

Institutional and Strategic Barriers to Public-Private Partnership: An Analysis of Dutch Cases

Paper for the British Academy of Management Conference 2002, 9-11 September 2002, London, Middlesex University

Erik-Hans Klijn
Geert R. Teisman

SUMMARY

Public Private Partnerships (PPP) have been much discussed throughout Europe, but does the practice match the idea of cooperating actors who achieve added value together and share risks? An analysis of three cases of PPP in The Netherlands suggests that practice tends to be less ideal than the idea. Actors have difficulties in achieving actual joint decision-making and organisation and tend to organise their interactions in a traditional way: by contracting out and by separating responsibilities.

From a network perspective we will analyse the actor constellations around urban investment projects in which the use of PPP is discussed and elaborated. We will identify their institutional characteristics and the behavioural logic used by public and private actors. Despite the presence of a great many good intentions, institutional factors prevent parties from achieving actual partnerships. Because these factors (i.e. role attitudes, behavioural rules, perceptions (of each other)) cannot easily be changed – i.e. they cannot be changed by just one or two managers, but must become part of the culture within the actor constellations – there is still a long way to go before the idea of partnership is transformed into actual practice.

Content:

1. introduction: the problem of co-operation	2
2. A network perspective	3
3. Public private partnerships in Dutch key projects	4
4. Actors and interdependencies in PPP	8
5. Institutional characteristics of PPP	10
6. Institutional roles and strategic behaviour	12
7. PPP: the right form at the wrong moment?	15
References	16

Dr. Erik-Hans Klijn
Centre for Public Management; Department of Public Administration
Erasmus University Rotterdam
P.O. Box 1738; 3000 DR Rotterdam
The Netherlands
e-mail: klijn@fsw.eur.nl

Prof. Dr. Ing. Geert R. Teisman
Centre for Public Management; Department of Public Administration
Erasmus University Rotterdam
P.O. Box 1738; 3000 DR Rotterdam
The Netherlands
e-mail: teisman@fsw.eur.nl

1. INTRODUCTION: THE PROBLEM OF COOPERATION

In the 1990's, a discussion developed on Public-Private Partnership, both internationally (Osborne, 2000) and in the national policy arenas of the Netherlands (*PPP Kenniscentrum* ['Dutch PPP Knowledge Centre']), 1998, 1999). PPP was an important element – in rhetoric at least – of Tony Blair's new labour policy, as it was in the former right-wing governments (Falconer/ McLaughlin, 2000). Even the European Union, which is traditionally more inclined to emphasise open markets, increased competition and the separation of public and private spheres, has shown an increased interest in this concept (Teisman/Klijn, 2000). PPP has become a fashionable term over the last two decades.

As stated by the Dutch Knowledge Centre on PPP that was set up in the late 1990's by the Dutch Ministry of Finance in order to support PPP initiatives: "*International experiences demonstrate that a faster and more efficient implementation of infrastructure projects is possible through public-private partnership (PPP). Both public and private actors in the Netherlands have displayed an interest and willingness for PPP.*" (*Kenniscentrum*, 1998).

PPP: The Added Value of a New Organisational Form

PPP is defined as a "*cooperation between public and private actors with a durable character in which actors develop mutual products and/or services and in which risk, costs, and benefits are shared.*" In an ideal PPP, the traditional distinction between public and private is dissolved. So, while interaction between the two spheres has been going on for decades, cooperation has recently become more focused on mutual development and the realisation of products.

Public and private partnership is based on the idea of mutual added value. Actors foresee additional benefits and expect that these will outweigh the (extra) cost of cooperation. Benefits can take a variety of forms: financial/material in the form of profits, working space, increased transport capacity, etc, or more intangibly, in terms of image, knowledge development, and so forth. The costs of cooperation can be one-time only (preparation, adaptation of the internal organisation) or recurring (organisational co-ordination, adaptation and tuning of substantive objectives, etc.). But what is important is the added value of synergy, i.e. the possibility of developing a product through the integration of various parts or combined efforts that would not have been possible without such PPP.¹

The line of argument of this contribution

After two decades of trying, we must come to the conclusion that PPP's are not easy to accomplish. We will look for an explanation. First, the number of actors could be a problem. Secondly, the actors involved are likely to have different objectives, a variety of perceptions and contrasting backgrounds. All these differences make cooperation difficult. Thirdly, it must be recognised that decisions are taken in separate arenas in various networks. This institutional fragmentation also inhibits joint decision-making. The various institutional backgrounds frequently result in misunderstandings, perceived risks and conflicting strategies. In other words, it is the network in which actors and behaviours are embedded and the characteristics which have to be analysed to get an insight in the possibilities and barriers for adequate cooperation in PPP projects.

We will look at three PPP projects in the Netherlands and analyse the nature of the cooperation. After describing the network perspective in section 2, we will then present three key projects which were introduced by the Ministry of Finance as Dutch examples of PPP. Despite the concept of PPP, which involves working together and sharing risks, in section 3 we show that projects that take a long time tend to dissolve into different elements. There are no signs of formal commitments. Projects are organised in such a way that responsibilities can be separated and organised by way of contracting out. We will elaborate upon three major explanations for this: the *variety of actors and their interdependencies* in section 4, the *institutional complexity of decision-making* in section 5 and, in section 6, the *value conflicts and resulting strategies by public and private actors*.

2. A NETWORK PERSPECTIVE

Cooperation implies an increase in the number of participants. Also, in partnerships the actors are really dependent on each other. These two basic conditions already create problems in themselves (viz. e.g. Emerson, 1962; Scharpf, 1978; Rogers and Whetten, 1992; Klijn and Teisman, 2000).

Public private partnerships as network governance: interdependencies

Achieving surplus value requires cooperation between actors. Only if they utilise their means, link their interests and problem definitions, and pursue mutually interesting solutions, will these actors invest in cooperation. Hence, to realise added value, an active investment of parties and a linking of interactions are required.

This problem of cooperation is stated in a dominant manner in the network perspective on governance². The network perspective assumes that policy is developed and implemented in networks of organisations (Rhodes, 1997; Kickert/Klijn/Koppenjan, 1997; Klijn/Koppenjan, 2000). Policy networks can be defined as “*changing patterns of social relationships between interdependent actors which take shape around policy problems and/or clusters of resources and that are formed, maintained and changed by an ecology of games*”. Networks emerge and continue to exist because actors are dependent on each other (Aldrich, 1979; Negandhi, 1975; Milward/Wamsley, 1985). Actors cannot achieve their objectives without resources which are possessed by other actors. Thus, networks are characterised by a limited substitutability of resources, which ensures that sustainable social relations are created between actors.

Within these policy networks, actors conduct themselves strategically in policy processes. This theoretical framework sees policy processes as (a series of) *games* (for the concept of game, viz. Allison, 1971; Crozier and Friedberg, 1980; Klijn/Teisman, 1997; Scharpf, 1997). The multiplicity of actors and their various and often conflicting perceptions, interests and strategies make these games complex ones (see Klijn, 1996; Teisman, 2000, also Cohen, March and Olsen, 1972, Lindblom and Cohen, 1979).

Games are played in *arenas*. Some games are more complex and are played out in several arenas at once (Klijn/van Bueren/Koppenjan, 2000). Arenas are the action context in which the games take place. Arenas can be characterised by a specific set of actors, the decision-making situation in which they find themselves (constellation of preferences and positions), and the organisational arrangements according to which decisions are made. Arenas are ‘activated game fields’ and can be located within one or more networks (see Figure 1). Not all the actors in networks are necessarily engaged in all the games and arenas.

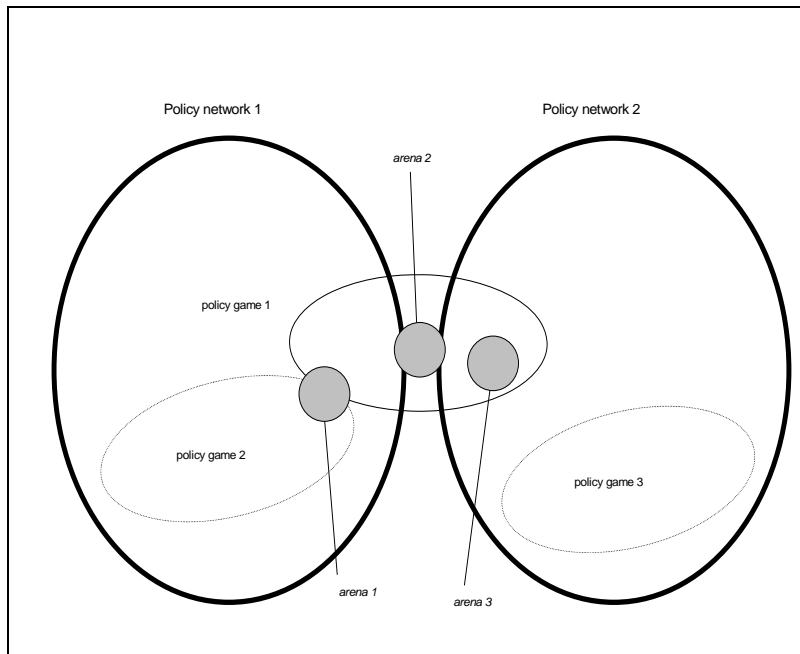
Games are likely to become complicated if they take place in arenas that are located in different networks, because this makes it more difficult to connect the various interactions. Also, in this case it will be more likely that different rules of behaviour are at stake (Klijn 2001).

Analysing PPPs: Actors, networks, arenas and strategies

PPPs include actors from different networks, each with their own history and regime, and are constantly influenced by decisions made in other arenas. Figure 1 depicts the institutional complexity of PPP. A PPP is created by a game that involves more than one arena (for instance central and local government) and more than one network (for instance, a traffic and transport network and a public housing network). At the same time, a game surrounding a PPP project (such as game 2) can be influenced by decisions taken in other games and arenas.

In these games, each of the actors chooses his own strategy. This can make decision-making in PPPs even more complex, because decisions are faced not only with an institutional complexity but also with a strategic complexity resulting from the interactions between independently chosen strategies.

Figure 1 Policy Games That Cut Through Various Policy Networks



Source: Klijn/Van Bueren/Koppenjan, 2000: 19.

3. PUBLIC PRIVATE PARTNERSHIPS IN DUTCH KEY PROJECTS

Part of a series of projects in the Netherlands where PPP should play an important role are the so-called 'Key Projects'. The concept of the 'New Key Project' is used by the Ministry of VROM (*Housing, Planning and Environment*) to define large-scale urban development projects which fit in with national spatial policy. The Key Projects policy aims to strengthen the economic structure, while at the same time improving environmental quality and providing a more effective use of space. Six Key Projects of urban redevelopment in the area of real estate, urban quality and mobility are presented as test cases for PPP policy:

- The Railway Station area of Utrecht Central Station (UCP);
- The South Axis in Amsterdam; a building site near Schiphol Airport and along a transport corridor;
- The Railway Station area of Rotterdam Central Station;
- The Hoog Hage/Central Station area in The Hague;
- The Railway Station area of Arnhem Central Station/the Coehoorn Project; and
- The Breda Rail Zone.

All these projects are at the stage of conceptual development. They involve large existing office buildings, infrastructure and (shopping and recreational) services. Because the projects imply an invasion into the existing urban infrastructure, a wide variety of actors is involved with explicit and partially solidified interests. Frequently, investments occur during the conceptual development stage. These investments have consequences for urban planning.

These invasive restructuring plans are to be realised over the next decade. These plans were adopted by the national government because they represent a high level of ambition and local improvement. In

addition to employment and improved access, the national government also wishes to realise a more intensive use of the existing urban space as well as revitalise social-economic activity (*Kenniscentrum PPP*, 1999). This means that many actors will be needed to achieve these ambitions.

In this section we discuss three Key Projects: the Utrecht Centre Project, the South Axis and the Central Station in The Hague. We identify some characteristics of the partnerships we find here, the process of cooperation and the effectiveness of cooperation.

Case 1: The Utrecht Center Project

The Utrecht Centre Project (UCP)³ concerns the restructuring of the area around Utrecht Central Train Station including the Hoog Catharijne shopping centre in which the station is situated. It involves the construction of 330,000 square meters of new offices, 1,750 apartments and 61,200 square meters of shops, in addition to some infrastructural developments intended to open up the centre. The number of barriers that restrict access to the Central Station, Hoog Catharijne, and Jaarbeurs Complex (a conference centre) areas is to be reduced. In addition, the goal is to improve public space, for instance through the construction of new public squares and the improvement of existing ones, reducing the amount of water present in the Catharijnesingel (Catharijne Canal), and improving the infrastructure for cars and bicycles. Another objective is to enhance internal traffic facilities so that passengers can experience quick, efficient and easy travel using public transport and achieve good connections to other types of transport. Finally, a strengthening of economic opportunities through a concentration of activities is also mentioned as a goal (Project Bureau UCP, 1999).

In the early 1980s, the national government, the Dutch national railways, the Jaarbeurs, and the owner of the Hoog Catharijne shopping centre drew up plans to redevelop the area. The municipality wanted to achieve a harmonious interaction of functions through mutual planning. After publishing a Memorandum of Understanding in 1988, the four parties locked hands in order to develop a master plan for the area. Taking into account the differences of opinion between the municipality and the three landowners, a new initiative was launched – after realisation of the master plan in 1993 – which involved the creation of a development corporation owned by the municipality and by three large project developers. None of these project developers had any existing interests in the area, and when initiatives by this coalition were blocked by the three existing actors (NS, Jaarbeurs and the owner of Hoog Catharijne) in mid-1995, the development corporation practically ceased functioning. The municipality once again engaged in a cooperative venture with the landowners in the area in early 1996.

In December of 1997, this new venture presented a ‘Definitive City Plan Design’ (DCPD). The Municipal Council tentatively approved this plan in spite of growing opposition against the plan, which was politically organised by a new party called *Leefbaar Utrecht* (‘Liveable Utrecht’). On the basis of the DCPD, the landowners and building-owners took further elaboration of the plans into their own hands. Mutual agreements were made about investments into the ‘Public Space’, under the condition that the national government would contribute. With the help of an urban architectural supervisor and using Quality Manuals and a specially created Quality Team, guarantees were built in to monitor progress.

In the spring of 2000, cooperation between the municipality and the private parties failed once more. The private parties (i.e. the *Jaarbeurs* and *Winkelbeheer Nederland*) withdrew because they felt that the investments they had to make in the public space were too high. Although this mid-way unravelling came as a surprise to many, it was only to be expected given the capricious process that had evolved over the years.

Shortly after the breakup of the cooperation, *Leefbaar Utrecht* won the election and obtained an important administrative position in the local council. This party started to amend the plans, and in 2002 consulted the citizens with two new versions of the plan. In 2002 the version which incorporated certain ‘green’ qualities (more trees, restoration of canals) was accepted. Not only do several important issues regarding mobility and finance still need to be solved here, but we may also question the labelling of the project as a ‘partnership’.

Case 2: The Amsterdam South Axis

The 'South Axis' project concerns the (re)development of the area surrounding the Amsterdam South/WTC Railway Station and the southern part of the motorway around Amsterdam. During the eighties, there had been a rapid expansion of the construction of new office space in this area. One example is the new office of the large ABN-AMRO Bank. The City of Amsterdam had to make decisions on these expansions case by case, and in 1994 it wanted to develop more systematic planning for this area. For this purpose the City managers set up the so-called 'South Axis Coalition' in December 1994, in which all the prominent private actors took part. It was a kind of informal strategic group without any fixed membership. To support the coalition, a working group was set up consisting of civil servants from the main departments of the Amsterdam civil service in order to direct research toward possible solutions and start working on a master plan. A first draft of the plan was presented in October 1996. Sections of the master plan were discussed with interest groups in late 1996. As a result, additional housing (1,500) and other functions were added to the existing proposals. In 1997, the Real Estate department of the Dutch Railways (*NS*) joined this strategic group, and the partners started working together on further development of the plan. They paid special attention to the idea of constructing an underground infrastructure (the motorway and heavy and light rail) in order to create possibilities aboveground for the construction of new offices and housing.

This master plan was approved by the City Council in January 1998. The area would be developed into a high-potential area of office space and private housing combined with transport facilities. On the basis of this document, certain areas were already undergoing further development (such as investments in the large existing RAI Conference Centre which were made in February 1998, and plans for an office site called Mahler IV in May 1998). However, no concrete results were obtained for the financing of the underground transport infrastructure. The enthusiastic cooperation between city managers and private actors began to stagnate. They began to resume their traditional roles. Public actors felt that they needed to invest a great deal of time and effort to keep the process going while failing to obtain any clear commitments on the financial involvement of private actors. Private actors criticised the lack of involvement and impact made by their efforts.

According to previous negotiations, agreements should have been signed by early 1999. But in reality no agreement was reached on how to proceed further. The public-private cooperation structure began to unravel, and the focus shifted to the realisation of real-estate projects that were not dependent on the new underground car and public transport infrastructure. The public managers once again took on a central role in the planning process. They negotiated on a bilateral basis with several private and public actors for commitments, money (from public actors) or partial investment projects (with private actors). Although the interaction between public and private actors remained intensive, their joint organisation began to come apart, and responsibilities split up along traditional lines. *In other words, the interaction that existed was used mainly for joint fact-finding, not for joint responsibility and joint decision-making.*

For instance, the City of Amsterdam and its central departments initiated a number of fact-finding studies to explore the technical and financial possibilities of locating infrastructure below the first floor. In early 2000, the City Council (again) declared that an infrastructure should be located underground. This solution was expected to lead to great environmental and economic improvements. Three important private actors, the ING Bank, the ABN-AMRO Bank, and NS Real Estate, started to organise their strategies in a consortium. After some negotiations with the City of Amsterdam, they guaranteed an investment of 2 billion Dutch Guilders (about 630 million Euro) in real estate above the tunnel (if it was constructed and financed by the government).

In November 2000, the urban and national public authorities produced a preliminary document containing various options for improvements in the infrastructure. The 'dock model' (rail and roads underground) optimised the possibilities and created the best conditions for achieving the targets set. It was, however, also the most expensive one. Two other models are still being worked on: a 'dike model' and an 'art model'. The first option aims to achieve expansion without the given physical situation. In the second

model, light rail infrastructure and motorways are to be moved underground, while the long-distance rail infrastructure is maintained at its current position.

The period after the initial document was presented was used to consult with the societal actors. In June 2001 the City managers and national authorities presented an initial document outlining procedures for further decision-making. According to public law, they initiated a formal legal procedure (MER), which was intended to result in a definite public decision within two years. One of basic principles of this procedure was that the motorway should be located underground. Discussions on how to deal with the railway and light rail infrastructure continued. In February 2002, the City Council reaffirmed its preference for the dock model.

In the meantime, various forms of interaction surrounding parts of the project continued. In November 2001 a consortium consisting of the ING Bank, ABN-AMRO Bank and NS signed an agreement with the City Council for the development of a 'Business Park' (the *Drenthe Park*) in the area. Bilateral agreements were concluded with the University in this area and with the RAI Conference Committee. In terms of partnership, we may conclude that the South Axis is a good example of the type of cooperation that starts with high ambitions in terms of strategic alliances and joint decision-making, but in reality develops towards a network structure in which traditional roles are played and cooperation is based on bilateral agreements.

Case 3: *Hoog Hage*, the Central Station project in The Hague

Hoog Hage is a continuation of an earlier project that was supported by the national government in 1993. It involves the restructuring of the area around the Central Railway Station. This project can also be seen as part of a large-scale inner-city renovation project that had been begun in the nineties. In 1999, the decision was taken to first develop a small area of 400 by 400 meters around the station. This 'Central Quadrant project' is part of the *Hoog Hage/Central Station* project, which in turn is part of the inner-city regeneration project. This area holds a large concentration of offices (mainly national government Ministries and some cultural institutions such as the National Library and Museum of Literature). Every day, some 350,000 travellers use the train, metro or bus in and around the Central Station. In 2002, a growth is estimated towards 120,000 square meters of office space, 50,000 square meters of residential housing, 30,000 square meters for other functions, and 2,500 new parking spaces.

In the course of 1996, the main actors involved in the Central Station project set up an informal steering group to discuss initiatives for constructing plans for the area. This steering group commissioned a firm of architects to draw up the first draft of a master plan for the central station area. All the actors approved the draft of the master plan, which was presented in early 1997, and in June 1997 the cooperating public and private actors, the City of The Hague, WBN, Dutch Rail and railway stations, and 'Multi Vastgoed' (a developer) signed a covenant in which they affirmed their support for the master plan and agreed to carry out further research into the spatial and financial feasibility of the plan. The plan was also given the status of Key Project.

Although several actions were taken, including an unsuccessful attempt to set up a participating company to organise the joint financial contributions of public and private actors, no final plan had yet been realised by the end of 1998. The actors reiterated their statement of intention in late 1998, and found that one of the actors in the area who had been excluded, the Shell Pension Fund which held a position on the ground, opposed the plans that had been made so far. After intense consultation, the Pension Fund agreed to at least cooperate in the joint planning process until late 1999.

Commitment, however, had been somewhat eroded, and the local actors were waiting for a commitment from the central government. To speed up the development of the Central Station area, in 1999 the City of The Hague decided to separate the core area around the Central Station from the project and develop this area first, apart from the rest of *Hoog Hage*. The local government asked for financial support from the national government. In 2000, the public and private partners elaborated the plan further, and the City Council took a preliminary formal decision on the area (the so-called *Voorbereidingsbesluit* ['Preparatory Decision']). In July, the national government granted money to the project from its Key Project budget.

The City Council approved a project document outlining the total program for the area and the various facilities. On this basis and on the basis of various architectural drawings, the partners together began working on a new master plan for the Central Station area. By now, the county government (*Stadsgewest Haaglanden*) had also become involved.

In early 2002, a draft master plan was finished and presented to the City Council. The City and the NS, Multi Vastgoed and Babylon, which represented the shops and cinema next to the Central Station, signed an agreement confirming their support of the program outlined by the master plan. The private actors were the first to develop a number of projects within the area. The master plan also regulated the phases of redevelopment and enforced arrangements regarding financing and organisation of the project. In fact, the 2002 agreement can be seen as an update of the 1997 agreement, but more solidly underpinned by financial obligations and organisational arrangements.

Conclusion: long-term decision-making, separate responsibilities and hesitant commitments

If we look at the course of action taken in these three cases we can draw a number of conclusions (which are confirmed by other studies of PPP projects in the Netherlands, viz.: Van der Ham/ Koppenjan (eds.), 2002).

First of all, that regeneration processes are long and complex. This pattern can be seen in every intensively used urban area, especially around railway stations. This complexity has to do with the high amount of ambitions that have to be met in these areas. Especially in Utrecht, the conflict between economic and mobility needs and values of scale and liveability is intense and has even changed the political landscape in the course of several years. In order to meet the high societal ambitions in the areas of economy, mobility and liveability, it is recognised that cooperation is needed between the various actors: between different governments, between public and private owners and investors and also with societal groups and citizens.

Partnership is often advocated as an arrangement that is needed in order to create a high-quality and synergetic regeneration process. However, if we look at the forms of cooperation that were present in each of the three cases, we must come to the conclusion that what results from this are loosely linked forms of interaction and bilateral negotiations in which all parties play their traditional roles.

Public actors (mostly city governments) are still the ones who take the planning initiative and consult private actors on individual elements of the project. While more intensive or formalised forms of cooperation have been attempted – for instance in the early stages of the South Axis project (the strategy group) or the Utrecht Centre project (in the period 1998-2000) –, they are not long-lasting even if they are established, and tend to dissolve over time. Partnerships are tempting arrangements due to the added value they can create, but in practice, a bilateral agreement is the most that parties can deal with.

As a consequence, the concept of an integrated and combined investment program is often converted into a set of loosely-linked projects of an individual nature. ‘Synergy’ and ‘joint development’ are nice words in theory, but they are not actually achieved within the existing fragmented decision-making arenas.

All parties are far too preoccupied with their own procedures and internal issues to be able to act as partners. Or, to put it more solemnly: institutional principles with regard to procedures, accountability and rewards facilitate fragmented decision-making much more than they facilitate joint decision-making.

4. ACTORS AND INTERDEPENDENCIES IN PPP

Every scholar of public administration is familiar with implementation studies (Pressman, Wildavsky, 1973) and knows that it is not easy to convert ambitions into actions. Furthermore, the actual implementation of the ambitions that are formulated at the national level has to be performed by local actors: municipalities, local interest groups, and private investors. This is vividly borne out by the cases we have

described, which raises the question of which actors are involved in PPP projects and how their positions and interdependencies influence the cooperation process that we described in the previous section.

Actors in the three PPP projects: diversity and complex interdependencies

Table 1 gives an inventory of the parties involved in the three described key projects. We have distinguished between key players and peripheral actors. Key players are those who are formally involved in the process and/or interact intensively about substance and process of the project. These actors have signed a formal agreement about the content of the plan, participate in consultations and meetings, and are members of specially set up arrangements (such as a steering group). Peripheral actors are those who have an interest in one way or another, but are not systematically included in the interaction. They are part of the institutional context in which projects are embedded.

Table 1: Actors in the three Key Projects

Categories of actors	The Hague Central Station	Utrecht Centre	Amsterdam South Axis	Interests (sometimes represented by actors in the category mentioned).
<i>Key players</i>				
National government	X	X	X	Ministries of V&W [<i>Traffic and Waterways</i>] (high speed railway, regional railways, modal split); RWS [<i>National Water Management</i>] (parking standards, accessibility); EZ [<i>Economic Affairs</i>] (business environment), BIZA [<i>Internal Affairs</i>] (urban policies); VROM/RPD [<i>National Planning Agency</i>] (Compact City)
Municipalities/inner-municipal units	X	X	X	Landowners, public duties and investors (UCP)
National Rail Real Estate	X	X	X	Owner, developer, and representative of other transporters (UCP) and/or sister companies in Dutch Railways
Railway stations	X			Economic owner
Shopping Investments Netherlands (SIN)	X	X		Investor and owner (of shop provisions)
KN Jaarbeurs [<i>Trade Fair</i>]		X		Owner, user
Multi Real Estate	X	X		Developer (and <i>Jaarbeurs</i> partner)
ING Real Estate		X	X	(land)owner (WBN partner), financier, developer
ABN/AMRO Bank			X	Owner, user, financier and investor
FGH Bank			X	Former owner and expert
<i>Peripheral actors</i>				
ING/Q-Park	X			Owner Central Parking
Shell Retirement Funds	X			Co-owner Foundation Trust BV
Advisor/consultant		X	X	Process management, advisor for banks, urban architectural coordinator etc.
OV-Firms	X	X	X	Users
WTC [<i>World Trade Centre</i>]			X	Users and owners of land and buildings
RAI [<i>Conference Centre</i>]				
and VU [<i>University</i>]				
Architects	X	X	X	Experts
Shop owner associations	X	X	X	Users/Interested parties (usually through representation)
Home owner associations	X	X	X	Users/interested parties (usually involved through representation)

Key players will have to consider the possibility that peripheral actors may intervene suddenly or that the actions of these peripheral actors may have a substantial impact on the development of the area. One example is the UCP case, where opposition to the project resulted in the new political party of *Leefbaar Utrecht*, which played an important role. In other words, peripheral actors are not without power, but they only manifest themselves systematically in those arenas where public and private parties meet to restructure and develop an area. We should note that Table 1 is especially informative about the perceived centrality of the policy arena surrounding the concept of the New Key Project. Companies that want to settle in this area are seen as peripheral actors, since they are only marginally involved in the debate on the key projects. In terms of the conceptual scheme presented earlier, we could also say that they operate in different arenas.

This complexity of actors and arenas is an essential feature of the PPP projects. Time and again, adjacent arenas and policy games can be constructed that are equally central if we define the subject in a slightly different manner. If, for instance, we were to ask *why* the South Axis, the UCP or the Rotterdam Central Station offer development opportunities, the central arena would be the arena in which decision-making about the location is done by individual companies. The distinction presented in Table 1, however, is useful for describing the arena in which the New Key Projects play a central role.

PPP: Mutual dependency within networks

Table 1 illustrates that a series of different actors is involved. Some of them are even involved in different key projects. This is true not only of various actors within the public conglomerate that we define as being covered by the concept of national government, but also for certain (semi-) private actors such as the National Rail Real Estate, WBN, Multi Real Estate and ING Real Estate.⁴ This multiple inclusion in various arenas is an important institutional feature of PPP.

Although projects are generally implemented at the local level, intense relations exist with the national government. A fixed group of potential players is involved. Only a limited number of private actors such as financiers and developers possess the knowledge and means to engage in these large projects. Opportunities for replacing public or private participants are limited (Scharpf, 1978). This makes actors mutually dependent. Even after a failure occurs, as in the case of the UCP parties, cautious interactions begin again. While this interdependency is the reason for the cooperation, at the same time it may lead to inertia and blocking. Parties have little concern about sanctions for uncooperative behaviour since they themselves are indispensable to a large degree. Also, a kind of 'vendetta effect' may occur where parties, and especially the individual representatives of parties, decide to settle accounts and even out the cost of a previous project.

Finally, we may point at the fact that in terms of interests several parties are missing from the key projects. Decision-making is dominated by real-estate parties, while parties responsible for infrastructure and logistics play a more peripheral role. However, the use of their investments and space is crucial to the success of the key projects. So, even though the existing interaction already raises problems, the arenas should be expanded even further.

5. INSTITUTIONAL CHARACTERISTICS OF PPP

In PPP the traditional distinction between public and private actors is dissolved, while at the same time cooperation in both spheres becomes necessary. But even within the public and the private spheres, actors from different networks and arenas must link their efforts in order to achieve the surplus value desired by all of them. This means that there are various ways in which they can clash with different institutional regimes.

Parties in PPP and their (network) backgrounds: interconnected arenas and networks

The actors from the key projects contribute different means and play different roles. They also originate from different networks. Table 2 provides an overview.

Table 2: Groups of Actors in PPP Projects and backgrounds

ACTORS	MEANS	ROLES	BACKGROUND
National government	Legal authorities Financial means Political legitimacy	Sector-bound policy initiators (particularly VROM, EZ, V&W) and policy interests, financial backers	From central, often sectoral networks, sector policy interests (accessibility, economic vitality, etc.)
Local governments	Legal authorities (zoning plans, etc.), land positions	Initiator, local process monitor	From local networks, primary local interests
Private owners of offices and services	Ownership, possibility to provide extra investment, threat to leave	In case of profits, this group can generate private investments; in case of losses, this group will offer opposition or demand high compensation	This often involves parties who have their own networks in one area (e.g., banking, insurance, transport, etc.)
Developers	Expertise/capacity Land/ownership positions (sometimes)	Organiser of building processes aimed at quick profits	Operate nationally and participate in urban expansion and development networks
Private financiers	Financial means	Setting aside means to obtain short-term profits or generate good returns in the longer run	Participate in upper regional networks and are focused on realising attractive profits and an adequate investment portfolio
Advisors	Expertise and relative disinterest	Often, a role as project leader or mediator, co-ordinator, advisor, or contractor	Do not belong to a specific interest network, but maintain crucial professional networks
Interested parties; quality-of-life interests	Support/political pressures /legal procedures	Often emerge to criticise projects	From local networks, have an interest as users or as owners of space
Interested parties, economic interests	Veto powers, support of a possible integral approach (e.g., shop owners)	Come into view either as critics or as clients	From company networks, where certain developments are considered necessary while others are seen as threatening

Various problems are created by the fact that actors originate from different networks. We note two prominent problems: the necessity of linking decisions that are taken within the various involved networks and arenas, and the demarcation lines that exist between the various domains.

In all key projects, decisions involve housing and environmental planning issues as well as transport issues. The first of these are handled by the environmental network, in which the Ministry of Housing and Environmental Planning (VROM) also plays a prominent role. The second type of issues, i.e. transport issues, are dealt with by the transport network, where the Ministry of Transport holds a prominent position. In both networks, various arenas are present in which the decisions are taken that are important to the key projects.

One example that figures prominently in all three cases is an arena within the transport network where decisions are taken about a light railway system between the cities of Amsterdam, Utrecht, The Hague and Rotterdam. Decisions taken in this arena (the 'BOR' arena) are important to the projects because they create possibilities (and set conditions and limitations) not just for better transport but also for improvement of the central stations in those areas. But most of the actors in the key project do not participate in this arena. And in this way we can find many arenas where important decisions are taken. Each time the initiators and managers of the three key projects have to ask themselves: in which arenas can I participate and what compensation does this bring in return for the time it costs me? But connecting all these

decisions is also very time-consuming and requires a lot of managing skills. Much can go wrong and does go wrong when trying to establish these connections, as evaluation research to environmental planning has shown (*Werkgroep vijfde nota* [‘Fifth Memorandum Working Group’], 2000; VROM, 2001)

Separation: the problem of domains

The fact that decisions in PPP projects have to be linked to various different actors, arenas and networks constitutes not only an organisational problem in terms of management, but also a domain problem. Rules that help to determine and demarcate land ownership, or rules that regulate interactions (such as providing information, conflict management, access, etc.) can differ between networks, can conflict with one another, or can simply block interaction with actors from other networks (viz. Ostrom, 1986; Klijn, 2001). Thus there is a clear description of what falls under the competency of a Ministry (although competency conflicts between ministries are frequent, so the rules are not entirely unambiguous). The lines of demarcation between different sector networks or departments may also cause problems for PPP projects.

However, strict demarcation lines between actors also act as barriers against cooperation, since actors are unwilling to relinquish their own domain or do not want to forge links with other actors, since this would not fit in with the pattern of their own domains which has developed over time. Hence, in the UCP-case WBN believes that it is normal for existing investments in Hoog Catherijne (traditionally the domain of WBN) to be more important than the development of investments around the Jaarbeurs. As a consequence, WBN initially allowed talks about opening new shopping areas around the Jaarbeurs – on which basis the Jaarbeurs agreed to invest in the public space – but ultimately the WBN torpedoed these plans, claiming that the development of shops in the Jaarbeurs area fell under the domain of the WBN. The Jaarbeurs project was unable to continue after this and was forced to break off its cooperation with the municipality. In the Hoog Hage case, similar problems of domain demarcation can be seen.

The same thing occurred on the other side. VROM refused to take any risks and responsibilities in the cooperation. Instead, they wished to subsidise and impose rules: the traditional tasks and instruments of their own domain. Furthermore, they wanted to impose unilateral substantive conditions, but did not care to invest in thinking about reasonable solutions in the light of various different interests falling outside its direct domain. As long as the internal logic of private parties (in this case the WBN) and of public parties (in this case VROM) continues to dominate, partnership will be hard to achieve.

In short, the institutional fragmentation of PPP projects may create enormous barriers to cooperation. It enhances the complexity of decision-making and calls for a huge managerial effort, while at the same time these management efforts are hampered by domain demarcations.

6. INSTITUTIONAL ROLES AND STRATEGIC BEHAVIOUR

In the cases under study, we see a repeated pattern of strategies. Although actors do get together to undertake collective action in the beginning, often this action does not result in a collective outcome. Either actors hesitate to commit themselves to each other or – and sometimes both of these things happen – joint efforts and the integral character of projects become disconnected at a later stage. In that case the outcome is a clearer separation of responsibilities in which each of the (mainly public and private) actors concentrates on his own task. This also results in a dominant pattern in which the relationship is organised according to a contract relation rather than a partnership relation. In this section we focus on the differences in values and in resulting strategies, which are related to the institutional factors we analysed above, as an explanation for this pattern.

A Principal Division between Value Systems: Jacobs Revisited

The cases we have outlined as well as other studies (viz. Van der Ham/Koppenjan (eds.), 2002) show how

difficult it is to change role conceptions and domain demarcations. It will remain difficult to break through the public-private distinction for a long time.

Some authors even believe that the division between public and private domain is impossible to dissolve, pointing out a difference in value patterns. Jacobs (1992, p. 32) describes the public and private domain as two ethical systems with different 'moral syndromes'. The public domain is characterised by the *guardian* syndrome, the private domain by the *commercial* syndrome. Typical of the guardian syndrome are values such as: avoiding trade and commerce, striving for discipline and loyalty and respecting tradition and hierarchy. There is also a certain degree of fatalism, linked to a strong devotion to the task at hand. The commercial syndrome is characterised by values such as: avoiding violence, achieving agreements on a voluntary basis, honesty and competitiveness. Other values such as optimism and appreciation of initiative are also part of this syndrome. According to Jacobs there are two types of survival: tasks that belong to the state, and trading linked to the market system. The two moral syndromes each belong to a pattern of survival; they are survival systems and cannot be merged without a problem. In fact, you could say that they are mutually exclusive.

Jacobs is not the only one to claim that the public and private spheres are two entirely different value systems and cannot be merged. Other authors also doubt the survival rate of hybrid organisations or hybrid constructions. Simon (1990) translates this into a distinction between *task*- and *market* organisations. A *task* organisation receives an assignment from a principal together with the means to fulfil that task. The values on which such an organisation is based are, according to Simon: obedience, the absence of a profit motive, loyalty, and an orientation toward continuity, comparable to Jacobs' guardian syndrome. The *market* organisation does not have a principal, but it does have clients. Such an organisation is dominated by values such as: respect for contracts, appreciation of zeal and initiative, etc. These values are similar to the values of Jacobs' commercial syndrome. Simon assumes that mixed types between task and market organisations will not be stable and will evolve in a particular direction. Thus, a task organisation that starts generating its own income and seeking clients will eventually evolve into a complete market organisation.

The conclusion might be that PPP is doomed to fail. PPP attempts to combine two value patterns that cannot and should not be combined. Furthermore, two conflicting organisational principles are linked. The question remains, however, whether Jacobs' basis of historical analysis will remain valid in the future. Even if intertwined systems have been impossible and undesirable in the past, is it not possible that such systems will be at an advantage in future due to changing circumstances?

Strategies of Cooperation between Public and Private Parties

Although the reflections of Jacobs and Simon are somewhat extreme, they do provide a basis for theorising about public-private cooperation. They emphasise the need for coherence between organisational structures (to be designed) and organisational values (that prevail and can be only partially influenced). The inability to create new forms of coherence could explain why PPP is so difficult to realise and why attempts at cooperation often result in organisational divisions, while attempts at regulation result in contracting-out procedures and contracts.

Such procedures and contracts fit in with the value patterns of the organisations involved and demand the least amount of adaptation on the part of these organisations. Public actors generally feel that they are in control if a contracting-out construction is used, and thus run a limited risk. This fits in with their value patterns of hierarchy and the primacy of the public interest. They do not have to adapt their internal organisation and can provide the political arena with a clear decision. Private actors run no more risks than they are accustomed to. They can work with a type of organisation (contract) that is familiar to them and they can acquire the contract in a competitive effort.

Here we touch upon one of the core issues of PPP. Below, in Table 3, we have attempted to refine the tension between the core business and the resulting strategies of public and private actors, and the consequences of this for the PPP projects (and cooperative arrangements) desired by actors. The table is meant as an instrument for further research. Following Jacobs' ideal types, we have assumed that the

values of public parties will result in strategies aimed at controlling the substance of projects and minimising financial risks. This involves a very specific way of looking at risks. Public parties do not mind spending money, not even when it generates few returns. But public opinion should be taken into account if there are expectations of costs and benefits, which subsequently fail to be realised. A recent example is the auction of the UMTS frequency bands. Because expectations were raised through foreign auctions, the Cabinet was severely criticised for disappointing returns, even though in the past the government gave away these types of services almost for free and no one was bothered by it. In such cases, political accountability is without mercy.⁵ Thus, in the public domain the management of expectations is an important task when engaging in PPP.

The values of private actors lead to strategies where the certainty of obtaining a market share and profits are central, but where there is also an emphasis on seizing the opportunity. However, there is an important difference in the public sector. A government can tolerate losses as long as they are tolerated by its political and public electoral support base. Private enterprises are judged by results and therefore cannot hide behind symbolism. For them, it is the market mechanism that is without mercy.

Table 3: Relation between the Core Businesses, Values and Strategies of Public and Private Actors

	Public actors	Private actors	Tension
Core business	Objectives: (sectoral) public objectives Continuity: political conditions	Objectives: realising profits Continuity: financial conditions	Different problem definitions: political risks in expectations versus market risks in annual figures
Values	Loyalty Devoted to a self-defined public cause Controllability of process and approach (political/social) Emphasis on risk avoidance and preventing expectations	Competitive Devoted to consumer preferences Controlled by shareholders on the basis of results Emphasis on market opportunities and risks and innovations	Government reluctant in process versus private party reluctant with knowledge Government reluctant in result versus private parties reluctant with their own effort
Strategies	Search for ways to guarantee substantive influence (primacy of the public) Minimising expectations and insecurity of implementation costs	Search for certainties to produce and/or obtain a contract Minimising political risks and organisational costs as a consequence of public 'viscosity'	Confrontation leads to a mutual 'locking-up' of agreements and thus to tried and tested types of cooperation (contracts)
Consequences for PPP	Emphasis on a limitation of risks and on agreements that lead to agreed procedures and public dominance	Emphasis on certainty of market share and profit, which leads to an expectant attitude and limited investments until the moment when the contract is acquired	The creation of added value through cross-border interaction is not realised

As long as no contract is awarded, private actors wait. To put somewhat more cynically, we could say that they have learned that government would rather do nothing than do something innovative. Private parties have also learned that it is better from them to provide standard solutions at reliable profits rather than present new (improved) solutions which may lead to unrest. A good example is the corrugated asphalt on highways – developed some time ago – which is safer when it rains, but slicker when it is icy. The media made a substantial fuss about this, which resulted in a political risk.

We can conclude that a major reason that partnerships frequently take on a highly contractual form that aims at a clear division of responsibilities and risks lies in the relation between the institutional division of the private and public sector, which is reflected by the various core businesses, value patterns and strategies chosen by the actors. Since these strategy patterns are closely related to the institutional characteristics of PPP projects, they are not easily overcome.

7. PPP: THE RIGHT FORM AT THE WRONG MOMENT?

We have found that the explanation for the inability to develop partnerships lies in a combination of three factors: *complexity of actor composition*, *institutional factors* and the *strategic choices* of public and private actors.

The *complex actor composition*, i.e. the fact that many actors are involved, make PPP difficult and complex and also increase the risks of these decision-making processes and pose a difficult managerial challenge for the actors. *Institutional fragmentation* and the complexity of decision-making in PPP add to this. Institutional complexity – the fact that PPP has to connect the decisions from various arenas and networks – increases the risks for actors and the chance of failure. This is enhanced by the domain demarcations between networks and between actors, which make joint decision-making difficult and make it possible, and tempting, for actors to split up the project and divide the responsibility.

After all, a contractual division of responsibilities takes into account the existing institutional fragmentation (both between the public and private spheres as well as within each of them) and is a familiar, tried and tested form to manage public-private relations. And splitting the project up in sections reduces the complexity of the decision-making process. Furthermore, contracts reduce risks and act as a guarantee against opportunism (Williamson, 1996).

This is reflected and enhanced by the *strategic logic* of the public and private actors on which we have elaborated in section 5. Public actors want to minimise expectations and insecurity of implementation costs and want to be sure of having a political influence on the projects. Private actors look for certainties to produce and minimise political risks. Together they produce a situation in which they focus on a separation of responsibilities and emphasise contractual relations.

Such a strict contractual division does not benefit projects which require innovation and the development of high-quality products. Also, the realisation of products and services of an integral nature – a desire that has frequently been expressed by the actors involved – is something that can rarely be accomplished. Here, strong tension is visible between the explicit wishes of actors and views on the necessity of integrated high-quality products and services in a network society on the one hand, and the existing institutional structures and chosen strategies of actors on the other hand (*Kenniscentrum*, 1998, 1999, Council for Traffic and Water Management, 1998; SER, 1999).

Perhaps PPP is a logical arrangement that will be needed in a network society where knowledge and resources are distributed over various actors. Such a new society, however, has not yet been accepted by the present management. PPP is simply an example of the right proposal at the wrong time. Real partnerships do not (yet?) fit in with the institutional rules, roles and habits based on a public-private division at the beginning of the 21st century.

REFERENCES

- Alter, C., J. Hage, (1993), *Organizations working together*, Newbury Park: Sage.
- Axelrod, R., (1984), *The evolution of cooperation*, New York: Basic Books.
- Borys, B., D.B. Jemison, (1989), Hybrid arrangements as strategic alliances: theoretical issues in organizational combinations, *Academy of Management Review*, vol. 14, no. 2.
- Bruijn, H. de, E.F. Ten Heuvelhof, R.J. in 't Veld, *Procesmanagement; over procesontwerpen en besluitvorming [Process management; about designing processes and decision-making]*, Schoonhoven, 1998.
- Castells. M. (2000, First Edition 1996), *The rise of the network society: economy, society and culture*, Cambridge: Blackwell Publishers.
- Deakin, S., J. Michie (eds.), (1997), *Contract, Cooperation, and competition; studies in economics, management and law*, Oxford: Oxford University Press.
- Deakin, S., Wilkinson, F., (1998), *Contract law and the economics of interorganisational trust*, in Lane/Bachman, 1998.
- Emerson, R.M., (1962), Power-dependency relations, *American Sociological Review*, vol. 27, pp. 31-40.
- Falconer, P.K., K. McLaughlin, (2000), Public-Private Partnerships and the 'New Labour' government in Britain, in: Osborne (ed.) (2000).
- Faulkner, D., (1995), *International strategic alliances*, McGraw Hill Book Company.
- Graeber G. (1993), *The embedded firm; understanding networks: actors, resources and processes in interfirm cooperation*, London: Routledge.
- Guehenno, J.M., (1994), *Het einde van de democratie [The end of democracy]*, Tiel: Lannoo
- Hakansson, H., J. Johansson, (1993), The network as a governance structure; interfirm cooperation beyond markets and hierarchies, in: Grabner (ed.), 1993.
- Hanf, K., F.W. Scharpf (ed.), (1978), *Interorganisational Policy making; limits to coordination and central control*, London: Sage.
- Jacobs, J. (1992) *Systems of Survival, a dialogue on moral foundations of commerce and politics*, Random House.
- Kenniscentrum [*Knowledge Centre*] (1998), Ministry of Finance, Projectbureau PPS (1998), *Eindrapport Meer Waarde door Samen Werken [Final report on Added Value through Cooperation]*, The Hague.
- Kenniscentrum [*Knowledge Centre*] (1999), Ministerie van Financiën (1999), Kenniscentrum Publiek-Private Samenwerking, Voortgangsrapportage PPS, [*Ministry of Finance, Knowledge Centre Public-Private Partnership, PPP Progress Report*], April 1999.
- Kettl, D.F. (1988), *Government by proxy: (mis)managing federal programs*, Washington D.C, C.Q. Press.
- Kickert, W.J.M., E.H. Klijn, J.F.M. Koppenjan, *Managing complex networks; strategies for the public sector*, London: Sage.
- Klijn, E.H., J.F.M. Koppenjan, (2000), Public management and policy networks; foundations of a network approach to governance, *Public Management*, (vol2), no.2 (pp. 135-158)
- Klijn, E.H., E. van Bueren, J.F.M. Koppenjan, (2000), Spelen met onzekerheid; over diffuse besluitvorming in beleidsnetwerken en mogelijkheden voor management [*Playing with uncertainty; on diffuse decision-making in policy networks and possibilities for management*], Delft: Eburon.
- Klijn, E.H., G.R. Teisman, (2000), *Governing Public-Private Partnerships; analysing and managing the processes and institutional characteristics of public-private partnerships* in: Osborne (ed.) (2000).
- Klijn, E.H., (2001), Rules as institutional context for decision making in networks; the approach to post-war housing districts in two cities, *Administration and Society*, vol. 33, no 3 (may), pp. 133-164.
- Kouwenhoven, V.P (1991), *Publiek-private samenwerking: mode of model? [Public-private cooperation: mode or model?]*, Delft.
- Lane, C., R. Bachman, (1998), *Trust within and between organizations; conceptual issues and empirical applications*, Oxford: Oxford University Press.
- Lundvall, B.A., (1993), Explaining interfirm cooperation; limits of the transaction-cost approach, in: Graebner (ed.), 1993.
- Miles, R.E., C.C. Snow, (1986), Organization: new concepts for new forms, *California Management review*, vol. 28, no. 3.
- Milward H. Brinton, K.G. Provan, (2000), Governing the hollow state, *Journal of public Administration Research and Theory*, vol. 10, no. 2, pp. 359-379.
- Mulford, C.L., D.L. Rogers (1982), definitions and models, in: Rogers/Whetten (ed.), 1992.
- Ministry of Finance (1998), *Final report of the MDW Working Party on Market and Government*, The Hague.

- Nooteboom, B. (1998), *Management van Partnerships [Managing partnerships]*, Schoonhoven: Academic Service
- Osborne, S.P. (ed.), (2000), *Public-Private Partnerships; theory and practice in international perspective*, London: Routledge.
- Ostrom, E., (1986), A method for institutional analysis, in: F.X. Kaufman, G. Majone, V. Ostrom (eds.), *Guidance, control and evaluation in the public sector: The Bielefeld interdisciplinary project*, Berlin: Walter de Gruyter.
- Pressman, J/L., A. Wildavsky, (1983, 3d edition), *Implementation: how great expectations in Washington are dashed in Oakland*, Berkeley: University of California Press (First Edition 1973).
- Ring, P.S., A. van der Ven, (1992), Structuring cooperative relations between organizations, *Strategic Management Journal*, vol. 13, pp. 483-498.
- Rogers, D.L., D.A. Whetten, (1982), *Interorganizational coordination: theory, research and implementation*, Iowa: Iowa State University Press.
- Rosenthal (1992), *Effective product design and development*, Chicago: Irwin.
- Sako, M., (1998), Does trust improve business performance? In Lane/Bachman (eds.).
- Scharpf, F.W.(1978), *Interorganizational policy studies: issues, concepts and perspectives*, in: K. Hanf, F.W. Scharpf (ed.), (1978), *Interorganizational policy-making*, London: Sage.
- Scharpf, F.W., (1997), *Games real actors play; actor-centred institutionalism in policy research*, Boulder Colorado: Westview Press.
- Scott, W.R., (1995), *Institutions and organizations*, Thousand Oaks: Sage.
- SER (1999), *Startnota Ruimtelijke Ordening en de Perspectieven Nota Verkeer en Vervoer [Initial Memorandum on Spatial Planning and the Perspectives of the Traffic and Transport Memorandum]*, The Hague: SdU.
- Simon, M, (1990), *De strategische functietypologie [Strategic Function Typology]*, The Hague: SdU.
- Teisman, G.R. (1992/1995), *Complexe besluitvorming; een pluricentrisch perspectief op besluitvorming over infrastructuur [Complex decision-making; a pluricentric view of decision-making on infrastructural investments]* Den Haag: Vuga.
- Teisman, G.R. (1997), *Sturen via creatieve concurrentie [Governance through creative competition]*, Nijmegen: Catholic University of Nijmegen.
- Teisman G.R. (2000) Models for research into decision-making processes: on phases, streams and decision-making rounds, in *Public Administration*, vol. 78, no.4, 2000, pp. 937 – 956.
- Teisman G.R. & E-H Klijn, *Partnership Arrangements: Governmental Rhetoric or Governance Scheme?*, *Public Administration Review*, vol 62, no.2, pp 197 –205.
- Veld, R.J. in 't (1997), *Noorderlicht; over scheiding en samenballing, [Northern lights; on separation and combination]*, The Hague: Vuga.
- Waddock, S.A., (1991), A Typology of Social Partnership Organizations, *Administration and Society*, vol 22, no. 4, pp. 480-508.
- Williamson, O.E., (1996), *The mechanisms of governance*, Oxford: Oxford University Press.
- Wheelwright, S.C. & K.B. Clark (1992), *Revolutionizing product development*, New York: The Free Press.

NOTES

¹ Not all surplus value is synergy (although the reverse is true). Simple savings of transaction costs (such as quicker permit granting or organizational efficiency) create surplus value but not synergy.

² Due to lack of space, we discuss this theoretical perspective only briefly. This perspective is described elsewhere in more detail (viz. Kickert/Klijn/Koppenjan, 1997; Klijn/Koppenjan, 2000; Teisman, 2000)

³ The data is partly based on a case study by J. Verbart in G.R. Teisman, Ed., *Ruimtelijk Procesmanagement en Meervoudig Ruimtegebruik [Spatial Process Management and a Multiple Use of Space]* (2001), Delft, Eburon.

⁴ Here, we will not take into account that several large municipalities are simultaneously involved in various large investment projects and are thus entangled in conflicts of interest.

⁵ Now that profits in other countries have fallen and the higher profits in Germany and the U.K. are the exception rather than the rule, the political consequences are likely to be less pronounced. Hence it is not so much the inherent quality of the auction as the comparison that counts.