**Analyzing the Organizational Form in Public-Private Partnerships in relation with network forms of organisation**

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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 (Osborne). 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, 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.

Now, the PPPs are part of the New Public Management and they spread in the worldwide as a tool of management and governance. Why is a concept barely mentioned two decades ago now attracting such interest? Many researches explored the field and mostly they are oriented to the financial aspect relating to the risks and profits only very few oriented their investigations in the type of organization the PPPs are indeed. The relationships between the actors are very often overlooked. Consequently, the purpose of this paper is to address the network of relations that occurs in PPPs. First the paper will analyze the organizational form in PPPs. Second, the form organization will be opposed to some views relating to network forms of organizations. For that the organizational form in PPPs will be analyzed in relation with the sociological and structural perspectives of network forms of organization. And third, the paper will attempt to outline the differences and convergences between the types of organizational forms.

**The organizational form of the PPPs**

The PPPs are a perfect area for researchers interested in the network forms of organizations because of its specificity. Its broad concept has led to a variety of definitions. Each definition attempts to help understand the concept of PPPs. 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) defines the PPPs as any action which relies on the agreement of actors in the public and private sectors and which contributes in the way to improving the urban economy and the quality of life. Bailey (1994) provides a working definition of PPPs 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. 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 the form the ppps take, it comes out of the definitions that cooperation, collaboration agreement and involvement are necessary in partnership. The given definitions so far have been interested in public and private sectors but a definition from Commonwealth states of Massachussets involves other actors in the partnership and show the wide scope of ppp. According to CSM a partnership is collaboration among business, non profit organization and government in which risks and skills are shared in project that benefits each partner as well as the community (Stratton 1989). This definition broadens the scope and the contributions of the partnership.

The actors involved in the partnership have different interests but are bound to be together because neither of them can fulfill the assignment alone. As reported by Adelokundo Lucas, a chief factor encouraging for public-private partnership is that neither side can achieve its special goals alone; collaboration is unavoidable. In the same vein Ronald W. McQuaid said it in other words “the sum is greater than the parts”.

Mostly, in PPPs; some partners are more central and powerful than others and according to MichaelR.Reich Partnership involved both ‘big P’Partners who assume core responsible for the joint enterprise, and a ‘little p’partners whose participation is necessary for successful implementation. In the case of PPPs the public party and the private party are the main actors and the power is shared between them.

**Theories on Forms of Organization**

Some researchers have explored the network forms of organization and the findings are interesting.

Many questions such as who are involved in the partnership? Why are they involved in partnership arrangement? Today these questions have been clearly answered in the remarkable but conflictual studies.

**The Sociological View**

The sociologist view is opposed to the economic view of organization that considers only two forms of organizations the market and the hierarchy (Joel M.Podolny and Karen L.Page). The network form of organization when considered as a form of governance it can be distinctly characterized(Podolny) and Podolny and Karen define the network form of organization as “any collection of actors (N superior or equal two) that persue repeated, enduring exchange relations with one another and, at the same time, lack a legitimate organizational authority to arbitrate and resolve disputes that may arise during the exchange.” The absence of authority to arbitrate results from the trust underlying the relations between partners,

Sociologists argue that the network form of organization has a number of distinct efficiency advantages not possessed by pure markets or pure hierarchies, and because of these efficiency advantages, network forms are quite prevalent (Bradach&Eccles1989). This view is supported by (Powell 1990) who argues that network forms of organization cannot be considered hybrids of markets or hierarchies; rather, network forms of organization represented a unique alternative possessing its own logic. Network forms of Organizations fosters learning, represent a mechanism for attainment of status or legitimacy, provide a variety of economic benefits, facilitate management of resource dependency and provide considerable autonomy for employees.

Bradach and Podolny both acknowledge the advantages that occur in the network form of organization different to the market and hierarchy organization. The network form of organization according to them provides new competencies, knowledge and economic benefits. It is important not to overlook the direct economic benefit of this form in terms of cost and quality (podolny) Wlliamson(1991)lays conditions under which network forms of organization lower transactions costs.The functions of the network forms of organizations range from learning to economic benefits. Through this form of organization one can ensure the capacity building. Hamel (1991) is perhaps the most explicit in examining how inter firm collaboration provide participating firms with opportunities to internalize one another skill. Beaum & Olivier (1992) finds that a tie to a legitimate institutional actor, such as church or governmental entity has a positive effect on the life chance of organization. Other benefits of the network form of organization are the social welfare.