



# Stakeholder dynamics and responsibilities in Public–Private Partnerships: A mixed experience

Steven De Schepper<sup>\*</sup>, Michaël Dooms, Elvira Haezendonck

*Department of Business, University of Brussels (VUB), 2 Pleinlaan, Brussels 1050, Belgium*

Received 23 July 2013; received in revised form 9 January 2014; accepted 21 January 2014  
Available online 7 February 2014

## Abstract

Although stakeholder management is seen as one of the main success factors of Public–Private Partnerships (PPPs), to date, limited research has investigated actual stakeholder management in PPPs. After positioning PPP in the current stakeholder management theory, a comparative case study analysis of four PPP infrastructure projects demonstrates the relevance and importance of stakeholder inclusion in PPPs. The case study findings indicate that a PPP makes the stakeholder environment more complex to manage, due to the increasing importance of the stakeholder context and dynamics. Hence, allocating stakeholder responsibilities between the public initiator and private consortium becomes problematic as it goes hand in hand with balancing between reactive and proactive responses to stakeholder claims. In order to cope with the PPP specific stakeholder characteristics, the use of a dynamic dual stakeholder management tool is recommended as well as the identification of governance structures that allow the sharing and division of responsibilities between stakeholders.

© 2014 Elsevier Ltd. APM and IPMA. All rights reserved.

*Keywords:* Managing stakeholders; PPP/PFI; Infrastructure; Europe; Case study analysis

## 1. Introduction

Public–Private Partnerships (PPPs) are increasingly used for the provision of public infrastructure (Kwak et al., 2009; OECD, 2008; Tang et al., 2010). While the provision of infrastructure through PPP projects has been more or less successful in terms of effectiveness, a number of problems have been encountered (Hodge, 2010; Koppenjan, 2005), such as stakeholder opposition leading to a non or ineffective implementation of the project (El-Gohary et al., 2006). Stakeholder opposition mainly emerges from the gap between expectations of different stakeholders involved in PPPs on the desired process or outcome of the project (Levy, 1996; Zhang, 2005). However, we notice throughout our study of four PPP infrastructure projects that stakeholder issues do not solely emerge because of this gap but are often the result of

the imbalance of reactive and proactive stakeholder management approaches and an absence of any guidance on the responsibility and accountability issues surrounding the stakeholder management of PPP projects. Hence, capturing and addressing stakeholder concerns, and putting appropriate stakeholder management processes in place are crucial for the success of PPPs, even in the early set-up phase. However, to date, limited research has examined the importance of stakeholder engagement through stakeholder inclusion in projects (Achterkamp and Vos, 2008) and even less so in PPPs. Notwithstanding, some authors, mainly building on experiences with PPP processes in other countries or regions of the world, have highlighted at least some issues with respect to stakeholders, such as complex trust relations between public and private actors (e.g. Edelenbos and Klijn, 2007; Smyth and Edkins, 2007), and neglected importance of reporting/communication processes (e.g. Fischbacher and Beaumont, 2003; Liu and Wilkinson, 2014). Nevertheless, none have primarily focused on describing the dynamics in such a way that it could lead to a basis for an analytical approach or for more precise paths towards solutions, except, El-Gohary et al. (2006), who describe the aspects and processes to manage PPP environments.

<sup>\*</sup> Corresponding author. Tel.: +32 2 629 11 90; fax: +32 2 629 20 61.

E-mail addresses: [Steven.De.Schepper@vub.ac.be](mailto:Steven.De.Schepper@vub.ac.be) (S. De Schepper), [Michael.Dooms@vub.ac.be](mailto:Michael.Dooms@vub.ac.be) (M. Dooms), [Elvira.Haezendonck@vub.ac.be](mailto:Elvira.Haezendonck@vub.ac.be) (E. Haezendonck).