**Analyzing the Public-Private Partnership as a tool for socio-economic development.**

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 **Introduction**

The 1990’s has seen the establishment of Public –Private Partnerships as a new key tool for implementing public policies ranging from social to economic policies. Traditionally, Governments by themselves found finances, built infrastructures (roads, school etc) and provided services (health care, transportation). In providing such services, they faced various problems ranging from their budget deficit to the increase of the populations’ needs. Aware of their financial limits and the increase of the demand for providing high quality of services, they involved themselves more and more in partnership. In countries like United Kingdom, PPPs are a cornerstone of the developing stakeholder society of the new labor government and an essential tool to implement significant social policies such as the regeneration of urban areas and the struggle to combat youth unemployment (Falconer and Ross 1998).

In Hungary, PPPs are being seen as a means through which both to restructure the provisions of public services to meet social needs and to develop a civil society in the aftermath of the communists regions (Osborne and Kaposvari 1997, 1998). The deflagration of the Soviet Union has witnessed the spread of the privatization which becomes later PPP. It seems important to mention the debate made on the two concepts. Some like Erik-Hans-Klijnard Geert R.Teisman made the distinction. According to Erik, privatization is a shift from Public to Private sector production whereas PPP can be defined as a combination of market parties and government.

The term Privatization is subject to many controverseries and is not well seen by the nationalists that consider it as a new way of colonization. Due to the nationalist consideration, the term privatization shifted to PPP. Today PPP is most used. Various definitions have been given ranging from policy to economic perspectives. Each definition helps understand the concept of PPP. In a public policy oriented definition, partnership involves cooperation i.e. to work or act together and can be defined as cooperation between people or organization in the public or private sector for mutual benefit (see Holland 1984). In the same vein Harding (1990) sets out a similar general definition of PPP as “any action which relies on the agreement of actors in the public and private sectors and which contribute in the way to improving the urban economy and the quality of life”. Harding however admitted the limited conceptual value of the PPP.

Bailey (1994) provides a working definition of PPP in urban regeneration as the “mobilization of a coalition of interests drawn from more than one sector in order to prepare and oversee an agreed strategy for regeneration of a defined area (Bailey 1994:293). Taking the economic development perspective, Sellegren(1990) defines partnership as “a scheme with involvement or funding from more than one agency”

Whatever the definition and whatever the form the PPP take, it comes out of the definitions that cooperation, collaboration, agreement and involvements are necessary in partnership. The given definitions so far have been interested in government and private sector or business but a definition from Commonwealth (State) of Massachusetts involves others in the partnership and shows the wide scope of PPP. According to the Commonwealth (State) of Massachusetts” A partnership is collaboration among business, non-profit organization and government in which risks, resources and skills are shared in project that benefits each partner as well as the community Straton (1989).This definition broadens the scope and the contributions of the Partnership.

Definitions of PPP ranging from policy to economic perspective unanimously recognize the advantages of PPP for funding, providing and implementing policies.

However, some voices argue that PPPs are not what people think they are. Considering on one hand the ppp as an efficient instrument for implementing public policies, providing social services as mentioned in above definitions, it is reasonable on the other hand, to oppose them to the arguments against PPPs. Due to the controversial debate between the pro and con PPP, the paper aims at analyzing ppps as a tool for socio economic development. For that, the paper will cover in **the second section the Network** **Constitution that is to say who are involved in the partnership? What are the objectives and motives? What is the benefit for each part? How should be the strategic alliance?**

**In the third section, the paper deals with the establishment of an Institutional Framework for a successful ppp. This section focuses on points like responsibility, accountability,participation fairness, and procurement policies conditions for successful ppps**.

**The fourth section implies the arguments against PPPs. This section unveils the hidden practices in ppps like lack of transparency corruption, fraud and emphasizes the limitations of ppps.**