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ON THE PROBLEM OF CHOOSING A METHOD OF PROCURING INFRASTRUCTURE ASSETS AND SERVICES: A LITERATURE REVIEW ON PUBLIC-PRIVATE PARTNERSHIPS.

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Abstract

Purpose: It is reviewed the most important and recent contributions to the public-private partnerships (PPPs or 3P) literature, focusing on the infrastructure assets and services which is their majority.

Design/Methodology/Approach: This review covers several theoretical (economic) topics through multiple disciplines with relevant empirical studies. Since, the field has already been accepted by scholars as a self-contained, integrating many of them with their foundational theories. For example, they can be mentioned construction management and economics, public administration and management with emphasis on collaborative governance and collaborative public management, as well as, transportation research.

Findings: The problem of government's choice between traditional public procurement of an infrastructure project and PPP has not theoretically been clearly answered yet, despite the extensive academic, policy and financial investment literature. Furthermore, there may be no matter of choice at all, especially after 2020 Nobel price for auction theory and inventions of new auction formats. However, given that the empirical evidence remains too thin and mixed in order to draw definitive conclusions, it seems the governments' constraints on fiscal space, as well as, the expected future needs in developing, financing, delivering and maintenance infrastructure projects with their associated services, will demand more involvement of the private sector. Environmental, Social and Governance (ESG) factors are appreciated as an urgent need to be added in the criteria of selection, something that it may make 3P more acceptable. Finally, the paper also indicates some research gaps, which have not taken the necessary attention yet; among them the introduction and evaluation of the innovation and the quality of the final provided services, through PPPs, are the most interesting.

Policy/Practical Implications: The inability of economic theory and the mixed empirical results, so as to be able to give a definitive reply to the government's problem of choice, reinforce the view that (at the present) this should be mainly given by politics, for reasons of public interest.

Originality/Value: The article contributes to the relevant literature by offering the state of the art on the subject.

Keywords: public-private partnerships; literature review; infrastructure assets and services.

JEL codes: H4, H54, H57.

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