De-marginalising the public in PPP projects through multi-stakeholders management

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Abstract
Purpose – The research reported in this paper takes a critical look at the process of multi-stakeholder consultation and management in a PPP project environment, to fill the gaps in the existing literature. It considers the various problems encountered on PPP initiatives around the world that have led to public opposition and failure of some PPP projects. Two interconnected aspects are tackled: definition of the principal project stakeholder and the management of the principal project stakeholder, as a multi-stakeholder. The paper aims to discuss these issues.

Design/methodology/approach – Existing theory and practice of project stakeholder management is analysed through case studies and other sources, and the uniqueness of a PPP project environment, which influences PPP multi-stakeholder management approaches, is established.

Findings – Current tensions and public protests across Africa, North and South America, Australia and Europe around PPP projects are highlighted, and these seem to be centred on public stakeholders’ marginalisation. It is found that the public outcry across continents is characterised by a marginalised public.

Practical implications – Results advocate a paradigm shift by accepting multi-stakeholding as central to PPP project management. A multi-stakeholder management model is proposed, which will move the public from the margins of the PPP project space to the centre where fundamental decisions are made from conception to facility ownership and operation.

Originality/value – The study takes a pragmatic approach to the problem of exclusion of the public in PPP projects. It is one of few studies to bring the public to the centre of PPP project processes.

Keywords Public-private partnerships, Conceptual model, Engaging the public, Multi-stakeholders management, Stakeholder’s theory

Paper type Conceptual paper

Introduction
Rwelamila et al. (2012) carried out a comprehensive review of the literature, which demonstrates the concept that the principal stakeholders in PPP projects, the general public, were often marginalised because of a takeover by subsequent delegated agents. They argue that the delegated agent recognise the public body but not the general public as a significant player, giving a lack of full (proper) consultation both in the objectives and the operational outcomes of the partnership. Consequently, the general public had developed a healthy scepticism about the effectiveness, major shortfall in expected outcomes, value for money (VFM) and affordability of such projects (Henjewele et al.,
2012, 2013; Shaoul, 2005). Shaoul (2005) and Aldred (2006) go further to say the rules of PPP are set up by delegated players who also define the form of procurement that is used and the way in which VFM is measured. Other opposition entrenched against public-private partnership believe that market mechanisms are inherently inappropriate to properly deliver public projects.

The main incentive for the public-private partnership is the deficiency in skills and resources required to provide the public with the services they need to support economic activities and social well-being. The underlying assumption is that the lack of appropriate skills and resources for occasional, non-core activities made the public sector inefficient in terms of project delivery and investments in new infrastructure. Therefore, PPP is one of the ways to reduce deficiencies by sharing skills and resources for mutual benefits and spreading risk where it may best be managed. For the partnership to work there should be a nurtured trust between the demand and supply sides, which is built on the understanding that both parties work towards a common goal. The central concern is the lack of information to all stakeholders in order for the public to make proper decisions and gauge whether transfer of risks and opportunities to the private sector ensures continuing VFM for the general public. The frequent protests from the public and criticisms of PPP are a sign that their perception that delegated agents act equitably on behalf of the public in the PPP environment requires rethinking.

Ei-Gohary et al. (2006) identifies factors, which have contributed to PPP project failures across the world. They argue that public opposition has been reported as the main reason for failure of PPP projects in several instances. They cite for example major PPP transportation initiatives in the USA where PPP projects have reportedly failed due to stakeholder opposition. They list three main reasons for such failure, which are primarily connected with stakeholder management:

1. stakeholders’ lack of awareness in the concept of PPP;
2. stakeholders’ insufficient education about PPP; and
3. stakeholders being denied access to detailed information contained in the consortium’s PPP proposals.

This study looks at the process of stakeholder consultation and management and applies this concept to PPPs to see if objectives can be mutually beneficial, what and who needs to be consulted and how what is agreed may be implemented and agreed more effectively. It reviews existing theory and practice positions on project stakeholder management through case studies and other sources and establishes the uniqueness of a PPP project environment. Ultimately, the study develops a conceptual model to advocate for paradigm shift in PPP stakeholder management.

Establishing a joint purpose

Social claims and exclusion

Van Ham and Koppenjan (2001, p. 598) define a PPP as a:

[...] co-operation of some sort of durability between public and private sectors in which they jointly develop products and services and share risks, costs and resources which are connected with these products.

PPPs provide the public sector authorities with additional financial and people capital (e.g. private sector skills and motivation) to develop new social objectives in times...
of economic hardship. This argument is attractive for any type of economy to share scarce funding, but especially among developing countries with a huge backlog of social infrastructure requirement and dwindling budgets. Among the more economically developed countries, the main argument is that both parties commit to share risk and innovative skills in providing public services more efficiently.

The acceptance of PPPs depends on involvement of real stakeholders, including the private agent, the public body (agent) and the public or their representatives are involved. Van Ham and Koppenjan (2001) seem to argue that the general public cannot simply be critical of the mutual benefits espoused, but must take account of conflicting needs within its own body through being part of real stakeholders. The symptoms of not being real stakeholders are demonstrated in “education and housing action zones in West Newcastle and Sao Paulo (Byrne 2001)”. The West Newcastle example espouses a lack of public involvement compared with the ideological approach of the Sao Paulo project. This was successful because it complied by fundamentally managing stakeholders’ objectives and interests which are central to transforming users experience so that there is a continuing synergy for the objectives to be met long after the private agency has disengaged. Subtly success is seen to be in the collective good and not individual goals.

**Education and housing action zones in West Newcastle and Sao Paulo (Byrne, 2001)**

According to Freire (1998):

- Partnerships for education set up in Sao Paulo succeeded because they based on community participation in the remodelling of education for disadvantaged areas which has preserved the existing community spirit by making sure that a community is not split up or taken away from meaningful networks which were essential to their being and preserved the potential transformation of effective education.

- In contrast, schemes in West Newcastle were based on clearing out slum areas and redeveloping in economically opportunistic locations and the setting up of education action zones (EAZ) which are based on individual pupil achievement. In the West Newcastle, the partnership was failed by socially excluding the community, because of “managerialism in achieving measurable competences” rather than “a collective activity for transformation” as was the alternative approach that had been so successful in Sao Paulo.

Deficiencies in managing stakeholders should not be used to stop supporting the PPP if public benefits can outweigh risks on balance. There is a need therefore to address the recurring challenges in a situation where PPPs are a common choice and many are blind to the deficiencies, but to make partnerships still work in the sense that significantly more good than harm is done.

Balloch and Taylor (2001, p. 284) argue that partnership has become a political imperative for government, but the challenge for the other stakeholders is “[...] the inability of agencies to address or even be prepared to address, issues of power”. By this, they seem to mean that the opinions of powerful partners dominate agendas, processes and funding, excluding users from the way a service is delivered and from any strategic decisions. This is probably a view shared by professionals trusted to lead PPP projects. For example, Anon at UK trade and investment unit (UKTI) (Anon, 2012) views the
issues to do with PPPs as “too complex and challenging for the general public to have any meaningful understanding in the development of the PPP” and that their elected parliamentary representatives speak for them, describing them as having “an enigmatic dichotomy”. The argument represents the view that leads to marginalisation of social interests whereby the agent assumes the role of judge, jury and executioner whilst missing the point on the issues of local impacts and the setting of social objectives for a public project, which require adequate transparency and information. This is a serious concern and very relevant to the authors’ point that real stakeholders are marginalised in partnerships. Others point to inadequate or rhetorical empowerment as having a limited customer emphasis (Byrne, 2001). It is also true that professionals can have cultural differences of outlook and interpret objectives according to their own perspective arising from “mutual stereotyping between professionals” such that it is difficult to agree roles and responsibilities (Balloch and Taylor, 2001, p. 285).

So, what are the common social claims for PPPs and how can we overcome social exclusions and poor understanding of objectives by agents and social groups? What are the real objectives for those who should benefit from the partnership? What groups should be consulted, if any, and how? These issues can be addressed by:

- overcoming cultural conflict and stereotypes;
- identifying representative stakeholder groups;
- agent and stakeholder education to understand key mutual objectives of social partnership for consultation; and
- relevant issues for consultation and visibility of objectives for all (Rwelamila et al., 2012).

Through an appropriate multi-stakeholders management model, which is promulgated in this paper, it will be possible to provide answers to the questions around social claims and deal with their dynamics within their respective contexts.

**Unique nature of PPP stakeholders**

So far, the discussion has focused on the view that public-private-partnerships are business relationships between the said sectors on specific contractual terms towards a project that supports goals of both sectors. This contractual viewpoint does not clearly comprehend the uniqueness of PPP and the resulting institutional or organisational challenges about the principle stakeholder and its management. As Collin (1998) describes, PPP by its nature brings together two institutionally different milieus to operate in single project organisation. According to Collin (1998), PPP is institutionally located in the boundary zone – exhibiting both public and private characteristics. The twilight position of PPP as Starr (1988) contends comes with an unimaginable challenge to reconcile the inherent contrast about what is public from what is private. Starr (1988) points out that the public spirit or public-mindset, which commonly describes governmental responsibilities, is concerned about the community as a whole. The public sector as the trusted agent of the greater public, acts for the whole of society and therefore, everyone within the society is a stakeholder. The opposite correctly describes what is private – which lies beyond the public boundaries. The private sector organisation is a business organisation in which stakeholding is driven by value exchange and market competitiveness – a stakeholder is one who can affect
the transaction. The work of Collin (1998) and Starr (1988) suggests that stakeholding in the PPP environment should be as broad as the public itself but at the same time, has to be relevant and manageable. This study supports the need to adjust organisational culture and managerial mindset of both sectors, where the general public remains the principal stakeholder.

The foremost challenge brought by the unique nature of PPP environment is on how to define its stakeholder’s structure. PPP projects could have benefited by subscribing to Newcombe’s (2003) view of construction projects as multiple clients (multi-stakeholders). The authors argue from Newcombe’s (2003) view that the traditional stakeholder’s structure does not reflect the reality of the complex PPP stakeholder configuration. The existing structure of PPP stakeholding locates the public sector client as a single entity and the private sector’s consortium assumes the leading role in creating value for all stakeholders (Eaton and Akbiyikli, 2009). The public is being marginalised to an extent that they feel like they are outsiders during the PPP development and management processes and only regarded as customers of the finished product liable of paying tariffs (Ei-Gohary et al., 2006).

According to Ei-Gohary et al. (2006), the public, if involved, could provide viable design inputs required in the iterative processes of value creation to suit the needs of all stakeholders. As discussed later, the involvement of the general public should not be restricted at creating physical assets but should be extended to the whole of life including the operational outcomes. Henjewele et al. (2012) confirm this from the UK study, which established that early feedback from stakeholders can reduce the need for late changes that causes cost overruns and poor VFM. They further found that PFI projects which positively responded to stakeholders’ pressures at the business case development phase had fewer changes during the operational phase.

The principality of the general public as multi-stakeholders, which underlie the objectives of this paper, is shown in Figure 1, which shows what could constitute public sector holding in PPP (Rwelamila et al., 2012).

The figure captures both the complex composition of the public sector client the multiplicity of interests. Within the public sector client, there are private sector stakeholders such as advisors, groups representing cross-sections within the public and government and other public bodies overseeing specific functions, which are likely to result into conflicting objectives. In the UK for example, the public sector project sponsor is expected to engage expert advisors to deal with complex aspects of financial, legal, and technical and project management. The role played by these private sector consultants comes with a string of commercial interests. Other public authorities such as PPP agencies and/or government ministries overseeing PPP implementations also hold a huge stake and without whose approval the project cannot go ahead. Henjewele et al. (2012) found that recommendations made by the approving authorities in the UK were one of the major reasons for changes made to project scope and design, delays and cost escalations. For any public infrastructure project and more to PPP projects, success depends on meeting organisation’s business objectives, and the acceptance of the project and its solutions by the greater public.

Setting the real objectives for PPP
Setting objectives is a real activity so that a problem is solved sustainably with support from stakeholders. Roloff (2008) and Savage et al. (2010) advocate for multi-stakeholder
networks to extract the essence of collective concerns without exclusion of significant groups. Roloff (2008) suggests that state, business and civil society organisations all need to co-operate and representative groups need to be chosen carefully and be willing to understand each other’s views. Meanwhile, Savage et al. (2010, p. 23) used both stakeholder management theory and negotiation theory to categorise strategies of managing multi-stakeholders into two groups: integrative and distributive strategies. According to Savage et al. (2010), integrative strategies are supportive and positive in nature and involve hand-holding with other stakeholders to achieve a “win-win” outcome. On the other hand, distributive strategies are negative and the focal organisations use pressure and isolating strategies to achieve the project goals at the cost of other stakeholders’ benefits.

Managing multi-stakeholders, such as those shown in Figure 1, is a complex and prolonged process, which needs honest “communication and trust building” and dialogue, which can only be achieved through integrative strategies. Both Roloff (2008) and Savage et al. (2010) disapprove distributive strategies such as strategic orientation whereby different stakeholder groups can be viewed as being managed in order to persuade them into a common or proposed solution for project mission, while actually they are not.
Construction projects may by default have fallen for the distributive strategies, for example, Winch (2002, p. 81), pragmatically believes that some interests will never be accommodated in infrastructure projects and that a further role of the project team is to outmanoeuvre or nullify those whose interests will inevitably be compromised by new construction. In embracing the integrative strategies, Savage et al. (2010) point to the need for a collaborative structure where partners commit to collaborate and perceive that they are interdependent. Structural features particularly power differential among stakeholders, which according to Savage et al. (2010) contribute to the strength of interdependency, are seen as a great challenge within the PPP project environment (Lonsdale, 2005). According to Lukes (1974) there are three faces of power deferential: the ability of A to directly influence the decision by B (overt power); the ability of A to set the range of choice available to B (agenda setting); the ability of A to create a culture in which B does not consider options unacceptable to A (hegemony). Lonsdale (2005, p. 223) argues that this ability is influenced by the possession of superior resources on three fronts: utility, scarcity and information. In the PPP environment, utility could refer to the extent of interdependency between stakeholders whereby each stakeholder value what the other is offering within the relationship. Scarcity refers to the ability of each party to obtain satisfaction outside of the relationship. Information is a resource that balances between clarity of the boundaries and interdependency between stakeholders, however a skewed information resource brings uncertainty and irreconcilable conflicts (Warner, 2009). Lonsdale (2005) warns that if PPP stakeholding is characterised by customer-supplier relationships, the impact of power relations will affect the ability of the two parties to acquire the value created by the relationship.

At an umbrella level, the collective concerns of multi-stakeholders coupled with strategic orientation and power imbalance (Lukes, 1974; Lonsdale, 2005; Roloff, 2008) may lead into some stakeholder groups, especially external ones to disagree with client or agent’s proposals even though the project mission may be agreed. The disagreement could be on issues, which have a great influence in the development of objectives such as degradation of marine environment (as in “PPP projects in Philippines (Gerry, 2012)”). Other issues relevant to PPP projects could include sustainability in the sense of long-term relevance, affordability and health, ethical compliance with issues such as fair labour and working conditions, social responsibility objectives in employment and support for local community and transparency of the objectives themselves.

PPP projects in Philippines (Gerry, 2012)

• Project description. The Philippine’s Government is planning to implement 54 major projects including the 99 km ring road dike project in Laguna Lake, trans-link bridges in Panay Island, Guimaras and Negros Oriental, water projects in Laguna Lake and a new international airport in South Metro Manila. The proposed projects will involve 94,000 hectare lake to be dredged and reclaimed, demolition of coastal communities in nine towns of Rizal and 18 towns of Laguna and 5,000 hectares of lakeshore to be reclaimed to give way to the construction of the airport.

• Lessons to be learnt. The main issue is the involvement of the general public in identification of collective interests and priorities and lack of representation in addressing concerns. Interest groups particularly Pamalakay, the Save Laguna Lake Movement (SLLM) and Anakpawis protest against the project for several
concerns including the anticipated detrimental effect on the marine environment and displacement of some 500,000 fishing and urban poor families from their livelihood and communities. It is estimated that these so-called developmental projects will affect the lives of more than 4 million people in the lakeshore and coastal areas.

This paper’s proposed model which is discussed later needs to address the dynamics of stakeholders’ interests, conflicts and expectations described above.

Theory and practice of stakeholder management – a review
Adopting stakeholders theory into PPP project environment

The history of “stakeholder theory” starts from the word “stakeholder” which first appeared in the management literature in an internal memorandum at the Stanford Research Institute (SRI) (present SRI International, Inc.) in the USA in 1963 (Freeman, 1984). Freeman et al. (2010) further argue that the term was meant to generalize the notion of stakeholder as the only group to whom management need be responsive. After SRI, the historical trail diverged into a number of directions: in the strategy literature; with the work of Ackoff (1970) and Churchman (1971) and systems theorists; in the literature on corporate social responsibility; and finally in the work of Rhenman (1968, 1973) and others on organisation theory. Historical debates which for lack of space and brevity are considered as outside the theme of this paper locate the use of the word in the eighteenth century (Silbert, 1952).

Stakeholder management in stakeholder theory helps to solve or at least reconceptualise three specific problems in capitalism (Freeman et al., 2010): the nature of value creation and trade; the ethics of capitalism and business managerial mindset, which are particularly relevant to PPPs. However, it cannot be applied to both business organisations and public or state organisations without contextualising the dynamics of both sectors. Although the stakeholder concept was defined within an organisation framework, it is equally important in a PPP project environment where, as Starr (1988) points out (see above), it brings together two paired opposites: public and private organisations and their stakeholding. The public organisation, which enters into a PPP contract, cannot achieve its objectives if it works contrary to the expectations of the public and thereby risking its very existence. However, stakeholder theory needs some refinements before it can be applied to hybrid projects such as PPP, which combine governance of both sectors in one PPP contract setting. Where the refinement is absent or too minimalistic, critics and opponents will accuse the government of surrendering to capitalist pressure in the provision of public services to benefit business corporations. The attempt to customise stakeholder’s management theory to fit into PPP environment requires an understanding of the unique nature of PPP governance that the dynamics and multiplicity of roles, influences and power of the public can be addressed.

Fundamentals of construction stakeholder management
Public interest is mainly driven by the understanding that organisational practices are not only determined by managerial rationality, but are also constrained and enabled by their institutional configurations and social conditions (Amaeshi, 2010). This argument is extensively supported by DiMaggio and Powell (1983) and Crouch (2005) among others, therefore, will be critically examined to assess its relevance to the construction industry (CI) and to the complex arena of managing PPP projects in particular.
The concept, theory and practices of stakeholder management are covered in Amaeshi’s (2010) framework, which is divided into five interrelated areas and described around the corporate domain. These: stakeholding practices; micro and macro level of stakeholding behaviour; influence of micro level stakeholding on CSR; influence of micro level stakeholding on accountability and stakeholder salience from an institutionalist perspective. For the purpose of this paper, the commentary focuses on stakeholding practices, which underpins the multi-stakeholder management model developed in the coming sections.

Stakeholding practice has been viewed from the following groupings of perspective:

1. The broad and narrow perspective to stakeholding takes a closer look at definitions and use of stakeholding in management literature. The narrow view, according to Carroll (1993, p. 22) refers specifically to those stakeholders that have vested “stakes” in the firm (or in the venture or project). The broad view of stakeholders goes beyond those stakeholders that have explicit stakes and vested interests in the firm (or venture) to extend to those stakeholders that could affect and/or affected by the venture or firm activities (Starik, 1994, 1995). The broad view is multidimensional in terms of space and time to cover all relevant interest groups over the whole of life of the project as suggested in Figure 1.

2. Varieties of stakeholding paradigms view the stakeholder concept based on three main perspectives (Donaldson and Preston, 1995), which are: descriptive; instrumental; and normative:
   - Descriptive perspective. Describes what the organisation is (or what a project is) and who are the possible stakeholders and interactions between organisations and stakeholders. According to Amaeshi (2010), its justifications are to show that theory corresponds to observed reality and it is neither judgemental nor prescriptive.
   - Instrumental perspective. Is about examining the consequences of corporate stakeholding (Amaeshi, 2010). Jones et al. (2007) believe that this perspective is underpinned by the paradigm that meeting stakeholder needs could be driven by instrumentalists’ goals and objectives. The instrumental form of stakeholder relationship therefore, according to Crane and Livesey (2003), does not necessarily give voice to stakeholders and is often characterised by a one-way communication and unequal balance of power.
   - Normative perspective. Views stakeholder theory (to a large extent) as fundamentally and originally rooted in norms and traditions. Morality under this perspective is seen as principles (Donaldson and Preston, 1995) that could be referred to as general standards for evaluating conduct, standards that people apply to all behaviours and rules (Amaeshi, 2010).

3. Nesting of paradigms perspective argues that the three perspectives above are not independent of each other but nested, and mutually supportive (Donaldson and Preston, 1995). They explain this by arguing that the theory’s descriptive accuracy is supported by its instrumental and predictive value and if certain practices are carried out, then certain results will be obtained. They place the normative perspective as the central core of the theory.
Donaldson and Preston’s (1995) work on the paradigms is considered to be predominantly managerialistic — they seem to maintain that managers have an essential role in the identification of stakeholders. This view is driven by its emphasis and dependency on the centrality of manager’s perceptions in stakeholder-related decisions (Amaeshi, 2010). This school, according to Mitchell et al. (1997) and Agle et al. (1999), looks at stakeholder salience as the degree to which managers give priority to competing stakeholder claims. It could be argued then that the managerialist view of corporate stakeholder salience exhibits the following three characteristics in common:

1. **Managers are placed at the centre of stakeholding.** Traditional strategy frameworks were neither helping managers to develop new strategic directions nor were they helping them to understand how to create new opportunities in an environment of change (Freeman and Mcvea, 2005).

2. **Managers are framed and positioned as autonomous independent actors.** According to Freeman and Mcvea (2005), here a stakeholder approach emphasizes active management of the business environment relationships and the promotion of shared interests.

3. **Managerial perceptions are emphasised more than institutional influences.** The influence of a wider social system on stakeholder salience is under-emphasised (Amaeshi, 2010).

Central to the organisational level view, there are two predominant works: first, the work of Jawahar and McLaughlin (2001) on decisions on stakeholder salience, influenced by where the organisation is on its organisational life cycle and second, the work of Jones et al. (2007) on organisational shareholder culture influences on stakeholder salience decisions. Drawing on Jawahar and McLaughlin (2001), Jones et al. (2007) and Amaeshi (2010) provides a summary on the organisational level view and argues that instead of placing managers at the centre of corporate stakeholding, the organisational level view places the organisation at the centre. However, Roloff’s (2008) work on multi-stakeholder network is more persuasive on who should be the centre of attention in complex and multiple stakeholding environments such as PPP and construction. She concludes that all participating organisations have to be prepared to compromise with other stakeholders and demonstrate commitment to open communication, fair interaction and contributing towards a solution.

There is an implied comfort in using most of the generic corporate stakeholding literature as a basis of dealing with CI stakeholding issues. For example, Ei-Gohary et al. (2006) and Rwelamila (2010) seem comfortable with adoption of corporate stakeholding underpinning philosophies with easy adjustment to suit CI nomenclature and frameworks, issues of roles and influences of stakeholders and other aspects connected with institutional configurations to the CI.

Jones and Fleming (2003), Yang et al. (2009) and Amaeshi (2010) form a foundation of adopting current stakeholding fundamentals into the CI, and specifically to stakeholders’ management in PPP projects. They specify weaknesses in existing generic and CI specific stakeholder literature which include: very few methods and tools are available to identify stakeholders and their interests; lack of clear mechanisms of addressing changes in project stakeholders’ influence and relationship; and absence of established approach in reflecting on the influence of stakeholder management on the entire project relationship network.
Stakeholder management in PPP projects – current thinking

The above weaknesses, which seem to dominate PPP projects across continents, are demonstrated in “Skye Bridge, Scotland (Monbiot, 2000) and The Lusoponte concession in Lisbon Portugal (De Lemos et al., 2004; De Sousa, 2012)”. In both examples, the public used its inherent power to influence politics or governments to step in against the terms of the contract. The examples further demonstrate that the CI literature has not adequately dealt with mechanisms to manage lifecycle relationships and interdependency vital for operational success.

Skye Bridge, Scotland (Monbiot, 2000)

- **Project description.** Is one of the early negotiated BOOT contract signed in 1991. The private developer was to provide a toll bridge to reach the Isle of Skye off the west coast of Scotland. The key objective was to make access to Skye easier by being quicker to cross and to increase reliability in avoiding big delays for access due to bad weather. It was to become toll free within 14 and 17 years from opening and return to the Scottish Development Department.

- **Lessons learnt.** Lack of initial consultation and the latter suggested there had been long-term public discontent. The tolls were not competitive and tax gained from the ferry for the benefit of the public was lost, meaning that toll payers had to pay tolls for a longer period of time in order for the concession to end. Concession time was further lengthened by lack of competition for the concession and money was given back to the operator to pay off a public appeal because of a challenge to the design, making design a public risk. New discounted fares were negotiated in 1998 because of public outcry again at the cost to the department. The bridge has since been taken out of tolls at an earlier stage and the operator compensated by negotiation which has saved toll payers a lot of money at the cost of the compensation package. This led to an early ending of the partnership which was costly, but also indicating the power, but perhaps also the long-term discomfort of the general public.

The Lusoponte concession in Lisbon Portugal (De Lemos et al., 2004; De Sousa, 2012)

- **Project description.** The Lusoponte concession is a contract to design, construct and finance the new Vasco da Gama Bridge and the operation and maintenance of the new bridge and the existing bridge to Lusoponte. It was awarded in 1994 at initial cost of €850 million, plus €120 million refinancing in July 2000. The concession was meant to rely on user tolls and originally was to expire at the earlier on 24 March 2028 or at a total cumulative traffic flow of 2,250 million vehicles. The contract gave the consortium exclusivity of operation of all road crossings across the Tagus (excluding boat, rail or air crossings) for a 40-km radius.

- **Lessons learnt.** Lack of consultations about affordability or willingness to pay was the main issue. Following some development disputes, the concession was extended until 24 March 2030, irrespective of the number of car crossings. The near doubling of the tolls on the existing bridge during the construction of the new crossing resulted in intense protests. Trucks carrying sand blocked the tollbooths on 24 June 1994. The government stepped back and froze the tolls suspended collections on the
existing bridge for the duration of the concession contract, with the taxpayers paying the difference. Altogether, from 1995 to 2001, Lusoponte had seven renegotiations and rebalancing, totalling €408 million in corresponding compensation.

One aspect which is clear from Jones and Fleming (2003), Yang et al. (2009) and Amaeshi’s (2010) is the prevailing challenge of answering the question for every PPP project of who is to count as a stakeholder in a “boundary organisational setting” as discussed by Collin (1998). Hence, the need to choose appropriate project stakeholders in a power game environment brought about by PPP complexities. Two strategies are available. One is to follow a broad definition, with the advantage of inclusiveness and the disadvantage of what could be called “imprecision”. The other is to adopt a narrow definition, based on some limited criteria, which allows for “higher accuracy”, but at the risk of ignoring important aspects deemed essential by the theory. There are strong indications to suggest that in most PPP and other construction projects, the narrow definition of stakeholders has been a norm and a number of protests against PPP projects across the world are as a result of this Rwelamila et al. (2012).

Rwelamila et al. (2012) argument, strongly suggest that a significant part of PPP complexities are more to do with stakeholders’ management issues, especially the marginalisation of the public. They agree with Amaeshi (2010) that it is incorrect to take a narrow definition of stakeholding when dealing with projects of greater public interest and impact. A good example adopting the broad definition of project stakeholding is the Bristol schools project – “Sustainable school design to improve learning, Bristol (LEP, 2012)” where the public, including schoolchildren, were involved. The proposed model embraces this broader public user approach. PPP project stakeholding need to be approached from a broad definition of stakeholders since the general public that elect those taking a leading role expect high levels of transparency and accountability and involvement not only during the short conception and development period of the project but also the long-term operation of the project. The new question then is: how do you manage stakeholders in a broad definition construct? In the coming sections, an appropriate multi-stakeholder management model is proposed to address the challenge.

**Sustainable school design to improve learning, Bristol (LEP, 2012)**

- **Contract details.** A ten years local educational partnership (LEP) under the Bristol City Council in the UK. The first four schools were carried out in deprived areas in 2007-2009 where existing schools had major educational problems and poor results. A further nine secondary schools and academies and two primary schools have been completed. Project objectives were to restore confidence in a failing educational objectives. Reduce unsocial behaviours such as bullying and vandalism, provide more space and facilities and to improve standards of attainment.

- **Lesson learnt.** Before work started the LEP team consulted with parents, teachers and children to obtain their input so that the schools would be fit for purpose. Children had a say in the public art round the school. In response the teachers were provided with more visibility so that the toilet entrances and washrooms were visible from the staffrooms. The objectives agreed were safer schools, creating active learners, increasing parental engagement, personalised and collaborative learning and 24/7 access to resources in order to transform existing facilities. The results of the design were that pupil attendances went up as bullying went down and many parents who
had been sending their children to schools outside the area were prepared to send them locally. Safety performance (children feeling safe) went up from 30 to 87 per cent. There was better retention of teachers and administrative staff and they also felt supported by the IT systems and able to track and stop pupil disruption. Vandalism dropped dramatically and self-esteem has been raised. Children were happier to come to school (43 per cent increased to 77 per cent) with imaginative use of IT and were now proud to have sporting and other leading edge facilities. Pupil results were 15 per cent improved in just the first year at the first schools.

A multi-stakeholder management model

There is enough evidence from the literature discussed in the preceding sections that a dominant group of researchers, government and public organisation officials and private consultants seem to have taken a narrow perspective to stakeholding. This approach, according to Ei-Gohary et al. (2006) and Rwelamila et al. (2012) has contributed significantly to PPP projects’ failures. Existing stakeholder management models have followed the same narrow definition of stakeholding and thus are inadequate for PPP projects.

The need for an appropriate PPP project stakeholder’s management model is fundamental to regain the lost strength of PPP as one of the viable dynamic approaches in infrastructure development. Ei-Gohary et al. (2006) have pioneered in finding an appropriate stakeholder management model in PPP projects. Although their proposed semantic model is grounded on all fundamental aspects of a broader perspective to stakeholding and includes stakeholder involvement processes and products, it seems too complex in practice and was primarily developed to capture and incorporate stakeholder input in the design and not across the whole PPP project lifecycle.

Even if the semantic model is critically assessed around its primary focus area of project design, it fails to provide a typical PPP project framework. The model provides umbrella requirements for stakeholder management. It does not provide the would be PPP project manager or practitioner specific requirements in terms of stakeholder management processes; standards or rules on which judgement or decisions can be based (criteria) for each process; tools/techniques to be employed when dealing with stakeholders; and the identification of those responsible with stakeholder management.

The alternative model proposed by the authors shown in Figure 2 and described in Table I provides missing parts in Ei-Gohary’s et al. (2006) semantic model and covers all the PPP project phases to bring the public into the forefront.

Figure 2.
A multi-stakeholders management model for PPP projects
<table>
<thead>
<tr>
<th>Processes</th>
<th>Criteria/ tools and techniques/ roles</th>
<th>Conception phase</th>
<th>Project lifecycle stage</th>
<th>Operation and maintenance phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify/review stakeholders (I)</td>
<td>Criteria</td>
<td>Development and public needs (brief)</td>
<td>Project objectives + concerns</td>
<td>PPP project scope</td>
</tr>
<tr>
<td></td>
<td>Tool/techniques</td>
<td>Search conferences, brainstorming and mapping</td>
<td>Focus groups, brainstorming, review and mapping, charrette</td>
<td>Focus group or charrette</td>
</tr>
<tr>
<td>Profile and prioritise (II)</td>
<td>Criteria</td>
<td>Project needs and interdependences (impact, interest, power, etc.)</td>
<td>Project objectives and output specifications (impact, interest, power, predictability, etc.)</td>
<td>Agreed scope (impact, interest, power, predictability, etc.)</td>
</tr>
<tr>
<td></td>
<td>Tool/techniques</td>
<td>Search conferences/meeting, mapping</td>
<td>Charrette, dinner parties, workshops, mapping</td>
<td>Consensus conferences, mapping</td>
</tr>
<tr>
<td>Build/manage relationships and knowledge (III)</td>
<td>Criteria</td>
<td>Established needs according to priority groups and public representation and empowerment</td>
<td>Established project objectives and output specifications according to priority groups and empowerment</td>
<td>Agreed scope according to priority groups and empowerment</td>
</tr>
<tr>
<td></td>
<td>Tool/techniques</td>
<td>Open consultation and charrette, training</td>
<td>Charrette and public feedback panels (PFPs)</td>
<td>Charrette, PFPs</td>
</tr>
<tr>
<td>Update/manage concerns and conflict (IV)</td>
<td>Criteria</td>
<td>Impact of established needs according to priority groups</td>
<td>Impact of established project objectives and scope according to priority groups</td>
<td>Impact of agreed scope according to priority groups</td>
</tr>
<tr>
<td></td>
<td>Tool/techniques</td>
<td>Search conferences, brainstorming, workshop/meetings, negotiations, mediation</td>
<td>Charrette, brainstorming, workshop/meetings, negotiations, mediation</td>
<td>Brainstorming, consensus conferences, surveys, negotiations, workshop, mediation</td>
</tr>
<tr>
<td>Manage communication (V)</td>
<td>Criteria</td>
<td>Effective communication of project brief</td>
<td>Effective communication of project parameter and logistics</td>
<td>Effective communication of project operational performance and tariffs</td>
</tr>
<tr>
<td></td>
<td>Tool/techniques</td>
<td>Story boarding, search conferences, press releases, posters, project web sites</td>
<td>Story boarding, search conferences, press releases, posters, project web sites</td>
<td>Newsletters and regular senior staff bulletins, press releases, multimedia, customer centre</td>
</tr>
<tr>
<td>Responsible party (I-V)</td>
<td>Gov/agency PM/PR</td>
<td>Gov/agency PM/PR + SPV</td>
<td>Gov/agency PM/PR + SPV</td>
<td>Gov/agency reps/PR + SPV</td>
</tr>
</tbody>
</table>

Table I. A multi-stakeholders management model for PPP projects

De-marginalising the public in PPP projects
The model in Figure 2 shows a clear framework for managing stakeholders in a PPP project procurement set up. It is based on two inter-connected processes:

1. The process of managing a PPP project through four phases (conception, business case development and financial close, design and construction and operation and maintenance).

2. Stakeholder management activities which are defined through five interrelated clusters of processes for each stage.

The five processes shown in Figure 2 are: identification of stakeholders, prioritisation of stakeholders, building relationships, identifying and managing concerns and conflicts, and managing communication. Stakeholder management five clusters are appropriately adjusted post the conception phase to reflect the changing nature of the project during the three remaining phases.

As shown in Table I, the process of stakeholder management through the PPP project life cycle takes a systematic approach within each phase. It formulates cluster of process where a standard on which judgement is based (criteria) and suggests appropriate tools or techniques best able to generate information and aid decision-making.

Tools or techniques are suggested which are necessary in order to allow stakeholders to participate in the process of real ownership of the project. These can be used in conjunction with the more traditional forms of public consultation that are already built into various working systems in non PPP projects, such as exhibitions, and calling for formal written submissions and appeals. The authors recognise this will not work for every project or every type of PPP, but should form a basis for the inclusion of the public and their greater involvement. As indicated in Table I, prominent possible tools or techniques include search conferences, brainstorming, mapping, charrette, dinner parties, workshops, consensus conferences, focus groups, storyboarding, etc. which are generally regarded as broad tools for engagement. These are proposed under various locations across the project life cycle based on their relative characteristics, merits and demerits. Some of the tools are defined in the Appendix. For reasons of space and brevity, detailed particulars of each of these tools or techniques are not provided in this paper and could be found from the provided references and through the examination of case studies. Each stakeholder’s management process cluster is described below.

Identification/review of stakeholders (Process I)
Based on the criteria (primarily dictated by the project phase deliverable as indicated in Figure 2 and Table I), the role leaders during the conception phase (government/agency project manager), will employ appropriate broad stakeholder tools/techniques in order to develop a list of stakeholders – with a specific emphasis on public representation, understand expectations of each group and document each stakeholder influence. It will thus be essential to generate a large project stakeholder list and transparently giving representation to different relevant categories. The latter is likely to require neutral facilitation. As the project moves from conception phase to business case development and financial close, design and construction phase and finally operation and maintenance phases, the process of identification becomes more of a review process of a list already established during conception. The review process might include checking, for example if the categorization of stakeholders in terms of direction of influence on the project is sound or not.
Profiling and prioritising of stakeholders (Process II)
The process of profiling and prioritizing project stakeholders deals with issues of understanding “who is important?” and around the criteria which is based on the respective phase deliverable (Figure 2). Traditional ratings based on three transactional aspects of power, proximity and urgency (Mitchell et al., 1997) may not effectively explore interdependency between stakeholders – interdependency is important to foster collaboration and joint ownership of a project (Roloff, 2008). It may therefore prove helpful to use the various tools/techniques suggested on Table I to make decisions and select the trusted and influential individuals to represent the public. The task managers should avoid influences by political leaders representing public views, which are neither practical nor beneficial to the stakeholders. Finally, a project ranked list of stakeholders sorted by priority will be produced.

As under Process I, as the project moves from conception phase to business case development and financial close, design and construction phase and finally operation and maintenance phases, the process of profiling and prioritising of public stakeholders becomes more of a re-prioritising process of a ranked and sorted list.

Building/managing relationships and knowledge (Process III)
This process will include a number of activities based on the criteria around the respective project phase deliverable as shown in Figure 2. Tools/techniques suggested in Table I will be used in order to implement various activities. One activity, which will take place under the auspices of role managers, will be revealing project stakeholders. It will be important to show the project stakeholder community in ways that can highlight who at that time (especially during the conception phase) in the project have been rated as the most important stakeholders. Furthermore, it will be important to gauge support – by assessing the actual attitude and describing the target attitude (level of support and receptiveness). Training programmes (depending on stakeholder feedback) will be provided in order to empower stakeholders to understand the anatomy of a PPP project and allow them to make informed decisions. The methods to be used will depend on stakeholders’ levels of understanding and literacy levels. It is during this cluster process that role managers should put more effort in building real trust and making sure that all stakeholders (especially those ranked highly) buy-in the relationship being created.

Updating/managing concerns and conflict (Process IV)
Identifying potential conflicts between project stakeholders is an important step towards conflict anticipation and conflict management (Moura and Teixeira, 2010). During this cluster process, the role managers should build on what has been established from the three preceding processes. Like other preceding cluster processes, the criteria around the respective project phase deliverable as shown in Figure 2, will in most situations influence possible concerns and conflicts. It is during this cluster process that role managers should make sure that tools/techniques (in Table I) are used to understand the root causes of concerns and conflicts including those influenced by political rivalry. Non-consensual processes of resolution of disputes should be a last resort. The role managers should apply the necessary tools/techniques and negotiate accordingly.

As the project moves from conception phase to business case development and financial close, design and construction phase and finally operation and maintenance phases, the process of updating/managing public concerns and conflict will take more
of an “updating” environment as information will become clearer. The role managers will revisit previous concerns and provide more information for clarity, which needs to be properly disseminated to the public.

Managing communication (Process V)

Criteria for communication under each project phase will be dictated by a respective deliverable as shown in Figure 2. Once the communication plan has been developed (especially during conception) role managers should convert the strategy into action. Monitoring the effectiveness of this communication effort and providing essential data for corrective actions if required to complete the loop in managing project stakeholders. During this cluster process the role managers should practice the fundamentals of transparency and make sure that stakeholders trust role managers and consequently trust what is communicated. Tools should be used to reach the public at all stages of the life cycle and mechanisms for feedback and brokering the conflicting comments in terms of the original objectives. To facilitate timely and two-way communication a dedicated customer centre will be required (Table I). Roles and activities will be agreed between both sectors but will aim at ensuring a synergy of outcomes achieved from project activities are communicated accordingly.

Conclusions

Current tensions and public protests across Africa, North and South America, Australia and Europe around PPP projects seem to be centred on public stakeholders’ marginalisation. The public outcry is characterised by a marginalised public who are crying out for full information on how PPP projects were conceived, and are looking for more transparency in the beneficial use of private partners. In short, the general public as the principal stakeholder is requesting a more influential place in the procurement process of PPP projects.

This study has looked at the process of stakeholder consultation and management to see if objectives can be mutually beneficial, and how what is agreed may be implemented and agreed more effectively than seems to be the case in many PPP. The presented multi-stakeholder management model brings the public to the centre of PPP project planning, construction and operation of the public service, and finally it presents some justification for the method and the tools proposed to reduce later conflict and enhance better effectiveness throughout the PPP project life cycle.

If genuine introspection of the current approaches in managing PPP projects takes place by both public and private sector institutions involved in PPP projects and accept the argument advanced in this paper, the way forward will be to start from embracing the PPP structure of public sector holding as shown in Figure 1. It is through understanding the structure of public sector holding and its complexity, that it will be possible to see the true picture of the need for a paradigm shift by accepting multi-stakeholding as central to PPP project management. Embracing the proposed multi-stakeholder management model will clearly move the public from the margins of the PPP project space to the centre where fundamental decisions are made from conception to facility ownership and operation.

It is expected that the model will help PPP project managers and other experts to have a focussed framework to involve the greater public in PPP projects and thus eliminate the element of marginalisation.
De-marginalising the public in PPP projects

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(The Appendix follows overleaf.)

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<table>
<thead>
<tr>
<th>Tool name</th>
<th>Author/developer</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search conferences and public speak outs</td>
<td>Sarkissian (2005)</td>
<td>Search conference is a version of a speak-out method used to engage the public on big and public issues. The method can be used to effectively involve stakeholders rarely accommodated in the mainstream stakeholder management process (e.g. young people, migrants, visitors, and multicultural groups and those with low level of literacy). It can take place in a wide range of settings (e.g. at festivals, shopping centres, halls and outdoors) and use a variety of media.</td>
</tr>
<tr>
<td>Citizen jury</td>
<td>Coote and Lenaghan (1997)</td>
<td>A citizens’ jury is created by a commissioning authority, which has power to define an issue and act on the jury’s recommendations. The commissioning authority recruits witnesses, arranges selection of a panel via random selection which matches a required socio-economic profile, and gathers briefing information. The convening of the jury, and the topic they will deliberate over, are widely publicised.</td>
</tr>
<tr>
<td>Consensus conference</td>
<td>Renouf (1999)</td>
<td>The consensus conference also known as citizen panel is a variant of a public inquiry, which involves citizens and gives them the central role in assessing a problem area. Participants are lay people without any specific relationship to the subject of the conference. Citizens contribute by making their views known in the form of visions, concerns, values, holistic appraisal and everyday experiences.</td>
</tr>
<tr>
<td>Dialogue, negotiation and mediation</td>
<td>Warner (2009) and Moura and Teixera (2009)</td>
<td>These are common methods to resolve conflicts between internal and external stakeholders. A focus group can be used early in a plan making process to formulate an agenda, or to discover community values in the project area. The focus group is made up of people who are already involved in an issue and know what is happening on the ground. They may be interest groups, support groups, or see themselves as “watchdogs”. They tend to have a particular interest, and strong views on a subject. A focus group, if used in conjunction with other methods, can help to uncover areas, which require more research, more consultation, or more preparation.</td>
</tr>
<tr>
<td>Tool name</td>
<td>Author/developer</td>
<td>Description</td>
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<tr>
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</tr>
<tr>
<td>Charrette</td>
<td>Girling (2006)</td>
<td>Charrette (&quot;Cart&quot; in French) are intensive, consultative methods that engage the public based on visioning and brainstorming techniques to draw out aspirations and preferences. A charrette method brings citizens, decision-makers and designers together through an open exchange of ideas to explore an alternative vision for an area or site through a creative process of teamwork.</td>
</tr>
<tr>
<td>Resident feedback panels (RFPs)</td>
<td>Carson and Martin (1999)</td>
<td>Residents’ feedback panels (RFPs) may also be called people’s panels, citizens’ panels or quick response citizens’ panels. An RFP establishes a pool of potential respondents within any given area who may then be called upon using a range of methods to explore any issue on which it is important to consult.</td>
</tr>
<tr>
<td>Dinner party/issue analysis</td>
<td>NAO (2004)</td>
<td>The issue analysis/dinner party approach (IADP™) was developed by the UK’s NAO as a means to deliver audit reports that are focused, logically rigorous and built on consensus. The approach is based on the pyramid principle and the principles of argument.</td>
</tr>
<tr>
<td>Story boarding and walkthrough</td>
<td>Newman and Landay (2000)</td>
<td>Storyboarding is an interactive method widely used in film making, advertising and software development as a means of presenting a narrative to stakeholders and communicate ideas about the design and sequence</td>
</tr>
</tbody>
</table>
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