

Public-Private Partnerships: Multiple Tasks at the Operation Stage

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Abstract

Public-Private Partnerships (PPP) include various governance structures which distribute tasks and ownership of facility differently. While earlier theoretical studies assumed just two tasks, building and operation, the present paper divides the task of operation into three, suppose six types of governance structures ranging from traditional provision to full privatization, and investigate which is the most desirable for prison and a few other public services. We also consider how the incentives of the parties are affected by the ownership of facility, taking its residual value into account.

Keywords: Public-Private Partnerships; incomplete contracts; bundling/unbundling

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