

# EPSU Briefing on Public-Private Partnerships (PPPs) "11 facts about public-private partnerships (PPPs)"

Update - December 2014

## **Introduction**

Public-private partnerships (PPPs) are not the answer to public finance constraints. This updated briefing from the Public Services International Research Unit (PSIRU) highlights the serious financial and operational problems that have arisen with PPPs.

The information draws on a wide range of empirical studies and evidence, and refers in particular to evidence from parliamentary enquiries on PPPs in the UK, which accounts for a very large percentage of European PPPs and the longest period of experience of PPPs. It also includes some of the negative experiences of several of the PPPs that were included in a European Commission Resource Book on PPPs published in 2004 and whose effectiveness can be better assessed after 10 years of operation.

The conclusions are clear and contradict much of the official thinking on PPPs:

- The private sector doesn't assume the risk
- PPPs don't guarantee better value for money.
- The normal public sector option is not always considered
- PPPs are not better at finishing projects on time or on budget than ordinary contracts
- The rules on PPPs don't ensure complete transparency and can contribute to corruption
- Any competitive tendering associated with PPPs does not guarantee savings
- PPPs don't ensure better design innovations
- The private sector is not necessarily more efficient at running services
- The private sector cannot raise money more cheaply than governments
- PPPs distort public policy priorities and load austerity policies onto other services
- PPPs are not necessary to solve the problems of countries in crisis.

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