eigenvalue of 25.15 and explains 10% of the study variance after rotation. Eleven respondents are significantly associated with this factor ( $p < .01$ ). According to this profile, private partners should be given room in the realization of the project. The notion of 'giving room' is based upon one central idea in this viewpoint: that in PPPs risks and responsibilities are transferred from the public partner to the private partner. To deal with these risks and responsibilities private partners need the freedom to realize and manage the project (4: +2; 24: +2).<sup>3</sup> This implies that involvement from the public partner is undesirable. The public partners should not prescribe how private partners carry out their tasks, apply strict contract management nor keep a clear view of what happens in the project during the realization (16:+3; 14: -3; 17: -2). Professionals in this profile suggest that close involvement of the public partner might lead to transferring risks and responsibilities back to the public partner, which undermines the contractual control mechanisms. "*Not to say the public partner cannot support the private partner in a collaborative approach, as long as risk is not transferred back to the public partner.*" (Respondent 10). Consequently, this profile places

<sup>3</sup> The numbers between brackets refer to: the statement, and the position of the statement in the sorting scheme ranging from -3 to +3.

very little emphasis on close collaboration between both partners (7: 0; 19: 0; 20: -2; 23: -1) compared to other profiles. The freedom of the private partner is only limited by output specifications. If the performance criteria are met or exceeded no additional reward is given (2: -3). However, if performance falls short, sanctions should be applied (22: +3). Thus, this first profile on PPP governance allows for extensive freedom for private partners, as long as they meet the output criteria.

### *Profile 2. Collaboration is key*

Profile 2 has an eigenvalue of 10.01 and explains 13% of the study variance after rotation. 21 respondents are significantly associated with this factor ( $p < .01$ ). This profile places strong emphasis on collaboration. Both partners should be working together on an equal basis (3: +2). Professionals associated with this profile stress that it is important to jointly determine how to support each other (7: +3), to encourage an open attitude towards intensive collaboration (19: +3), and compose mutually agreed rules of behaviour (11: +2). In particular the long term nature of PPPs makes collaboration essential: *“Often PPPs are long term projects – most lasting 30 years. You cannot optimize efficiencies and ensure success for that amount of time without the right synergy.”* (Respondent 35). Due to the long term, there are always unforeseen circumstances that require the flexibility a good collaboration provides. This might be beneficial for both public and private partners (Respondent 93, 104). With collaboration comes a certain degree of trust and confidence (24: +2). Strict control is considered less important than horizontal collaboration (17: -2; 22: -1; 14: -2). This second profile emphasizes the risks of incomplete contracts and highlights the role of strong relationships and joint action.

### *Profile 3. Accountability and performance*

Profile 3 has an eigenvalue of 9.62 and explains 10% of the study variance after rotation. Thirteen respondents are significantly associated with this factor ( $p < .01$ ). In this profile, professionals hold the viewpoint that PPPs should be governed as performance-based relationships in which the private partner is held accountable on the basis of clear performance criteria prescribed by the public partner (10: +3; 22: +2; 6: +3; 16: -2). For professionals, clarity is a key factor in PPP governance. There have to be clear expectations, clear rules, and clear performance criteria defining the roles of both partners in the project (Respondents 8, 23, 32). Public professionals should not control the process (17: -2). They do however have an important role: *“...the public sector has to closely monitor and enforce the contract to ensure performance”* (Respondent 23). Collaboration is possible (23: +2, 11: +2), but within the existing roles and responsibilities of each partner. It is not (only) the public partners’ responsibility to realize the collaborative processes or remove barriers and obstacles for the private partner (15: -3; 20: -3). Profile 3 thus seems to put strong emphasis on clarity. Collaboration,

although possible, is considered less important than the need for performance criteria and proper monitoring by public professionals.

*Profile 4. The private partner leads the way*

Profile 4 has an eigenvalue of 6.49 and explains 10% of the study variance after rotation. Twelve respondents are significantly associated with this factor ( $p < .01$ ). In this profile, PPPs are viewed as independent projects rather than as part of a broader public policy. Professionals attach limited importance to the role of political authorities and traditional public values in PPP projects (5: -1; 1: -3; 9: -2). Instead of a strong dominating government, professionals prefer managerial freedom for the private partner. They should be given responsibility and consequently make their own decisions regarding the realization of the project (16: +3; 4: +3; 12: +2). The private partner should be rewarded when they contribute to the efficient realization of policy goals (2: +2). Professionals associated with this profile argue that *“the private consortium has the experience and knowledge to do the job right”* (Respondent 22). The dominant role of the private partner does not dismiss the public partner from all responsibilities. After all, *“the ultimate project is still public.”* (Respondent 20). There has to be some public oversight, and public professionals are supposed to enable private partners by removing obstacles that hinder them in doing their job (20: +2). Clearly, this profile leaves the initiative to the private partner in finding ways to organize and realize PPPs, using their expertise to do so.

#### 2.4.2. Comparing the four perspectives

The viewpoints presented in the four profiles can be differentiated upon two relevant dimensions: the most prominent governance mechanism on the one hand, and the degree of managerial freedom for the private partner on the other hand (see Figure 2.1).

Professionals associated with profile one and profile three attach most importance to the accountability of the private partner and suggest that the public partner should enforce some form of control. This is especially the case in profile three. The biggest difference between these profiles lies in the managerial freedom given to the private partner during the construction of the project. This managerial freedom is valued most by professionals associated with profile one and profile four. The latter viewpoint emphasizes the expertise and managerial freedom of private partners most of all profiles. In contrast to profile one, this profile attaches less value to control and accountability. Instead, public professionals are considered enablers, helping private partners to overcome barriers that hinder them in doing their job. This collaborative attitude resonates most with the professionals associated with profile two. In this profile PPPs are viewed as horizontal partnership relations between partners. In neither

of the four profiles, statements regarding traditional public administration are highly valued. On average, these statements score low in almost every profile.

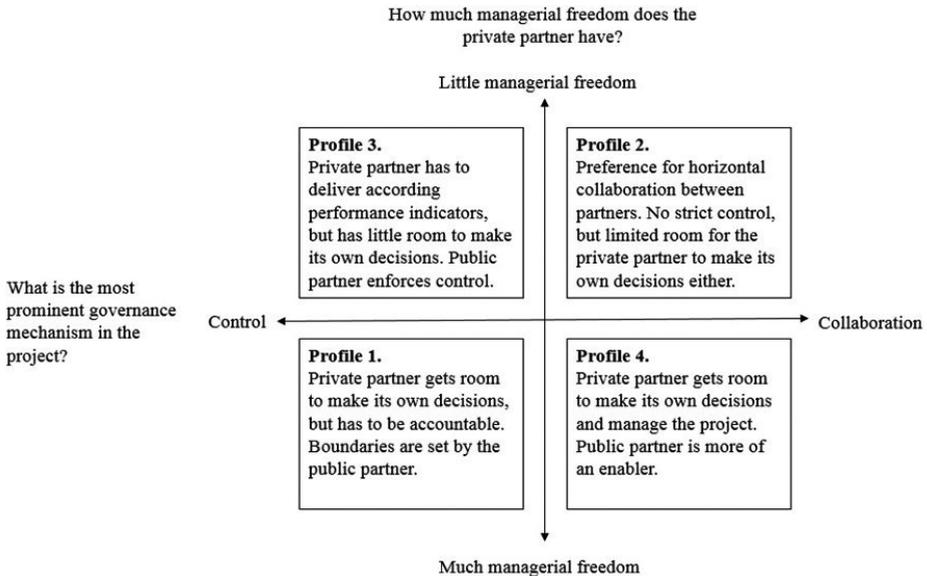


Figure 2.1 Differences between the four profiles.

### 2.4.3. Variation across country, project partner, and levels of experience

To explain the viewpoints of PPP professionals, we have run a separate analysis per country (see Appendix III) and a linear regression for each of the profiles resulting from the analysis presented above (see Appendix IV). Before turning to the results of the additional analysis, we stress that in each profile a mix of professionals from different countries, with different backgrounds, and different levels of experience is present. A profile therefore cannot be attributed to a single country. Instead, within each country PPP professionals may hold different views towards the governance of PPPs.

However, the results of the additional analysis show that some viewpoints are more dominant in one country than in another. These differences can be explained rather well on the basis of earlier research scholars have done on PPP in the different countries and on the country’s administrative traditions. For example, the professionals from Canada are often associated with profile three, in which a performance-based relationship is valued. The preference for this mode of governance might be explained by the publics’ expectation that governments are responsible for maintaining the public interest, resulting in a reticence for governments to fully relinquish control. The regression analyses show that their Dutch ( $p < .05$ ) and Danish colleagues ( $p < .01$ )

are significantly less associated with this profile than the Canadian professionals. In comparison the Dutch professionals in this study are significantly more likely to be associated with profile two ( $p < .001$ ) and prefer a collaborative form of governance. This aligns with the strong Dutch administrative tradition of compromise and horizontal working-relationships. This discourse is also reflected in recent developments like the Marktvisie (Rijkswaterstaat, 2016). Although the notion of collaboration seems dominant, a separate analysis of the viewpoints of Dutch professionals shows several Dutch professionals who share the viewpoints of the other three profiles. Finally, compared to their Dutch and Canadian colleagues the viewpoints represented by profile four are significantly more likely to adhere to professionals in Denmark ( $p < 0.01$ ). An explanation for this preference might be that, due to the lack of a clear PPP policy, the government's role in Denmark is one of confusion and incoherence. Therefore, it might be preferable to leave it to the professionals, and especially the more experienced private partner as local governments rarely have multiple PPP projects and thus limited experience. Regarding the first profile, the country has no significant effect on professionals' viewpoints.

The regression analyses also show some differences between public and private professionals. Again, both can be found in all four profiles, but private partners are significantly more positive about collaboration (profile two;  $p < .05$ ) and managerial freedom (profile four;  $p < .01$ ). There is also a negative correlation between professionals working in the private sector and the preference for profile one ( $p < .05$ ). When it comes to the third profile, there are no significant differences between public and private professionals. Finally, differences related to experience only occur in the fourth profile. Experienced professionals are more positive about managerial freedom for the private partner compared to relatively unexperienced professionals ( $p < .05$ ). This makes sense as experience will allow professionals to grow more comfortable with doing PPPs. Experienced private partners might feel more comfortable taking the lead, while experienced public professionals might have greater willingness to give them the lead. The full results of the regression analyses can be found in Appendix IV.

## 2.5. CONCLUSIONS

This article contributes to more insight in the nature of the diverging governance expectations among actors involved in PPP governance setting. Using Q-methodology this study shows that professionals hold different viewpoints on the governance of PPPs. Finding the right governance form to deal with complexities might be difficult for practitioners. Certainly because, as Van den Hurk and Verhoest (2015) state, PPP governance should be contingent in order to be effective (2015: 209). The profes-

sionals prioritize elements of the governance relationship in PPPs differently. Even though all respondents value clear performance indicators, mutually agreed rules of behaviour, and the opportunity for private partners to manage their own consortium to some extent, the priority given to these statements varies significantly. One shared viewpoint on PPP governance is that PPP professionals consider less the questions of safeguarding public values and the involvement of political authorities. Professionals indicate that politicians may determine the scope of the project in the early stages, but political influence during the realization of the project is seen as undesirable, as politics may be unpredictable, short term minded, and cause uncertainty to the project. PPP professionals are firmly focused on the project level (see the different levels of PPP in Greve & Hodge, 2013: 4), rather than considering PPPs as policy or governance style. This may be quite natural for them, as they are involved in the implementation of specific PPP projects and might not have time or energy to focus on the broader institutional level.

Given the international character of the PPP phenomenon, the professionals participating in this study were considered part of one community. Therefore, one overall analysis was performed. To a degree, the idea of an international PPP community holds, as most perspectives can be found in all countries. Differences only partially align with positions, domains, and countries. The international discourse on PPP seems to work out only slightly different in each country. Professionals in Canada, which is traditionally more oriented towards the Anglo Saxon tradition where NPM fits better, are more likely to embrace the idea that PPPs should be governed as performance-based relationships. In contrast, Dutch professionals are more likely to value close collaboration. One can clearly see the Dutch political culture of consensus (Hendriks & Toonen, 2001) but also the recent focus on trust and joint responsibility, in the PPP discourse (see Rijkswaterstaat, 2016). Danish professionals seem to attach most value to managerial freedom for the private partner. This viewpoint may result from the less explicit position of the Danish national government towards PPP compared to Canada and The Netherlands. So, there are some differences between professionals from different countries, but each of the four factors in our analysis still included a diverse group of practitioners. This means that the preferences of professionals are hard to predict and not solvable in advance.

Reflecting on how our findings impact upon theory, three lessons can be drawn. First, our empirical findings show that governance ideas of practitioners are of a hybrid nature, combining features of various paradigms. Even though, at first glance, the four profiles seem to resemble the theoretical governance paradigms, a closer look shows something different. For example, the traditional public administration model is almost absent in the viewpoints of PPP professionals. Furthermore, the first profile presents a mix of ideas stemming from New Public Management and

privatized governance. The third profile resembles many of the main NPM features. However, statements suggesting strict control are not preferred by these professionals, even though this is one of the core ideas in NPM. Thus, our study shows that the viewpoints of practitioners do not neatly follow the delineations and logics of the theoretical paradigms as we derived them from the literature. Not all theoretical paradigms are present in practice, and the perceptions of PPP professionals consist of hybrid ideas on PPP governance. Moreover, different hybrid viewpoints regarding PPP governance exist among PPP professionals. In several of the hybrid viewpoints, professionals often seem to combine NPM like features with collaborative governance features. In many theoretical contributions these two paradigms are presented as very distinct, but perhaps we have to reconsider and look at their similarities or at ways how they can be combined. Confirming PPP as a hybrid governance arrangement, this study presents interesting results on how theoretical paradigms are combined in practice. This may also inspire theorizing: where theoretical contributions for instance emphasize the different governance paradigms, we might focus more on the theoretical implications of hybrid arrangements that combine features of various paradigms (Quélin et al., 2017). Second, our research shows that country, level of experience, and the public-private distinction make a difference for the viewpoints of professionals. This is a confirmation that governance ideas and governance modes are dependent on country characteristics (Skelcher et al., 2011). Finally, our study confirms earlier work regarding de-politicization and the technocratic character of PPPs (e.g. Willems & Van Dooren, 2016). PPP professionals seem to struggle with politics and strong control exercised by politicians. This points towards an interesting research agenda: how are politics included in new governance arrangements like PPPs? It raises the question how the democratic legitimacy of these new governance arrangements can be enhanced?

The practical consequences of our findings can be several. The main implication is that, as the viewpoints of professionals may vary significantly, their preferences are hard to predict. It also means that professionals with different viewpoints regarding PPP governance might work in the same project, which could result in potential misunderstanding, disagreement, and even conflict. Therefore, when implementing PPPs, one has to be aware of the viewpoints and potential differences between these viewpoints, since these differences can frustrate the forming and implementation of PPP projects. Knowledge of the differences between professionals and their governance preferences can also foster a dialogue about those differences at the start of a project which helps to clarify expectations of professionals on how to govern PPPs, and if necessary, discuss (process) rules to deal with them. Dialogue within these projects is necessary to prevent misunderstanding, align expectations on governing the project, and thus contribute to successful PPP performance.

### *Limitations and suggestions for further research*

Our results have to be interpreted with care, since only 55 out of 119 respondents are associated with one of the factors. This is an important limitation in our study. The use of theory to design the statements might pose a risk in this respect, as we might miss part of the debate among professionals that is not reflected by the theoretical paradigms. However, the biggest issue regarding these factor loadings is the relatively low number of statements respondents had to sort. With 24 statements to sort, a respondent is significantly associated with a profile if the factor loading is 0.53 or higher (Watts & Stenner, 2012). This greatly reduces the number of respondents that load on a factor (with a significance of  $p < .01$ ). Adding more statements might have prevented this, but this makes it increasingly difficult for respondents to sort the statements, weigh their positions against each other, and argue convincingly which statements they agree with most and least. As some respondents already indicated that they found it challenging to rank 24 statements and given the fact that the explained variance of the study was sufficient, we would not opt for a larger number of statements. Instead, to deal with these factor loadings we would suggest pre-testing the statements to make sure that these statements cover the entire debate on the topic and resonate with the target group. If the statements are well designed, cover the debate, and are recognizable by the participants, this should allow research to have sufficiently explained variance without increasing the number of statements beyond the point where respondents struggle to explain their sorting of the statements.

Further research on PPP governance could follow up on the results found in this study with regard to the differences between professionals' viewpoints in an attempt to better explain and understand differences between the viewpoints of PPP professionals. After all, our study indicates that the public–private distinction, country, and experience do not fully explain the differences between professionals' viewpoints. For example, more international comparative research and widening the set of countries with different administrative traditions (e.g. Southern European or Asian countries) might prove useful in this respect. Other potential explanatory factors should also be included in future research. These could include, but are not limited to, the complexity of PPP projects, the background of the professional, and the different types of PPP projects professionals are working on. Furthermore, the different governance perceptions of professionals may pose a risk in PPP projects, potentially leading to misunderstandings and miscommunication. Further research might focus on how partners in PPP projects deal with the different expectations and perceptions of professionals regarding the governance of PPPs and try to align the viewpoints of professionals working in these projects. Finally, the results of this study may inspire further research into unravelling the implications of differences in governance perceptions among professionals, for example by addressing the relationship between governance

perspectives and PPP performance. To what degree do conflicting viewpoints of professionals on PPP governance have an impact on the projects' performance?

## INTERMEZZO 2.

The previous chapter shows that professionals have different preferences regarding the governance of public–private partnerships. Some prefer contractual governance mechanisms and align their governance preferences with the juridical (contractual) form of the partnership. Others prefer a more collaborative way of working, resulting in more relational governance mechanisms to govern the partnership. The suggestions that public and private partners in PPPs might be willing to work together in a more horizontal, collaborative way, turns our focus to the role of social relationships. Compared to the attention for more formal and contract-based forms of governance, the attention for soft and informal governance mechanisms is lacking behind (Verweij, 2018; Weihe, 2009). Besides formal and contractual relationships, informal social relationships exist between the organizations and professionals collaborating in public–private partnerships. What do we know about these social relationships between public and private partners? What is the quality of the relationship between project partners? Relational quality is not an often used concept in PPP research, but nevertheless it is relevant to know more about the quality of the relationship between project partners, in particular if it is to be used in the governance of PPPs. To enhance our understanding of relational quality in PPP, this idea needs to be further conceptualized and operationalized. Chapter 3 of this dissertation addresses this lacuna. It aims to provide more insight into the social relationships in PPPs by conducting a systematic literature review on relational quality in PPPs. It offers an overview of existing knowledge on this topic to present a conceptualization of the concept which can be used in further research into relational quality of public–private partnerships.