Routinize, Institutionalize, Depoliticize: how global privatization policies are implemented locally in Canada

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Abstract

The invention of markets within the public sector and the enabling of long-term, profitable partnerships between subnational governments and transnational corporations is no easy task, as the dismal record of early public-private partnerships (P3s) in Canada clearly demonstrates. Moving beyond the policy inertia and public resistance produced by these initial failures has required new forms of institutional support which includes the creation of specialized government agencies, known as P3 units. P3 units have become a key element of public sector reorientation aimed at facilitating P3 use through the routinization, institutionalization, and depoliticization of privatization policy. However, although these features manifest at the local level (as particular municipal or provincial projects) they are not invented anew by each jurisdiction, instead they are informed by global policy models and best practice. In order to address the connection that exists between the global and local dimensions of P3 policy, this paper explores the ways in which Jamie Peck’s concept of ‘fast policy’ characterizes the Canadian P3 policy landscape.

The invention of markets within the public sector and the enabling of long-term, profitable partnerships between subnational governments and transnational corporations is no easy task, as the dismal record of public-private partnerships (P3s) in Canada clearly demonstrates through results such as poor value for money, inadequate risk transfer, and higher costs due to the use of private financing (e.g., see Loxley 2010; Mehra 2005; Vining and Boardman 2008; Whiteside 2011). Moving beyond the policy inertia and public resistance produced by these initial failures, especially in sensitive areas like health care, has required a degree of institutional support, expertise, and depoliticization which has thus far gone greatly under-examined. In particular this includes the creation of specialized government agencies to promote and evaluate P3s, known as P3 units.

P3 units have become a key element of public sector reorientation and restructuring aimed at facilitating P3 use through the routinization, institutionalization, and depoliticization of privatization policy. Routinizing P3 implementation relates to the normalization of privatization-related policy protocols and the need for a familiarity with P3 adoption such that it is regularized and even rendered mundane. Institutionalizing support for P3s entrenches a bias toward privatization and creates a sense of permanency for P3 policy. For its part, depoliticization helps obscure the normative basis upon which P3s are based and makes this form of procurement

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2 P3s can be defined as “instruments for meeting the obligations of the state that are transformed so as to involve private property ownership as a key element in the operation of that instrument” (Cohn 2004, 2). Here the focus is on infrastructure P3s.
appear as though it is merely a technocratic, pragmatic decision. However depoliticization is not only a political strategy since P3s entail an actual shift from public to private authority, making it a reality as well.

In Canada, the routinizing, institutionalizing, and depoliticizing features of P3 development manifest at the local level (as infrastructure projects initiated by municipalities and provincial governments), yet these strategies are not invented anew by each jurisdiction. They were initially influenced and continue to be informed by global policy models. In order to address the connection that exists between the global and local dimensions of P3 policy, this paper seeks to explore the ways in which Jamie Peck’s concept of ‘fast policy’ (2002; 2011a; 2011b) characterizes the Canadian landscape. Fast policy is both a description of policy mobility and mutation (and the (re)circulation of neoliberal governance strategies) and a heuristic device which provides an alternative to relatively static conceptions of policy transfer. Peck describes the advantage of the policy mobilities perspective vis-à-vis more orthodox analyses in the following way: “here the movement of policy is more than merely a transaction or transfer, but entails the relational interpenetration of policy-making sites and activities, spawning phenomena like global policy ‘models’, transnational knowledge networks, and innovatory forms of audit, evaluation, and advocacy” (2011b, 2). While it is not the intent of this paper to critique the orthodox approach, it does implicitly take the position that views which purport to identify a rational, top down, and nationally-based replication of global hegemonic initiatives miss the fluidity, networks, and multi-scalar dynamics present in at least some areas of contemporary public policy making. P3 policy is one such area.

In light of space constraints, the focus here will be, where appropriate, narrowed from P3 policy in general to the agents of P3 development in Canada: P3 units. These are the specialized government agencies that build up P3 expertise, disseminate knowledge and best practice techniques, and participate in transnational/translocal policy networks. In Peck’s words, “today’s ‘fast-policy’ regimes are characterized by the pragmatic borrowing of ‘policies that work’, by compressed reform horizons, by iterative constructions of best practice, by enlarged roles for intermediaries as ‘pushers’ of policy routines and technologies” (Peck 2011b, 773-4). P3 units are the intermediaries, the pushers of policy routines which have come to enjoy greatly enlarged roles in the formulation of public policy as of late.

The knowledge which is shared through these fast policies relates most obviously to specific instances of privatization (P3 projects), but perhaps more importantly it also involves creating common understandings surrounding the support systems and techniques needed to routinize, institutionalize, and depoliticize P3 development. This enhances the longevity of the P3 model and leads to the proliferation and sophistication of P3 units. How this is accomplished within the Canadian context reveals the importance of also accounting for the spatial relations at play. Subnational (provincial) P3 units and policy makers adopt and adapt global P3 models to meet the needs of local communities, fulfill provincial infrastructure renewal strategies, and lure/reward global investors. Transnational/translocal policy innovations and their recirculation is an important dimension as contradictions and tensions abound. For instance, the need to ensure sufficient profitability for capital may be fundamentally at odds with the long run goals of provincial government cost containment or the need for locally accessible community-based projects. For governments committed to privatization, continual policy learning is required to make P3s (appear) more palatable.

These themes will be explored in two parts. First, the role of P3s units in P3 policy development and ways in which these policies are increasingly routinized, institutionalized, and
depoliticized will be briefly examined. Second, the extent to which the concept of ‘fast policy’ captures these dynamics, particularly within the Canadian context, will be explored.

**P3 units & routinization, institutionalization, depoliticization**

New forms of institutional support for P3s are the backbone of any sophisticated P3 program. P3 units promote and evaluate these projects and act as repositories of knowledge which facilitates policy learning by building government expertise surrounding the complex bidding, negotiation, and operational phase of P3 projects (Rachwalski and Ross, 2010). The presence of these P3 units has been essential to the entrenchment of privatization within the public sector. Yet the role of the P3 unit extends beyond the more prosaic activities outlined on their websites and in policy documents as they must translate global policy models and neoliberal privatization imperatives, ensuring that this unfolds in ways which meet local needs whilst simultaneously ensuring profitability for global investors.

Without the institutional support that P3 units provide, problems experienced with individual projects would not readily transform into a sophistication of the local P3 model but instead could easily lead to its abandonment. P3s are relatively unique from other types of privatization given that individual projects are locked in through multi-decade contracts but since the model itself must constantly be renewed through new projects the policy must also be future-oriented. Committed policy makers must therefore take into consideration the long run implications of decisions made today. P3 units are currently the central way to ensure that this happens. As Jooste and Scott (2012, 150) put it: “The move toward private participation in infrastructure does not simply substitute private sector capacity for public sector capacity, *it requires new forms of public sector capacity to be developed to overcome [P3] challenges*” (emphasis added). The need for new forms of public sector capacity to facilitate internal privatization was resolved in BC and Ontario – the jurisdictions most enthusiastic for P3s in Canada – through the creation of Partnerships BC and Infrastructure Ontario (in 2002 and 2006, respectively).

In order to support jurisdictions without a P3 unit, the federal government has also increased its commitment to P3s through the creation of PPP Canada Inc. in 2007 as a way of promoting and assisting projects across the country (especially at the municipal level). With the onset of the recent global financial crisis in 2008, the P3 market deteriorated sharply. This created a new role for PPP Canada Inc. and it began to engage in ‘extensive discussions’ throughout 2008/9 with the provinces/territories, private sector stakeholders and other federal organizations to gauge the nature and extent of public sector support needed to ensure that new projects were started and that recently initiated projects reached financial close. Through these efforts PPP Canada determined its priority would be to help ease the “significant roadblock” to P3 projects posed by the financial crisis (PPP Canada, 2009). In furtherance of its mandate to “develop the Canadian market for public-private partnerships,” it has received funding commitments from the federal government of $2.8 billion per annum for 2011-2013 (ibid). PPP Canada also teamed up with Export Development Canada to provide surety, bonding support, and co-lending to enable troubled P3 projects to proceed (ibid). In contrast, fiscal austerity is making a comeback in most other areas of government spending.

P3 unit support does not ultimately resolve the problems associated with P3s but it does make them easier to implement, smoothes and regularizes the process, and creates a bias toward privatization. And to the degree that some policy learning takes place then P3s may in fact
perform slightly better – or at least appear to. The real significance of the work done by P3 units is the way in which it helps to create a new ‘common sense’ which permeates public sector processes and decision-making. This insulates the P3 model from crises through routinization, institutionalization, and depoliticization.

**Routinization**

Routinizing privatization within the public sector involves the development and normalization of protocols which facilitate the selection of P3s. There are two important components here: the language of P3 policy (and an entrenchment of ‘risk’, ‘cost’, and ‘value for money’ as the primary focus of decision-making) and the normalization of a marketized view of how the ‘public interest’ is to be conceptualized and upheld. This is accomplished not through grand overt offenses but instead through mundane, technocratic procedures.

Given the market-oriented nature of this form of decision-making, the language of P3-related policies is part rhetoric and part reality. The rhetoric of public provision as being inherently riskier, more costly since paid for upfront, and of poorer value for money demonizes traditional projects and incentivizes privatization. For this reason P3 development remains a highly normative process as adherence to, and support for, commodification require a strong ideological commitment to privatization. However, similar to Hay’s (2004) insight into the relationship that exists between normative neoliberalism and normalized neoliberal policy, even though the establishment of routines surrounding P3 selection may initially be normatively-based, once they are up and running normalization can proceed through its everyday routines. Thus normalized and normative processes are not mutually exclusive. Rhetoric is further transformed into reality when, as Larner (2000, 33) describes, discourse comes to constitute the institutions and practices of decision makers. After a decade or more of developing most/many large infrastructure projects as P3s, and of placing an importance on particular conceptions of risk, the public interest, and value for money, the normative basis of the P3 option is shored up in ways that transcend narrow ideological dogma.

Self-referentiality also characterizes P3 policy as assumptions and biases are recirculated and used to justify future P3 selection. This is paradoxical given that P3s remain, on the face of it, superior only when judged against a public sector comparator (PSC). Yet since a PSC is merely a hypothetical model and values alien to privatization policy (such as public provision in order to allow for collective decision-making and democratic accountability) are inherently penalized, the role of the PSC is not actually that of engaging with alternatives to P3s – instead it is a device used to help justify privatization. Reinforcing this is the presumption that large infrastructure projects ought to be first considered as a P3. Even when improvements are made to overcome past problems, P3 policy innovations (e.g., standardized contracts and bidding procedures) involve moving the privatization agenda forward, not looking back.

**Institutionalization**

An important element in the shift to P3s as the new ‘traditional’ is the institutionalization of this model as the de facto standard way in which large infrastructure projects are delivered in BC and Ontario (especially hospital projects). The term ‘institutionalization’ is used here to denote a number of different things. First, the root word – institution – should be taken to literally represent the creation of new public sector agencies (P3 units) which act as centres of
expertise for P3 development protocols. Another way to think of institutionalization is the way in which new ‘rules of the game’ are formalized and come to shape future decisions, connoting a new system of action and a reorientation of standards and decision-making (see North 1990, 3; Scott 1995, 12). P3 units and new capital planning procedures tailored to privatization therefore lead to a change in the rules of the game, the norms of the public sector, and the social processes and actions repeated by decision-makers.3

An increasing permanence is also suggested by the use of the term institutionalization: these agencies and protocols are no longer expendable and temporary, but are indicative of a marketized regulatory shift. To wit, Selznick (1957, 16-17) says that “institutionalization is a process… to ‘institutionalize’ is to infuse with value beyond the technical requirements of the task at hand”. As P3 development begins to shed its reliance upon external validation through reference to previous traditional methods, it begins to take on a life of its own (as the new ‘traditional’). Institutionalization should therefore be conceptualized in process-based terms. In Selznick’s (1957) description, institutionalization is something which happens to an organization over time but with P3 units it is obvious that permanence can also be sped up by the state. In fact both evolution and entrenchment are visible with P3 units and the norms and procedures they embody and reproduce.

This is not to say that processes relating to the evolution of P3-related policies are unidirectional and heading ineluctably toward a situation where all public sector infrastructure projects are privatized. This category of institutionalization instead captures how different moments of challenge are crystallized (i.e., the ways in which they are dealt with, created, and absorbed). These challenges come from many directions: neutralizing and accommodating P3 opponents; making good on election promises (or at least appearing to); dealing with the inherent problems and conflicts associated with privatization and economic crises; and adjusting to the tensions associated with marketized state restructuring. As Larner (2000, 20) suggests, “the emergence of new forms of political power does not simply involve the imposition of a new understanding on top of the old … [it] involves the complex linking of various domains of practice, is ongoingly contested, and the result is not a foregone conclusion”. In other words, P3 development and policy ‘lock-in’ are not a foregone conclusion by any stretch; the argument being made here is that the whole purpose behind institutionalization is to provide for some semblance of permanency even though privatization via P3s requires constant renewal and therefore ongoing political/ideological commitment.

**Depoliticization**

Depoliticizing privatization policy, or how commodification now proceeds largely through technocratic decision-making rather than grand normative gestures, is another key feature of P3 policy in BC and Ontario. Peter Burnham (2001, 127) connects depoliticization to a particular governing strategy which “plac[es] at one remove the political character of decision-making”. This benefits state managers by redirecting blame and dampening expectations whilst still allowing them to retain control. More than merely rhetoric, depoliticization also relies on new bureaucratic practices and a shift from discretion-based to rules-based regimes in particular (Burnham 2001, 130-1). The routines of new capital planning and procurement frameworks and

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3 The creation of P3-normalizing capital planning frameworks is another important element in the routinization, institutionalization, and depoliticization of P3s in BC and Ontario (Whiteside 2012). However, this discussion has been omitted here as it is beyond this scope of this paper.
P3 units correspond to this conceptualization. It is also captures the internal transformations that occur with state restructuring, and indicates that depoliticized decision-making remains simultaneously political in nature.

In addition to Burnham’s (2001) version of depoliticization (which deals mainly with internal state restructuring) we must specifically add the privatization dimension. Colin Hay (2007, 80-87) provides this in his description of three forms of depoliticization: when issues are demoted from the governmental to the public sphere, from the public sphere to the private sphere, and from the private sphere to the realm of necessity. Depoliticization is therefore a process with many faces.

Changes that have occurred with P3s generally fall within the first two categories of depoliticization. Most obviously it involves shifting decision-making from the public sphere into the private sphere. This moment captures the new authority and influence awarded to the private consortia representatives who now influence individual projects, and the private consultants, accountants, and auditors that inform public policy. In addition, when issues are demoted from the governmental sphere to the public sphere it means that public infrastructure and service decisions are no longer primarily managed through the formal democratic arena (where decision-makers are accountable and public deliberation takes place), but instead are shifted into the far less transparent realm of bureaucratic management (conducted by public or quasi-public agencies, i.e., P3 units). This is the realm of the public technocracy and where officials become fairly insulated from public accountability.

Like with routinization, depoliticization can become a reality in the sense that decisions are actually shifted into the private sphere, however it is also remains a powerful rhetorical tactic used by policy makers attempting to duck responsibility for, or reduce the visibility of, privatization. As Ascoli and Ranci (2002, 14) suggest, marketization will always remain politicized since it “changes the direction in which [government] policies are developing” making it “an eminently political process, which redistributes rights and power, modifies policy networks and the institutional context in which [public] policy is made, and influences the ways in which welfare needs are defined.” Furthermore, since public infrastructure delivered via a P3 remains a political responsibility (with the governmental sphere ultimately on the hook for funding, procuring, and broadly overseeing the operation of new public infrastructure and support services), this form of privatization cannot be truly depoliticized given that issues are never entirely demoted to the private sphere.

**P3 implementation and fast policy**

Fast policy is part of a burgeoning group of ‘policy mobilities’ analyses, rooted in a heterodox geographical approach to political economy (e.g., Cook 2008; McCann 2011). These analyses seek to identify the ways in which policy making is “both relational and territorial; as both in motion and simultaneously fixed, or embedded in place” and thus “there is no simple linear progression in which policy is drawn from one place to be implemented elsewhere” (Cochrane and Ward 2012, 7). The ten tendencies of fast policy in particular are as follows (see Peck 2011a, 177):

1. It arises in a self-consciously comparative context
2. There is a transnationalization and translocalization of policy dialogues
3. Deference is paid to global best practices and models, and to technocratically stylized models
4) R&D phases are shortened
5) There is an emphasis on pragmatic solutions, within a narrow ideological bandwidth
6) Soft infrastructure is increasingly relied upon, and there is a heightened role for intermediaries, advocates, experts
7) Portable policy paradigms and silver-bullet fixes are promoted
8) Policy expertise and delivery systems are increasingly privatized
9) Policy turnover time is compressed
10) New connections are forged across dispersed policymaking sites

Of the ten items listed above each relate in unique ways to P3 policy development and project implementation, though the focus here will be on #2, 3, 5, 8, and 9 since this sampling sufficiently captures how this analysis can be fruitfully applied to the study of P3s. The implications of using fast policy insights to better understand P3 policy in Canada will be discussed after these five features are examined.

**Transnational/translocal connections**

The global P3 model first emerged as the UK’s private finance initiative (PFI) in the early 1990s. In the opening years of PFI the emphasis was on the mobilization of private finance for the funding of public infrastructure and services, with ideology and budgetary pressures largely informing discourse and development (Greenway et al. 2004). The PFI program was quickly unrolled across all line departments and enforced through steadfast pressure imposed by the Treasury. Over time departmental differences emerged but a degree of harmonization was also upheld through the creation of Private Finance Units within each department (composed of public and private sector experts and technocrats). The establishment of Private Finance Units, the predecessor of the modern P3 unit, “created an expert network, linking the Treasury and departments with the intention of spreading the PFI policy message throughout Whitehall as lessons were learnt and guidance developed” (ibid, 514).

When the Labour government came to power following the 1997 election ‘PFI’ was transformed into ‘P3’ when the emphasis shifted toward ‘partnerships’ with the private sector. Thus the policy was no longer mainly conceptualized in terms of leveraging the financial resources of private investors as it became more overtly geared toward fostering a reorientation of the public sector through the inclusion of private decision-making within the heart of public policy development. This transformation is visible in Canada as well, though with a time lag owing to its initial position as policy emulator. Justifications offered for early P3s in Canada (mid-1990s to early 2000s) emphasized off-book financing and avoiding public sector indebtedness, in contrast to the more recent (mid-2000s to today) focus on value for money and ensuring the appropriate partner to assumes the risks they can best handle (see Loxley 2010).

Greenway et al. (2004) call this new emphasis on partnerships in the UK a ‘meta-policy’ in the sense that it permeated and informed most other elements of public policy development. It also fits squarely within the description of neoliberal roll-out by Peck and Tickell (2002). The roll-out phase of the neoliberal project is more prescriptive and less overtly ideological than the earlier destructive ‘roll-back’ phase, and it favours a more technocratic approach to neoliberal governance (ibid, 396). The importance of technocratic governance and the normalization of P3 implementation are also evident in the routinization, institutionalization, and depoliticization processes described earlier.
Though the model may have initially displayed one-way influence given that the UK was clearly the pioneer of PFI, transnational and translocal connections and policy mobilities were soon forged; and these connections were further deepened after the creation of P3 units – originating independently in the UK as Partnerships UK (PUK) and in Australia as Partnerships Victoria (PVic) in 2000. PUK consolidated the roles previously played by the Private Finance Units and came to act as a single centre of expertise and technical assistance, information dissemination, and policy development; as well as the evaluator of value for money and project success.

Mimicry soon followed and Partnerships BC (PBC) was created in 2002, emulating the PUK and PVic models which led to a hybrid of sorts between the two (Farrugia et al. 2008, 25). For its part, Infrastructure Ontario (IO), established in 2005, consulted with PUK and PBC to in turn generate its own version of the P3 unit (ibid). These divergent origins combined with different local contexts account for some of the important differences between PBC and IO. For instance, PBC has been designed to be far more entrepreneurial and autonomous since it must generate its own business whereas IO is assigned projects by ministries seeking to develop P3s; similarly PBC collects fees from clients whereas IO’s funding comes from provincial budgets.4 Local particularities with P3 units are important given that carbon copies are not ultimately beneficial for P3 development. As the PUK’s International Sector Director advises: “An agency must be structured and run in a way that is optimal for PPP transactions in the particular government, and what works for one country may create problems in another” (ibid, 26).

PUK remains a global leader and offers consulting services to other P3 units and jurisdictions seeking to create their own P3 units (ibid); so too does PBC – at all levels of government, nationally and internationally. Once established, P3 units serve as important nodes in a transnational and translocal web of P3 policy development and best practice creation.5 Thus the agents and routines of public infrastructure development in BC and Ontario are in some ways more connected to far-flung locales than they are to most other Canadian provinces.

Global best practices and models

The P3 model contains a number of features, including: the various ways in which a P3 can be arranged (with the most common, though by no means the only, form being where the private partner designs, builds, finances, and operates the newly created infrastructure);6 bidding procedures and contract length (including the standardization of protocols and documents, the degree of information released to the public, bidding stages and design/scope of the request for proposals); value for money evaluation procedures, methods, and disclosure;7 the nature, extent, and evaluation of risk transfer; and methods for ensuring performance agreements are met during the operational phase of the project. This makes the P3 model fairly flexible and diverse in detail though it manifests in similar ways around the world as for-profit public infrastructure projects.

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4 PBC mainly collects its fees from provincial government ministries and therefore its revenue also comes indirectly, though primarily, from the provincial budget.

5 Another important pan-Canadian organization is the Canadian Council for Public-Private Partnerships (CCPPP) which has since 1993 acted as a nationwide P3 advocate, centre of expertise, and participant in transnational/translocal policy networks.

6 Although even with design-build-finance-operate P3s there can be important variations (e.g., whether the private operator provides either/both hard and soft facility services)

7 See Loxley 2010; forthcoming for a description of some of the key methodological differences and best practices used to establish value for money.
The balance struck between diversity and conformity is managed through the routines used to standardize protocols, the institutions that develop and refine projects and protocols, and depoliticization which normalizes privatization. Thus fast policy involves not only sharing the mechanisms used to implement a P3 but how to best enact these practices so that the model itself thrives.

Once the initial PFI archetype emerged in the UK it soon began to be adopted elsewhere by roughly the mid-1990s (in both developed and developing countries). Yet since P3s contain inherent contradictions, as the model began to spread so too did the problems associated with these projects. Global best practices began to take shape at this juncture, drawing on the experiences of many jurisdictions at all levels of government. Once P3 units emerge the routinization, institutionalization, and depoliticization P3 development was further sped up since they help governments shift from iterative project development to instead rolling out P3 programs with their own capital planning frameworks, institutional supports, and enabling legislation (Whiteside 2012). It is through P3 units that this policy becomes especially mobile – not only across borders (e.g., by sharing best practices for establishing value for money) but also across sectors (e.g., by conflating infrastructure development protocols, whether these apply to hockey rinks, highways or hospitals). Private consultants, experts, lawyers, auditors, and technocrats may also be called on, as may public Auditors General, though all of these actors tend to liaise primarily with P3 units where they exist. Many policy actors from a range of areas were therefore involved in creating best practices as they exist today. It took the maturation of P3 projects in diverse sectors and circumstances to guide these developments.

Given the variety of features present with the P3 model, global tendencies and best practices do not necessarily produce homogeneity at the local level. For example, even though IO and PBC were modeled on those which came first, they also have their own unique ways of doing things. A good example of divergence is the ‘made in Ontario’ Alternative Financing and Procurement (AFP) model of P3 development. AFP differences include the invention of novel routines used to establish value for money and the institutionalization of five key principles of AFP project development (Ontario Standing Committee on Government Agencies 2008). PBC meanwhile works with its own value for money routines, capital planning framework, and key principles.

Another important feature of AFP as it applies specifically to Ontario’s health sector is the 2006 decision by the Ministry of Health and Long Term Care to exclude what they call ‘soft support services’ from future hospital deals (Block 2008, 2). This means that P3 hospitals in Ontario now involve only hard facility services such as maintenance, security, and operation of the physical plant but not care-related services like housekeeping, dietary, and laundry services. There is no such exemption in BC though some recent P3 hospital deals have excluded cleaning services.

The AFP difference ought not to be exaggerated since in practice AFP is P3: both involve partnering with for-profit private consortia for the design, construction, financing, and operation of public infrastructure and support services. P3 industry insiders and advocates also confirm that

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8 See Jooste et al. 2010 for more on P3 policy networks and the roles played by P3 units, local advocates, private consultants, and multilateral development agencies.
9 These principles are as follows: the public interest is paramount, value for money must be demonstrated, appropriate public ownership/control must be preserved, accountability must be maintained, all processes must be fair, transparent, and efficient (Ontario Ministry of Public Infrastructure Renewal 2004, 9).
10 These principles are as follows: sound fiscal management, strong accountability, value for money, protecting the public interest, and competition and transparency (BC Ministry of Finance 2002, 1-2).
they see no substantial difference between the two (e.g., see Ontario Standing Committee on Government Agencies 2008, 1530), as did the Minister of Health when initially presenting AFP to the private sector (CCPPP 2005). Local mutations and continuity with global models are thus both features of Canadian P3 policy.

**Pragmatic solutions, narrow ideological bandwidth**

P3s have a problematic track record in Canada and around the world. This includes, among other things, poor value for money, project delays, and higher costs due to the use of private financing (e.g., see Edwards and Shaoul 2003; McKee et al. 2006; Mehra 2005). In order to shore up the model, as Garvin and Bosso (2008, 165) write, “The long-term success of a P3 program depends heavily on establishing a balance between the interests of the state, society, industry, and market.” This statement recognizes that there are tradeoffs to be made as P3s hold contradictory implications for various groups. For instance, a strong contradiction exists between profit-making and commercial confidentiality on the one hand, and democratic oversight and local control on the other. Making the P3 model more palatable involves developing pragmatic solutions to internally-generated crises/failures. However pragmatism has its limits since P3 abandonment is not seriously considered by those in favour of privatization, even when public procurement options are speedier, cheaper, and offer greater protections for the public interest.

Since this process requires policy learning and P3 program evolution, some elements of local P3 policy may be altered in response to community opposition to privatization. However, so long as this involves changes made to how P3s proceed and not whether P3s proceed, adaptations ultimately strengthen the model overall. The exemption of soft services in Ontario provides a good example of this.

Why exactly soft services are now excluded from Ontario’s AFP projects is a multifaceted issue. The Canadian Union of Public Employees and the Ontario Health Coalition (OHC) claim that this was largely the result of a series of community-initiated plebiscites organized by the OHC which indicated overwhelming community support for the proposition that new hospital projects be kept fully public (OHC 2006). Alternatively, soft support services may have been exempted from P3 hospital project agreements because of the serious and ongoing problems that have resulted from their incorporation within early project agreements in that province (see Ontario Standing Committee on Public Accounts 2009, 1340). It is likely that this exemption actually serves both purposes: assuaging some public concerns whilst helping to make P3s run smoother in the future. By being both a concession offered to opponents and a pragmatic modification to the P3 model, overall this development has helped ensure the longevity of the P3 model in Ontario’s public health care sector. There is also no guarantee that this exemption will not be reversed in the future meaning that the scope of P3 arrangements can easily oscillate once/if societal expectations change.

**Privatization of policy expertise and delivery systems**

As mentioned, there are two forms of depoliticization promoted by P3s: when decision-making is shifted from the democratic sphere to the public sphere and from the public sphere to the private sphere. These two categories relate in different ways to the privatization of policy expertise and public infrastructure/service delivery. With respect to the first form, creating and empowering quasi-public agencies (P3 units) involves not privatization per se but instead the
embedding of market logics and market-like rules within the public sector. P3 units in Canada have, for example, intentionally recruited staff from private firms, preferring those with commercial and financial expertise to public sector bureaucrats (Farrugia et al. 2008, 27). They also help routinize and enforce protocols which favour privatization and a marketized notion of the ‘public interest’. This feeds into the second form of depoliticization: the actual shifting of decision-making from the public sector to the private sector once a project is operational. This is the essence of the P3 model – opening up new spaces for private-for-profit investment and service delivery – and is a feature shared by all P3s.

P3 units also institutionalize a reliance upon the private sector experts (e.g., fairness auditors, consultants, and transaction advisors) that have always been drawn on to evaluate and initiate P3 projects (ibid, 29). The invention of P3 units plays an interesting role in the privatization process since private experts are not in competition with P3 units, nor are they replaced by them, but instead subsumed under their purview. For instance, PBC and IO are charged with hiring and dealing with private fairness auditors, consultants, and experts, as well as liaising with Auditors General and participating in transnational policy networks and knowledge building/dissemination. P3 development in these provinces used to be far more ad hoc prior to the institutionalization of P3 units.

**Compressed turnover time**

The institutionalization of P3 policy through the operation of P3 units accelerates its turnover time. P3 units act as nodes in an increasingly sophisticated web of P3 learning and thus help push the evolution of both the global model and local adaptation of best practices. However the threat of calcification is always present given that institutionalization can also produce inertia and subsequent adaptations may only involve tinkering around the edges, not searching for significantly novel practices. The potential for lock-in is also present given the international legal context. NAFTA in particular ensures that some policies implemented today cannot be reversed or altered at a later stage.

Developing P3s within the global South also remains tricky given the need for suitable conditions (e.g., robust protections for investors and commercial confidentiality, strong state spending on ‘public’ infrastructure and/or predictable revenue earnings through user fees, and experience with the complex bidding and contract negotiation procedures involved with large infrastructure projects) (Thomsen 2005, 19-23). However the World Bank is attempting to remedy this situation and pave the way for a greater P3 presence in developing countries through the support, knowledge sharing, and coordination offered by its P3 unit: the Public-Private Infrastructure Advisory Facility (PPIAF), created in 1999. The PPIAF “provides technical assistance to governments to support the creation of a sound enabling environment for the provision of basic infrastructure services by the private sector,” and plays a similar role as Canadian P3 units by providing assistance with policy formulation, P3 management, legislation and institutional reforms, contract negotiation, and protection of investments (PPIAF n.d.).

When the 2008 global financial crisis hit, transnational/translocal connections were ratcheted up, as was the speed with which policy solutions were mobilized in the face of difficulties experienced within the global P3 market. Reactions to the financial crisis took different forms, though it produced a common resolve to rescue P3s in light of the credit crunch and growing number of collapsed and abandoned deals (e.g., see Berger et al. 2009; Mackenzie 2009; Timmins 2010). For instance, concerns with the private finance portion of P3s led
supporters like the World Bank’s PPIAF to urge for greater government assistance with financing (e.g., guarantees, grants, applying P3 screens to public infrastructure spending) and coordination and encouragement (e.g., developing P3 units to promote P3s). In Canada this task was taken up by PPP Canada Inc., as previously discussed. Elsewhere support took on its own local variations. In the UK, for example, the Treasury created the PFI Lending Initiative in 2009 to provide financing for projects that would have otherwise been terminated due to a shortfall in private sector lending (CCPPP 2009, 6). France incorporated initiatives within its 2008 stimulus plan which were aimed at financially supporting P3s (ibid, 8). In contrast, the 2009 Canadian stimulus package suspended the 2007 requirement that P3s be considered first for large federal infrastructure projects (CLC 2009, 3-4), but the P3 screen was then re-imposed in 2011.

Implications

Applying fast policy insights to an analysis of P3 policy suggests three important, interrelated implications. First, it indicates that global P3 models are not merely about developing individual P3 projects as they also seek to reorient the public sector through the creation of common understandings surrounding the institutional support needed to routinize, institutionalize, and depoliticize privatization. To this end, P3 units are becoming the principal way in which policies with a global reach are mobilized, internalized (domesticated), shared, and adapted. P3 units and P3 policy thus display important local particularities whilst being clearly influenced by global models and best practices.

Second, since only a few jurisdictions in Canada have created P3 units, the links forged between members of the P3 market (investors, private experts, advocates, quasi-public agencies) do not correspond neatly to national boundaries. Public policy as it relates to infrastructure and support service delivery within jurisdictions that favour P3s is likely influenced to a greater degree by translocal/transnational connections than it is by interprovincial or national ones.

Third, given that local needs are increasingly defined by and met through global models and best practices, P3 policy may be becoming more disconnected from democratic sources of influence. As a result, P3 units and the routinization, institutionalization, and depoliticization of P3 policy both dampen contradictions and create new types of problems. This reinforces the need for continual policy adjustment, a situation which has only been accentuated by the recent global economic and financial instability. The ‘fast’ component of P3 policy may prove integral to the viability of the P3 model, even (or especially) where privatization initiatives are supported by P3 units.

Concluding remarks

Creating a bias toward P3 selection and some sense of permanency for this troubled policy has required a reorientation of the public sector, the features of which relate to the routinization, institutionalization, and depoliticization of privatization policy. In jurisdictions where this takes place, P3 policy has become increasingly normalized (though it is never able to truly shed its normative underpinnings). In BC and Ontario, P3 units are the main agents of this process. Most other provinces do not have a P3 unit nor do they have P3 programs which seek to entrench this form of privatization as the de facto standard way in which public infrastructure and support services are designed, built, financed, and operated. Other jurisdictions in Canada have used P3s in the past but these efforts remain sporadic and not (yet) normalized.
These features of P3 policy, as displayed in BC and Ontario, have not been invented tabula rasa but instead relate to larger, global trends promoting P3 use and the adoption of P3 units to facilitate policy learning, expertise building, and best practice formulation. Once established, however, important differences emerge between provincial P3 units as they are charged with translating global models into the local context. Through the building up of lessons learned and diverse experiences, best practice are then recirculated and come to (re)inform global models – it is not a top down, nationally-based process of policy transfer. Policy mobility has in some ways always been in place since PFI first emerged in the UK in the early 1990s but with the creation of P3 units more significant transnational/translocal connections are forged and the process is sped up.

The relationship between local trends and global models therefore displays several features which correspond to Jamie Peck’s (2002; 2011a; 2011b) description of ‘fast policy’: turnover time is compressed, global best practices are re/created and links are diffused, local particularities and needs are resolved through pragmatism (in order to avoid outright P3 abandonment), and expertise is generated by private and quasi-public technocrats. Though the application of fast policy to P3 development requires more study, it is clear that useful insights may be gleaned through future research. Perhaps most importantly it suggests that democratic control is being limited in new ways in the neoliberal era. Local communities and actors may influence global trends, but since fast P3 policy appears to be entrenching and normalizing privatization, this phenomenon has thus far only further undermined avenues of robust democratic decision-making.
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