

Beyond the Dichotomous Evaluation of the Public Value-PPP Relation: From PPP to PPX

HERLIN CHIEN

ABSTRACT Scholars have called for a greater attentiveness to and venturing beyond the dichotomy of public value created or lost in public-private partnering activity. To accomplish this, I first propose a shift from the term “public-private partnership” (PPP) to “public-private mix”(PPX). I then utilize a unique form of logical inference, abduction, at this initial stage of theory building to glean details about the two emerging concepts of public value and PPX. To illustrate their varying dimensions, a case study of ten PPXs in Taiwan are conducted and analysed. In the process, the study demonstrates three analyses of the blurring of boundaries.

KEYWORDS: • privateness • publicness • public-private partnerships
• public value • social entrepreneurship

CORRESPONDENCE ADDRESS: Herlin Chien, Ph.D., Assistant Professor, Wenzao Ursuline University of Languages, Department of International Affairs, #900 Sec. 1 Mintsu Rd. Kaohsiung, Taiwan, email: hchien09@gmail.com.

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Introduction

If the public sector can be considered one of main contributors to social entrepreneurship since its introduction in the 1980s, New Public Management (NPM) has been a major trend in government reform with which social problems have been solved more creatively with an entrepreneurial spirit. Whereas the first wave of NPM was based upon privatisation that aimed to modernise the public sector and render it more efficient, the second wave refers to Public-Private Partnerships (PPPs) and is not only distinct from the first but emphasises cooperation among different sectors and their shares of both responsibility and financial risks (Linder and Vaillancourt Rosenau, 2000: 6). However, these innovative methods of reform, especially the PPPs, are not without critics. One area of concern is their ambiguous impact on public values (Jørgensen and Bozeman, 2002; Van Gestel *et al.*, 2008; Mistarihi *et al.*, 2012). As a result, more and more scholars are calling for new analytical approaches that venture beyond the dichotomous public value created or lost hypothesis.

Given a call for venturing beyond the above dichotomy, the central research question addresses conditions that influence the public value-PPP relation. An explorative case study of ten PPPs is launched in Taiwan to examine the actual practices of PPPs across different policy domains and how public values are created or lost in the daily operations of different types of PPPs. Before analysing and learning from the ten empirical cases, I point out limitations in the dichotomous discussion of the public value-PPP relation before providing an overview of the variety of non-dichotomous analyses that can provide a fuller understanding of the creation of public value in the PPP arrangement.

A Dichotomous Evaluation of the Public Value-PPP Relationship and Beyond

In exploring the PPP-public value relationship, a dichotomous method of evaluation is prevalent in the extant literature: public values lost or created. In the former camp, it is commonly suggested that PPPs as public-sector reforms hinder public values, such as accountability (Frederickson and Smith, 2003), transparency (Bloomfield, 2006; Flinders, 2010; Hodge, 2004), and citizen participation (Box *et al.*, 2001) or generally cause democratic deficits (Christensen and Læg Reid, 2002). Because politicians and public servants are “systematically distanced” from decisions regarding and implementation of programmes involving outsourced public services or goods, it is difficult to hold these officials accountable (Collins and Butler, 2003).

In the “public value created” camp, some have theorised (Barberis, 1998) and presented empirical evidence to support the observation that accountability may actually be stronger in cross-sector collaboration because of (1) systematic performance monitoring, often regulated by the contractual partnership, (2) the construction and use of service-level specifications, and (3) the application of

mechanisms that help prevent or punish noncompliance (Domberger and Jensen, 1997). Similar mechanisms increase transparency through partnerships (Osborne and Plastrik, 1998). Moreover, a new form of accountability was claimed to be constructed in this decentralised innovative governing structure (Salamon, 2002). DeLeon (1998) called for a non-bureaucratic type of accountability and mechanisms tailored for this new type of decision-making and implementation collaboration. In terms of their impact on democracy, McQuaid (2000: 21) argues that partnerships may enhance citizens' role in public policy decision making because consumer-like behaviour enables citizens to directly respond to the market of public service delivery.

Although the above dichotomous evaluation of the relationship between PPPs and public value, especially in the context of democracy, offers useful direction and guidance for researchers to more deeply explore this reinvented structure, there is room for improvement. Not only have these public value-shading theoretical hypotheses received little empirical testing thus far (Reynaers and De Graaf, 2014) but, researchers, including Rosenau (2000) and Christensen and Læg Reid (2002), find themselves occasionally argue arguing for both sides. Two ideas might offer outlet solutions to the mentioned paradox. First, we can abandon the preference for and positive image associated with "partnership" and start a movement to emancipate ourselves from PPP in favour of Public Private Mix (PPX). This step can allow us to be free from preconceived notions or embedded values.; Second, we can use abductive logical inference instead of deduction or induction as a basis for hypotheses and theoretical arguments to create and recreate typologies of PPPs in terms of their empirical relationship with public values because both concepts are emerging. It is in the course of planning and implementing outsourced programmes and in their daily routines that interactions between public and private entities create or undermine public values.

Solution One: From PPP to PPX

This paper argues that it is necessary to update or reverse PPP to its older and neutral term PPX. Wettenhall (2003) describes "partnership" as a "very fashionable concept" that has been used in the titles of many new books and journals on public- sector management, conferences and government reform initiatives to improve public services (Curry, 2002; Edwards, 2001: 80). Meanwhile, the term is often associated with a positive relationship with "the third way" of mutual obligation and trust (Muetzelfeldt, 2001). "Partnerships" are even listed as one of six drivers of improved responses in crisis management (Britton, 2001: 48). However, the term's frequency of use and seemingly positive connotation, caution some, should not automatically be equated to advances in the development of New Public Management, which suffers from problems associated with privatisation and contracting out. Partnerships is not necessarily a complement make up for the loss of faith in both state and market. Hess and Adams (2001: 13) express concern about the potentially useful concept of

“partnership” becoming another public policy reform fad. Langford has also criticised the word as “undoubtedly one of the...most misused . . . in the contemporary administrative lexicon” (Langford, 2002: 69).

Consequently, to avoid the pervasive misuse of “partnership” in public management with unrealistic expectations, this paper supports using the term “PPX”¹ rather than “PPP” to describe public and private cooperation programs, including both public procurement and at least two type of PPPs – one is narrow or exchange partnership (Weihe, 2008) with split purposes; the other is active or “true” partnership (Lonsdale, 2007) with shared goals between the public and the private actors (see Figure 1 in later part) because “mix” is a neutral word without a priori positive or negative connotations. Obviously, “mix” is an older and less popular buzz-word than “partnership”, which has gained its reputation particularly in the last decade among public agencies in English-speaking countries, such as the UK’s New Labour Government (EIU, 2002), Canada (CIDA, 1999), Australia² and the US’s movement to reinvent government (Osborne and Gaebler, 1992). However, the actual practice of mixing public and private inputs could date back to as early as the 16th century in Europe (Savitch, 1998) and the 1880s in the US (Beauregard, 1998). Therefore the coining of the new term “PPP” on a centuries-old practice fascinates practitioners in the modern world by its unreal novelty and blinds us from its detrimental effects. In fact, this phenomenon is not as novel as it appears in the recent rhetoric and requires closer empirical analyses. Elsewhere, what is most important is that differences in public-private mixes that are pivotal to reforms’ success or failure might also be overlooked (Lawless, 1993). In the midst of fuzzy boundaries between public and private and a variety of “public-private partnerships”, there is a growing need to categorise the types of PPX (Schaeffer and Loveridge, 2002) to understand their formation, function and outcomes, including impact on public values.

Solution Two: Using a Third Form of Logical Inference

Secondly, I argue that abduction logic can be more useful than traditional inductive or deductive methods to explore the ambiguous nature of emerging concepts, such as “PPP” and “public value” (Moore 1995, 2013; Benington 2009). This third form of logical inference is a logic of discovery rather than of theory assessment. It is located in the stage of inquiry in which we try to generate theories that may later be assessed (Peirce, 1958). Before testing the hypotheses, the muddled status of both concepts – PPP and public value – requires identifying their diverse and evolving forms, natures, operations and effects from empirical cases through the method of abduction. Furthermore, the blurring boundary between the public and private sectors (Baxter, 1994) adds complexity to the business of theoretical generation and categorisation efforts. Under this degree of uncertainty, the fallible nature of abduction logic can create room for wrong results and self-correction mechanisms after later investigation by deduction and

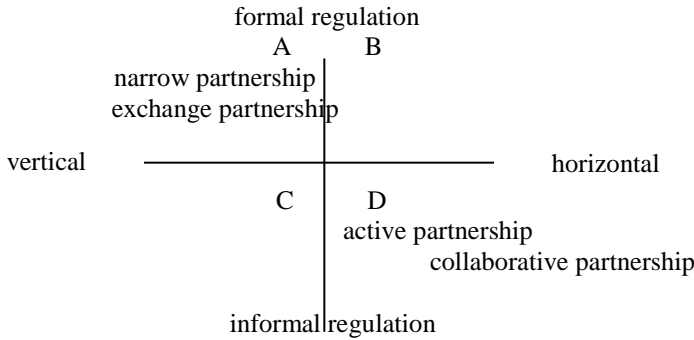
tested by induction (Peirce, 1958: 5.574). Meanwhile, conclusions reached by abduction cannot ultimately be taken as true until it is also tested.

Diversifying Categories of Analysis

When viewing “partnership” as a type of “mix”, one is momentarily free from the positive connotation and beyond the rhetoric of a dichotomy of public values created or lost. The nature of PPX is actually beyond cooperation between the public and private sectors. Grimshaw et al. (2001: 407-408) note that the reinvention of the public sector “is more about adding additional layers to monitor and regulate the less hierarchical form of innovative organisational structure....they involve a complex and volatile combination and blurring of entrepreneurial and hierarchical elements”. As a result, to create a fuller understanding of this hybrid reinvention, we need new tools and diversified theoretical concepts to explore conditions that influence the public value-PPX relation and its varieties. Deriving from the extant literature, four alternative approaches and tools are delineated below to facilitate the next section’s abduction theory- building effort based on ten empirical cases selected infrom Taiwan. They are approaches from 1) dimensions of coordination and regulation; 2) institutional settings; 3) temporality; 4) a cycle perspective.

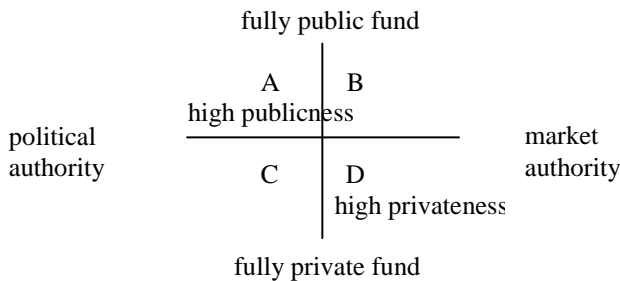
Firstly, apart from analysing the relational quality and interaction intensity between the public and private sectors (Weihe, 2008), in terms of dimensions of coordination and regulation, four combinations of PPX can be simulated with concepts of vertical versus horizontal coordination and formal versus informal regulation (Figure 1). Whereas informal-horizontal partnerships – area D – are referred to as alliances or active partnerships (Edelenbos and Teisman, 2008; Klijn and van Twist, 2007; Kouwenhoven, 1991; Lewis, 2000), the opposite formal-vertical partnership – area A – is regarded as a dependent or narrow partnership (Reynaers and De Graaf, 2014; Sullivan and Skelcher, 2003; Weihe, 2008; Wettenhall, 2003). The former is considered a true partnership because collaboration between public and private agencies in joint action and decision making is high or in other words has a higher level of relational quality and interaction intensity (Weihe, 2008: 156). The latter exhibits the contrary effect. It cannot be considered a true partnership (Lonsdale, 2007) or is seen as merely an exchange partnership, not a collaborative partnership, in which distrust between the public and private sectors is pervasive in the distanced contractual relation with split purposes, instead of shared goals (Weihe, 2008: 155).

Figure 1: Coordination and Regulation Dimension



Next, one may ask the following question about the above typology of partnerships: What are the institutional settings that facilitate or encourage a particular type of public-private partnership – or to be neutrally sound, mix – as opposed to the other type? The concept of publicness versus privateness, based on the theory of “dimensional publicness” (Bozeman, 1984, 2007), can provide a categorical departure to analyse the institutional structure in which a PPX is embedded. Publicness is best defined by the degree of political authority constraints and endowments affecting the institution. On the opposite side, the degree of market authority constraints and endowments affecting the institution refers to privateness (Figure 2). Publicness is high when the source of funding is primarily public and the authority derives directly from a public agency, whereas privateness is high when market authority dictates a majority of decision making with a large share of private funding. Under these definitions, some government can be more “private” than private organisations and vice versa (Perry and Rainey, 1988; Rainey *et al.*, 1976; Rainey, 2002). For example, Bozeman’s (1984) analysis of U.S. aerospace firms showed how a change in the level of publicness, namely wrestling between political and market forces, shaped outcomes of public value delivery.

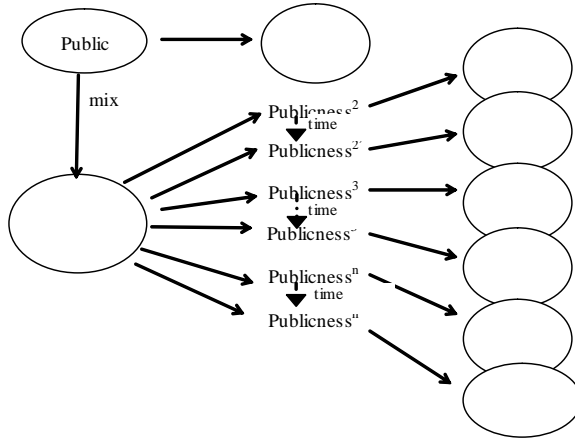
Figure 2: Publicness vs Privateness Institutional Analysis



As far as the quantity and quality of public value generated during the process of public-private co-production, Some suggest evaluating two types of public value – material (Weihe, 2008) or substantive values (Eskridge 1989) and procedural values– generated from different types of PPX. On one hand, the tangible substance values with rationales for implementation are often measured with an efficiency index. On the other hand, procedural values, including traditional values of public administration, such as equality, transparency, accountability and the rule of law, reflect a public service provider’s pivotal role as arbiter (Allison, 1980; Peters and Pierre, 2003). Those two types of public values are derived from diametrically opposed logics. While the uniform public manager is more familiar with playing the role of arbiter, the private-sector entrepreneur is good at providing efficiency and effectiveness. Together in their PPX, each of the two partners is better equipped to offer a particular type of public value but not both. Moreover, a synergistic collaboration is more successful under a flat, non-hierarchical and “less rational” ways of conducting business (Kanter, 1994), which are often the opposite of the methods of an unbiased and rule-abiding public organization. Once this collaboration is successfully initiated and practised, it offers a collaborative advantage in the form of substantive surplus value generated jointly by the public- and private-sector actors. Studies also suggest that synergy levels, trust and degree of innovation increase as the parties get to know each other in a “close-knit” and “intensive” co-production. (Klijn and Teisman, 2005) Therefore, “temporality” plays a role in how much public value can be generated in different stages of PPX development.

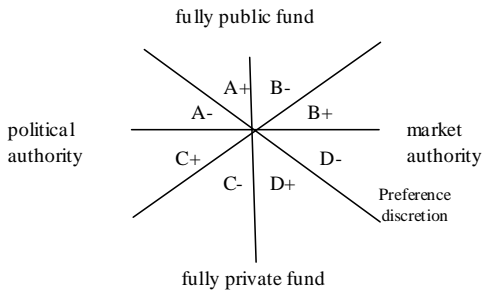
Elsewhere in the context of public values, one can conceive of “publicness” as a concept to guide normative analysis (Bozeman, 2007: 10). Dahl and Lindblom (1953) assume that evolution of policies and institutions is to a large extent attributable to changes in their respective mixes of economic and political. As a result, a change in political or market authority composition impacts the values implications of publicness. Some political-market force combinations create public values, whereas others undermine it. Figure 3 attempts to simulate the types of public value created from public agencies providing public goods unilaterally in a myriad of PPX arrangements. Supposedly, “public value¹” is generated when public goods are provided by public agencies acting alone. Mixing private institutions with providers of public goods necessarily changes the dimensions of publicness (denoted as publicness¹, publicness²...publicnessⁿ) in a governmental programme. Consequently, the genre and intensity of public value over time are subject to addition, subtraction or mutation (denoted as public value², public value^{2'}, public value³, public value^{3'}...public valueⁿ).

Figure 3: Variety of Public Values Generated by PPX with Temporality



Therefore, public value creation is not guaranteed in any public-private partnership or mix. The scope and quality of public value created vary whereas recognizing and measurement of public value³ are possible by using tool such as “public value scorecard” proposed by Moore (2013) to improve the strategic performance of PPX. To illustrate further, a mapping of the variety of public value generated by PPXs in diverse institutional settings is depicted in Figure 4. In the depiction, a mix that creates public value is indicated with an “A+”; in contrast, one that undermines it is marked as “A-“. This figure suggests the possibility that even a mix with high publicness can undermine public value, whereas one with high privateness does not necessarily embrace full private profit but can also produce public value.

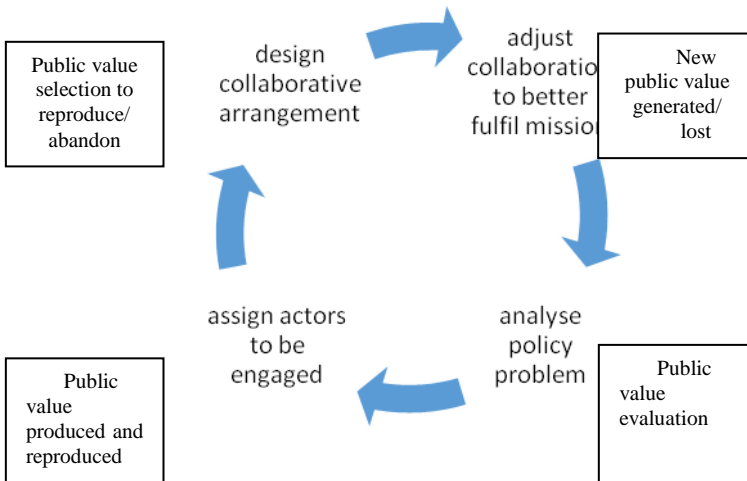
Figure 4: Publicness versus Privateness Analysis with Public Value



Furthermore, different types of public value are produced in different stages of the public service production process over time. Weihe (2008) identified four distinct phases: procurement, construction, commission, and operational. He noted that the surplus value generated is contingent on the phase of collaboration. At the initial collaboration stage, the value generated is limited. As collaboration is implemented, the longer the collaboration is, the more the levels of synergy, level of trust and degree of innovation increase.

Finally, linking to the above discussion on the phases of collaboration, public value should not be defined as absolute and static on a continuum. Instead, a “cycle” of collaboration is proposed, with at least four stages in recursive sequence identified (Donahue and Moore, 2012): analysis of the policy problem, assignment of actors to engage in the effort, designing of the collaborative arrangement and adjusting the collaboration to better fulfil the mission (Figure 5). During each stage, public value is selected, discarded, evaluated, produced and re-produced recursively. Specifically, public value is created if private collaborators exercise “production discretion” (Donahue and Moore, 2012: 119), which is the ability to innovate, customise and deploy production models that the public sector cannot execute unilaterally. Otherwise, public value is undermined when use of payoff or “preference discretion” (Figure 4) is exercised by a private collaborator. Notably, collaboration governance requires continuous monitoring and constant revision to ensure alignment with the imperatives of public value production goals.

Figure 5: Cycle of Collaboration*



Abduction Theory-Building Effort

Because “PPX” and “public value” are emerging concepts and their interaction is multifaceted as discussed above, to further our understanding on of them, this section demonstrates the use of the third form of logical inference — the abduction approach – to generate theories from the empirical cases observed in Taiwan. The case study approach adopted here echoes the logic of ‘naturalism’ used by Weihe (2008), as opposed to positivism and constructivism. Detailed knowledge derived from case study and in-depth interviews helps to penetrate the black box of PPX and its relation to public value. The operational routine of PPX leads researchers and readers to move beyond the formal PPX contract and explore micro-level processes in the individual mix. New findings generated from cross-case analysis are used to provide grounding for future theory building that has not previously been performed, hypothesised or even imagined. This effort helps the study of PPX to break the boundary of move beyond the conversation about public value created or lost conversion. It aims to explore PPX’s the nature of PPX, its institutional setting and corresponding outcomes of PPX.

Ten PPX cases are eventually analyzed in Taiwan based on the richness of data successfully gathered while other cases failed to be included here because of either slow response or unwillingness from the part of the public sector to disclose internal information on certain PPX operation. At the initial planning stage, four level of public sectors are targeted as interviewees to facilitate cross-analysis – local government in the Capital city- Taipei, in 2nd largest city - Kaohsiung, in rural area, and central government. Each interviewee in public sector is invited to describe one particular PPX experience in which he or she is extensively involved. Basic information and case backgrounds are listed in Table 1 below.

Table 1: Taiwan PPX Case Description

#	Public Agency	Private Agency
1	Kaohsiung City Morakot Post-Disaster Reconstruction Council	8-9 solar water heater companies compete for bid Solar Thermal Energy Association
2	Kaohsiung City Morakot Post-Disaster Reconstruction Council	Foxconn Technology
3	Taipei City Government, Dept. of Social Welfare, Division of Welfare Services for Women and Child Care Centres	11 NGOs Sample case operated by Chen Cheng-po Cultural Foundation
4	Taipei City Government,	Community associations

	Dept. of Social Welfare, Division of Civic Organisations	Sample case operated by Chiu-ju Community Association
5	Pingtung County Government, Labour Affairs Department	Farmer cooperatives past local award-winning farmers
6	Taipei City Government, Dept. of Social Welfare, Division of Welfare Service for Children and Youth	NGOs Sample Case operated by The Garden of Hope Foundation
7	Taipei City Government, Dept. of Social Welfare, Division of Welfare Services for the Disabled	Eden Social Welfare Foundation
8	Taipei City Government, Dept. of Social Welfare, Division of Welfare Services for Senior Citizens	Hundreds of businesses/NGOs/public agency/ church
9	Gender Equality Committee, Executive Yuan	Indigenous women/handicraft artists
10	Ministry of Labour, Workforce Development Agency, Taoyuan-Hsinchu- Miaoli Branch	Businesses

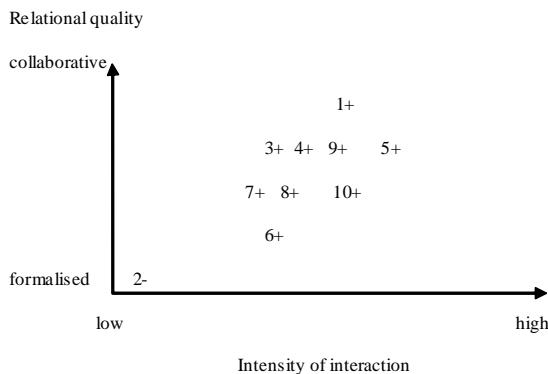
Of the ten cases, only that of the Youth Service Centre (case 6) is a long-term PPX establishment (operating since 1996); the rest are relatively new programmes started between 2009 and 2014. These programmes are mostly intended to solve long-term social or economic problems, except for two cases (case 1 and case 2), which are crisis responses that entail a sense of urgency. As for the level of government, two PPX are central government initiatives, whereas the others are local government programmes in Kaohsiung city (2nd largest city), Taipei city (the Capital) and Pingtung county (rural area). Moreover, only case 2 works with a single private institution – Foxconn Technology, which is one of Taiwan’s largest corporations and the manufacturer of iPhone components – without competition. The remaining nine PPXs have a certain degree of competition in the form of open bidding to select private institutions, including private businesses or non-governmental organisations, to work with the public sector and become the public service provider. Finally, in terms of public funding of the PPX, almost all the cases involve millions of taxpayer New Taiwan Dollars. Case 8, however, is an exception with no public funding of its “Senior Friendly Station” initiative, and by 2014 September it had successfully rallied more than eight hundreds private agencies to collaborate in creating stations.

First, in terms of relational quality and interaction intensity, what is the typology of the ten Taiwanese cases? Figure 6 depicts the variations in the ten cases. Case 2 - Sanling organic farm is positioned in the far left lower corner of the table as the most formalised type of PPX with the least interaction between the public and private sectors. In fact, the interviewee from the farm does not even consider the farm to be a collaborator with a public agency but rather at most only a tenant of public land (Tai-sugar land). The farm regards itself as a private business setting with 100% of its funding privately sourced. The opposite of case 2 might be either case 5 - Swallow Fly South Project or case 1 - solar heater, both of which have relatively higher intensities of interaction between the different sectors and a better quality of collaboration.

“Many different agencies, public or private, are trying hard to make this happen...at first I did not know what a solar heater was...at the end, many resources and connections kept pouring in.” (Interviewee from Kaohsiung City Morakot Post-Disaster Reconstruction Council on Sept. 3, 2014 – Case 1)

Due to the local government staff’s lack of professional knowledge on renewable energy, the quality of the relationship between the public and private sectors in case #1 involving solar heater installation is not vertically contractual but rather horizontally collaborative. Knowledge and expertise on solar heaters are exchanged extensively between the two sectors. The local government’s roles are more those of facilitator and resource distributor instead of decision-making dictator. The interaction intensity is also high enough to ensure the right technical specifications to fit the needs of the local residents in post-disaster permanent housing. Finally, among the 10 cases, only case 2 with the most formalised relation and least interaction with the public sector exhibits a pattern of general public value lost, while the others mostly add certain public value to society.

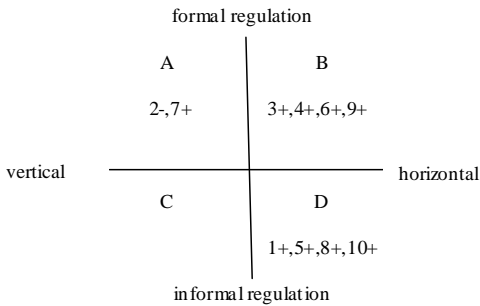
Figure 6: Relational Quality versus Interaction Intensity Analysis*



*Source: With reference to Weihe (2008: 156), see Figure 1; - denotes public value undermine/+ denotes public value created.

Second, regarding the coordination and regulation dimension of PPX, the distribution of the ten cases is shown in Figure 7, in which case 2, involving an organic farm, is again characterised by its vertical coordination and formal regulation between the public and private institutions. Case 7 – Eden Clubhouse displays a similar coordination and regulation pattern to provide an alternative club mode solution or treatment to rehabilitate individuals with psychiatric disabilities. In both cases, the role and engagement of government are limited.

Figure 7: Coordination and Regulation Dimension*



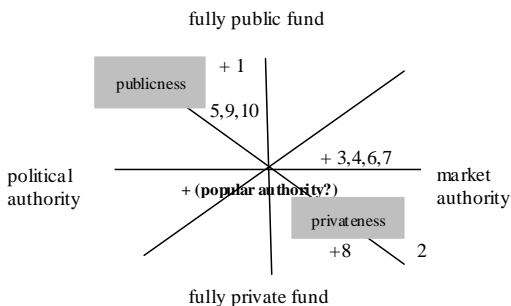
* - denotes public value undermine/+ denotes public value created.

However, despite the similar coordination and regulation structure, the general outcomes of the two cases differ in terms of public value creation. Comparatively speaking, case 2 - Sanling organic farm generates less public value, such as transparency, civic participation or even efficiency, despite the fact that it is operated by the affiliated institution of Taiwan’s largest corporation, Foxconn Technology, which manufactures iPhone components and for which efficiency should be the core value and practice. Case 7, in contrast, is operated by the non-governmental organisation Eden Social Welfare Foundation, which has abundant expertise in protecting the rights of and promoting better care for people with disabilities. Eden not only advocates for but also offers alternative treatment and companionship to psychiatrically disabled “friends” or “members”, and not “patients”, as Eden makes clear (October 3, 2014 interview with the manager of Eden Clubhouse in Taipei). In fact, this programme, although currently supported by the public sector as a government public goods provider outsourcing programme, was recommended and advocated for by a multi-year ad hoc effort headed by Eden Social Welfare Foundation and other NGOs. In other words, “preference discretion” is exercised by private institutions where public value was previously assumed to be undermined (Donahue and Moore, 2012). However, Eden’s empirical case belies that assumption and shows that the “preference” of the private sector, especially that of a social entrepreneur (Thompson, 2002) is not necessarily contrary to the needs of the public and is sometimes even more capable than the public sector of generating innovative public value, especially

when the “private” sector can encompass both business and non-governmental agencies or social enterprises (Borzaga and Defourny, 2004; Nyssens, 2007) with stronger social missions – in other words, as long as the “preference” of a private institution has a “public” aspect and its end is “public good” oriented.

Next, using the “publicness” dimension to cross-analyse the ten PPX cases, the study finds that high publicness or high privateness can hardly be a determining variable that influences the outcome of the programme – public value created or lost. Cases 8 and 2, both located in the lower right-hand corner of the table (Figure 8), represent high privateness with a majority of funding from the private sector with market authority directing the decision making in the programmes. Yet again, the two cases exhibit contrasting performance. Whereas case 8 – Senior Friendly Station programme does not receive any public funding, its lack of “publicness” does not prevent it from delivering public goods successfully and effectively; in contrast, in case 2, the predominating market authority places business interests before public interests. This contrast tells us that public value creation is not contingent on the amount of public or private resources invested. It depends more on what one wishes to create and what ideology, innovative thinking and process or method are involved. The role of the public agency in case 8 is symbolic rather than as a traditional resource distributor or short-term caller for contract bidders. Even with zero public funding, public value can still be created as long as the public agency can assume the role of “tumbler” (Donahue and Moore, 2012, page(s)-116-132), a social director who forges connections between different participants, creates synergies among them and urges others to action. The task of the public agency as tumbler to engineer the realisation of a latent shared public interest while unleashing dormant capabilities of participating actors is pivotal in creating public value or undermining it.

Figure 8: Publicness versus Privateness Analysis



Additionally, the main differences between the two private collaborators in cases 2 and 8 are in their origins, intentions and operation. The latter took part in this governmental initiative to increase its social responsibility practice (in the case of

the private business) and application of its social mission (in the case of the NGO). The former is viewed by the business as a 180 million investment in a region that needs a disaster relief action plan to create local employment and organic farming training opportunities. Its charitable intention creates its status as a monopoly in this case; however, this monopoly structure also prevents it from being accountable, transparent in its decision-making process and even efficient and profitable, which are the main competitive advantages of any successful business model. Moreover, prior to the establishment of Sanling organic farm, there were small organic farmers as tenants of this piece of state-owned land. Small farmers were compelled to leave their initial agricultural establishments and were compensated by the public sector to move elsewhere. This land dispute and compulsion undermine public values, such as fair access and treatment, in this project.

Moreover, it is challenging to map a regulatory environment where “popular authority”, namely citizen participation, is also pivotal in decision making. Case 1 involving the solar heater initiative is a typical example in which citizens were invited to make the final vote on which solar energy heater company they wished to use collectively. In this case, neither the political authority nor the market authority had the last word, despite the fact that all the funding for the 290 solar heaters came from three different government agencies – central- (22%), local- (22%) and district-level public offices (44%). With the discount already given by the final solar heater company bidder, each heater was subsidised for a total of NT\$ 45,000.

Finally, public value can be categorised into two types – material and procedural – and new public values are selected, produced, reproduced or undermined in different stages of implementation. In the extant literature, it has been proposed that public sectors are more familiar with providing intangible value, such as accountability and transparency; whereas the private sector can deliver services more effectively, generating tangible substantive value. Are those assumptions applicable in the Taiwanese cases? What are other aspects related to public value that this study can contribute? Five indicators can be identified to evaluate the following types of public value created in each case: material value, procedural value, Value for Money (VfM), value spillover effect and irreversibility/path dependence.

Comparing the ten cases, case 2 is estimated to present the least Value for Money (Grimsey and Lewis, 2005) because Sanling organic farm employs approximately 100 local residents who lost their homes during the Morakot typhoon; however, its investment is as high as 180 million to cover its six years of operation. Furthermore, other than case 2, the cases not only generate material and procedural values but also produce value spillover and path dependence effect. In other words, once public values are produced, they may take on life cycles of their

own to reproduce and evolve during the cycle of collaboration (Donahue and Moore, 2012). For example, in case 8 - Senior Friendly Station, the interviewee from the Taipei city government shared with us their upcoming plan to expand the senior-friendly station into a senior-friendly restaurant. A senior-friendly restaurant will also provide a friendlier environment for other people with wheelchairs, for example. This public value spillover was not pre-determined but produced and reproduced in between the interaction among the public, private collaborators and stakeholders. Case 3 on the Parent-Child Centre also exhibits a similar spillover effect in which some centres found that a large number of “parents” were actually grandparents or seniors who naturally had more time to spend with their grandchildren at the centre.

“...a lot of the time the grandfather had much more fun than the children inside our facility....so we began to design more classes and activities that are suitable for grandparents with grandchildren and provide extra free access opportunities for grandparents only.” (Interview on October 4, 2014 at Wanhua Parent-Child Centre, Taipei)

The interviewee from the Taipei city Government, Dept. of Social Welfare, Division of Welfare Services for Women and Child Care also explained to us on August 27, 2014 that the longer their mixed public-private programme carries on, the more interest bidders show in their programme and the more people use these public services. Additionally, each successful bidder offers their unique take to provide an extra service that is within their expertise. For example, Chung-shan Parent-Child Centre is operated by a foundation that has the capability to put on children’s theatrical performances every Saturday, while Da-tung Parent-Child Centre operated by World Vision emphasises its promotion of children’s rights. In sum, from these similar empirical cases, one can observe that the quality of public value is largely determined by the interactions among the public agencies, private collaborators and users of public services in a recursive cycle, not on a continuum with fixed value.

Concluding Remarks

This research begins with considering the limitations of the term “PPP”, which emphasises the positive element traditionally associated with “partnership”, and rethinking the dichotomous discourse of public value created or lost. It proposes to move beyond PPP and instead uses “PPX” to empirically investigate the interactions and public value generation within joint public and private projects in order to understand their nature of cooperation and provide rooms for future improvement on strategic performance. Because PPX and public value are emerging concepts, this study applies abduction logical inference at this initial stage of theory building to further our understanding and explores its characteristics based on empirical case observations and analyses. Throughout the abduction process, three analyses of the blurring of boundaries were carried out to examine the aspects of 1) relational quality and interaction intensity, 2)

coordination and regulation, and 3) publicness versus privateness of PPX. These analyses aim to break the absolute boundary between our conventional definitions of the public and private sectors. By doing so, we add complexity to the theoretical generation and categorisation effort. Additionally, when cross-analysing the outcomes of PPX in terms of public values, the empirical cases inform us of outlier elements that do not fit into the existing theoretical frameworks, such as “popular authority”, represented by the role of public service users as opposed to “market” or “political” authority.

Together, the implications of this analysis is based on the following four major findings: 1) The regulatory and coordinative mode of PPX may not be the structural variable that determines the creation or undermining of public value as a policy outcome. 2) The publicness or privateness of PPX does not prevent a collaboration from successfully generating public value as long as there is at least one role of social entrepreneur or “tumbler” assumed by either the public (ex. case 8) or the private institution (ex. Case 7), including a corporation, voluntary organisation or social enterprise. 3) The role of the public service user is left out of the discussion of public value-PPX creation. Whereas political authority or market authority directs the decision making of joint public-private programmes, users of public services provided by PPX in our empirical cases also demonstrate their roles in decision making. In other words, “popular authority” should be included in the evaluation equation. 4) Finally, the empirical cases in Taiwan reveal three concepts – “value spillover effect”, “irreversibility” and “cycle of public value creation” – which are seldom discussed in the existing literature. Yet the limitation of this study is that the effects of concepts identified here should be further scrutinised and tested in future exploration of the public value-PPX relationship through either deduction or induction method. In sum, again, the fallible nature of abduction logic leaves room for speculation, wrong results and self-correction mechanism while providing guidance for future theory-building efforts. With the above observations from empirical cases, this paper attempts to shift readers from believing what public value-PPX relation must be (deduction) and shall be (induction) to considering what they may be (abduction).

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Notes

¹ In the domain of health care for tuberculosis control initiated by the World Health Organisation, the abbreviation “PPM” is often used. See Lönnroth (2004); Malmberg (2006). Other scholars also use “Public Private Collaboration” (PPC) or “Public Private Cooperation” (PPC) to refer to the involvement of both public and private actors in a joint program. See Guzmán and Sierra (2012) and Kula and Fryatt (2014) for collaboration, and Ekström and Dorn (2014) and Schaeffer and Loveridge (2002) for cooperation.

² New Liberal, the Opposition leader, John Brogden in the New South Wales Parliament was appointed a “shadow minister for public-private partnerships” to the parliamentary front bench. (See more in Wettenhall, 2003, note 4)

³ In public value scorecard (Moore 2013), three dimensions of public value can be systematically evaluated: public value account, operational capacity perspective and legitimacy and support perspective.

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