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## **Implications of Public-Private Partnerships: Canada within a Global Perspective**

*Principle Investigator:* Matti Siemiatycki

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*Project Collaborator:* Professor Bent Flyvbjerg, BT Centre for Major Programme Management, Oxford University

### *Research Project Overview*

Across Canada and around the world, public-private partnerships have gained increasing popularity to deliver large-scale infrastructure projects such as roads, bridges, waste and water treatment facilities, schools, hospitals and prisons. Globally between 1985 and 2008, over 2,700 projects valued at more than \$1.1 trillion have been planned and funded through public private partnerships. Canada is among the global leaders in the application of public-private partnerships. More than 140 projects worth over \$15 billion have been delivered through this approach in Canada, and an increasingly robust policy framework has been developed to support their further expansion.

Public-private partnerships represent a fundamental shift in the way that large public infrastructure projects are planned, financed, delivered and operated. At their core, public-private partnerships are designed to transform the role of government from a provider to a purchaser of public services. In public-private partnership models, the public sector retains responsibility for

strategic planning, regulation and facility oversight, while detailed design, construction, financing and operation are bundled into a single long-term concession which is allocated through a competitive tendering process.

Despite growing popularity, infrastructure public-private partnerships have been lightning rods for controversy. Debate has been polarized between supporters who see them as an opportunity for cash strapped governments to raise capital for critical infrastructure investments, stimulate project design innovation, and transfer risks to the private sector, and opponents who argue that they limit public involvement in decision making, reduce the long-term flexibility of policymakers and produce windfall profits for private sector partners. Within this context of contestation, to date the vast literature on public-private partnerships remains focused on categorizing partnership models and logistical issues such as contract design and risk transfer, while producing a limited analysis of the power relations and distributional implications that arise when the private sector plays a more central role in infrastructure delivery. At the same time, insufficient treatment has been given to the global networks through which public-private partnerships are promoted and produced, and the implications of delivering infrastructure through a model of project delivery that uses competition and market incentives to reorder relationships between government, companies, stakeholders and citizens.

This research project proposes to fill these gaps in the field through an empirical study of the production and outcomes of public-private partnerships, which situates the Canadian experience within a global perspective. The research objectives are to

- 1) Map the Canadian and global geography of projects delivered through public-private partnerships, thus identifying whether this approach to project delivery exacerbates or minimizes inequalities in infrastructure provision between nations, urban and rural areas, and city centres and their surrounding suburbs;
- 2) Chart the highly globalized networks of firms, labour and government institutions that together produce Canadian infrastructure projects through this model;

- 3) Examine the impacts that public-private partnerships have on project cost overruns, citizen and political input into project planning, and environmental and social distribution of project benefits;
- 4) Use the empirical results to re-examine and re-theorize the spatial expression and implications of public-private partnerships in Canada and internationally;

Fulfilling the objectives for this research will significantly contribute to our knowledge of the funding and managerial options available to maximize the benefits of infrastructure delivery in Canada. The research results will advance the theoretical debates about the merits of infrastructure provision through public-private partnerships. Outside of the academic community, the research results will be of interest to the media, politicians, infrastructure project planners and civil society organizations who seek to ensure that new facilities support inclusive, productive, healthy and sustainable communities.