



RESEARCH PAPER

Public-Private Partnerships across Hierarchical, Market, and Network Governance: Compatibility and Paradoxes

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ABSTRACT

Public Private Partnership initiatives have witnessed substantial acceptance across the globe and have been extensively used as a mechanism for provision of public infrastructure and services, yet compatibility of these initiatives with different forms of administrations remains largely unexamined. This paper explores the association between PPPs and three important administrative models such as traditional bureaucratic administration, New Public Management and network governance. The analysis conducted through a systematic literature review methodology examines the governing principles of each model in order to determine their compatibility with PPPs whose nature can be defined as collaborative and market-oriented. Analysis suggests that PPPs pose several challenges to the traditional bureaucratic administration systems due to their rigid hierarchical structure, centralization and procedural rigidity. Even though PPPs seem to align with NPM principles, their long-term contract-based nature poses certain paradoxes with regard to competition and market discipline. However, the analysis reveals that network governance seems to be the most compatible administrative system with PPPs due to its cooperative, stakeholder-driven and coordinating nature.

KEYWORDS Public-Private Partnerships- PPPs, New Public Management- NPM, Governance, Neoliberalism, Principles of Good Governance

Introduction

PPPs have emerged as widely adopted mechanisms for the public infrastructure and services delivery not just in the developed but also in the developing countries. Governments increasingly depend on PPPs to capture private capital, expertise, and managerial capacity for the provision of public goods that were historically delivered through state institutions. The proponents of PPP claim that they improve efficiency, reduce fiscal burdens, accelerate infrastructure development, and elevate the service quality. As a result, PPPs have transformed from alternative procurement tools into structural governance reform all around the world (Hashmi, 2026).

The popularity of PPPs has grown significantly in terms of their increasing prominence in public sector delivery. However, there is relatively little consensus about the relationship of PPPs to broader public administrative systems. Therefore, while the literature outlines a variety of financial, contractual and procurement characteristics, a number of the technical determinants that are typically referred to when determining the success or failure of a PPP are disregarded. Most neglect a key question; do all types of public administration and governance support the effective implementation of PPPs? The recent phenomenon of PPPs is closely linked to a broader transformation of the state towards neoliberalism and the emergence of NPM, which has promoted the reduction in size of

government through privatization, contracting out and deregulation (Hashmi, 2020). PPPs often challenge many traditional bureaucratic principles associated with public administration by advocating market-based principles (competition, flexibility etc.) and the inclusion of non-public actors in the delivery of public goods and services. Contrasting with traditional privatization, PPPs require long-term partnerships between public and private actors to develop governance arrangements that supersede the simple commercial transactions associated with traditional privatization; thereby, introducing a level of theoretical tension with respect to identifying the appropriate administrative framework for implementing PPPs effectively.

The prevailing literature often treats PPPs as a uniform instrument ready to be applied across different institutional settings; however we may not ignore the fact that the administrative systems evolve upon distinct governance logics, assumptions about authority, and mechanisms of coordination. The Traditional or classical bureaucratic administration demands strict hierarchy, formal rules, and centralized control. NPM demands a close interaction with the market, competition, and managerial discretion and governance approaches prioritize networks, collaboration, and stakeholder participation. These differing approaches raise a very important question whether which approach is the most suitable and supportive for the success for PPPs. This paper attempts to examine the interaction between PPPs and the three main administrative paradigms through a systematic literature review to evaluate the philosophical compatibility of PPPs with each approach. The paper further presents the contradictions, opportunities, and limitations that may emerge through this interaction. Instead of focusing on the performance of specific projects or case studies, the paper adopts a highly theoretical and philosophical perspective to investigate the governance assumptions embedded within PPPs and the conditions under which they may function effectively.

The analysis shows significant tensions between PPPs and the traditional bureaucratic systems owing to conflicting assumptions with reference to authority, flexibility and organizational control. The analysis further elucidates that high PPPs are associated with NPM, their long term and collaborative features generate multiple paradoxes that challenge some of the core principles of market competition. The most suitable and compatible institutional environment for PPPs is found in the network governance model since it recognizes collaboration, interdependence, stakeholder engagement and shared responsibility as the main features of public service delivery. After examining PPP through the lenses of competing administrative systems, the paper contributes to the theoretical part of public administration and attempts to balance between the opponents and the proponents of PPPs.

Literature Review

Administrative Paradigms and Public-Private Partnerships: Scholars approach neoliberalism from various conceptual angles however simply put, the ideology represents a calculated revival of classical liberalism. Neoliberalism explicitly defines itself by rejecting the post-war Keynesian interventionism that became deeply entrenched in modern capitalistic states (Bleiklie, 2020). The real-world application of this philosophy is best illustrated by the economic framework of Ronald Reagan, Margret Thatcher and Deng Xiaoping alongside the globalizing push of the international financial institutions who advocated for free markets. This paradigm challenges the traditional pillars of collective political action such as the labor unions and environmental movements since it sought to dismantle the state's role in social welfare (Harvey, 2007). This political-economic paradigm shift reshaped the administrations during the 1980s and 1990s. As a result, market driven and network-oriented reforms started dismantling traditional, top-down bureaucratic systems. Mapping this historical evolution of administrative thought is significant to understand how conventional public service models transitioned into today's post bureaucratic systems (Bevir & Trentmann, 2007).

Traditional Public Administration: While public affairs are a practice as ancient as human society itself, Bartholomew (1972) provides a structured five-staged framework to map its modern evolutionary trajectory. The period between 1887 to 1926 was the immediate result of the politics-administration dichotomy developed by Woodrow Wilson, but what made his theory so attractive to many scholars and practitioners alike was that it presented an institutional tool against the corrupt spoils system. It aimed to overhaul a dysfunctional state machinery. This conceptual separation depended during the second phase between 1927 to 1937, which was heavily insulated by the rise of the industrial revolution and the scientific management principles introduced by FW Taylor and Henri Fayol. In the same era, Max Weber reengineered the discipline by introducing the ideal type theory of bureaucracy- an institutional paradigm designed in strict legal rational authority, division of labor and technical specialization (Lamidi, 2015).

The rigid view of governance faced a sharp ideological pushback during the third stage which lasted from 1928 to 1947 which was more tilted towards the human dimensions of administration. This was the era which was defined by Elton Mayo's transformative Hawthorne experiments and Herbert Simon's integration of behavioral science. Nevertheless, the post WWII era which lasted from 1948 to 1970 plunged the discipline into a profound identity crisis owing to the shift of societal values, this phase saw scholars like Dwight Waldo spearhead the 'New Public Administration' movement which demanded the public intuitions move beyond mere technical efficiency to actively pursue social equity and responsiveness (Katsamunskas, 2012). The fifth and the current stage started from the 1970s, considerably influenced by neoliberalism, and led to managerialism in public service delivery. Today, this paradigm is characterized by the market driven mechanisms of NPM and the collaborative multifactor framework of modern network governance (Ewalt, 2001).

New Public Management: Neoliberal critiques of the traditional public administration primarily attack the size of the government consisting of a large number of public personnel with vested legal and financial power to execute laws. (Andrews & van de Walle, 2013) the structural rigidity frequently breeds systemic red tape and establishes monopolistic bottlenecks which may distort the relationship between administrators and the citizens into a dysfunctional principal-agent dynamic (Lane, 2000). NPM emerged as an intuitional intervention designed to downsize the government footprint by the inclusion of the private sector in public service delivery leveraging through deregulation, privatization, and outsourcing. It sought to catalyze market activity while fundamentally shifting the state's operational mandate from rowing to steering. Intellectually, NPM takes its philosophy from 'game theory,' and 'public choice' theory, and the overlapping analytical principles of economics and law (Batley, 1999).

Governance Theories: The ideas of the 'hollow state' started in the 1980s which basically means shifting the burden of delivering public services away from the government and giving it to a network of private and non-profit organizations (civil society organizations) instead. Historically, the term 'public' used to be synonymous with the state itself. Nevertheless, there have been dramatic changes due to the emergence of managerialism and network governance. Non-traditional actors have become active participants in decision making and service delivery processes. Thus, the boundary between public and private sector becomes blurred and the definition of the term should now encompass private organizations which formerly had nothing to do with the state apparatus (Frederickson et al., 2013). This type of governance is a significant step forward as the process of administration and management moves even further towards the field of politics. The development of contemporary administration into a type of public management is facilitated by constant geopolitical, technological and economic changes (Yamamoto, 2008). The processes of globalization lead to emergence of new challenges that cannot be adequately managed by traditional bureaucracies due to their rigidity.

Keep your voice across everything you write with. Since a single top-down model may not address the fragmented demands of a modern society, public administration has pivoted towards governance which is highly adaptable. Multicentered system with actor's collaboration at least in theory. This approach prioritizes active citizen participation, treating the public as a core stakeholder and establishing a collaboration network of state, non-state actors and citizens within the policy process (Şahin, 2014).

Governance is generally categorized into three distinct frameworks being corporate, public, and good governance. Corporate governance primarily focuses on the relationship between private sector manager and public policymaker regarding the execution of public choices. Public governance on the other hand revolved around broader dimensions such as socioeconomic, administrative, contract, and network governance which focuses on how interorganizational networks design and implement the public policy (Osborne, 2010).

The Principles of Good Governance: The term 'good governance' has long been examined through two lenses, one that emphasizes domestic state capacity and the other prioritizes the role of international standards. Both perspectives identify good governance as the defining factor separating developed nations from the developing ones. This concept gained significant traction due to support of the international financial and development institutions. It specifically became prominent in the 1980s when the World Bank and the IMF studied the economic challenges in Sub-Saharan Africa and suggested in the reports that overcoming financial crises required a fundamental restructuring of governance. Crucially, these institutions argued that the multiparty democracy was a prerequisite for societal wellbeing, along with structural guarantees for a free press and the rule of law to ensure that the state leaders remained accountable to the public (Fourie, 2015).

Various international institutions have established their own frameworks to define the core principles of good governance, for example the United Nations Commission on Human Rights identifies five fundamental pillars such as transparency, accountability, participation and responsiveness. The Canadian international Development Agency takes a slightly different approach by emphasizing organizational conduct, highlighting effectiveness, equity, honesty, transparency and accountability. The World Bank broadens its scope of governance by putting emphasis on institutional stability and capacity of the state, and it identifies six basic elements, including political stability, freedom of expression, corruption control and violence control, active role of the state in regulation and the rule of law. However, the most inclusive approach can be found in the United Nations Development Program that defines eight interrelated elements of governance; participation, responsiveness, consensus orientation, accountability, transparency, rule of law, equity and inclusiveness, and efficiency and effectiveness (Bevir, 2007).

Participation is the first pillar of good governance, which refers to the equal empowerment of all citizens in taking part in the process of making decisions. This principle implies that people have the freedom to give opinions through voting, demonstrations, and civil disobedience. The government has the responsibility to protect these freedoms and also create systems that will facilitate their exercise. This public involvement serves to maintain a critical balance of power among diverse stakeholders of the society ensuring that both those who benefit from and those who are disadvantaged by a specific policy enjoy equal freedom of expression and assembly. The second principle requires public administrators to maintain a high level of responsiveness to ensure effective management. This framework suggests administrative bodies to systematically address public grievances while maintaining open lines of communication to solicit continued feedback on the quality of public services (Keping, 2018)

The third principle, consensus orientation, emphasizes the state's role in achieving broad social agreement to achieve equality among all the stakeholders to sustain human development. The fourth principle, accountability, mandates that public institutions and

government agencies remain answerable, ensure fairness, and reinforce institutional trust across society (UNDP, 2011). The fifth principle necessitates transparency in public sector decision-making, because policies are executed on behalf of the public, stakeholders possess an inherent right to freely access information which allows them to clearly understand both the underlying motives and the broader outcomes of state actions (Bevir, 2007). The sixth principle of good governance centers on the rule of law which demands an impartial legal framework managed by an independent judiciary and transparent enforcement agencies. All stakeholders need to feel assured that the legal framework will guarantee their basic rights. Best governance practice calls upon organizations to embrace the best practices under the auspices of state laws. The principle of equity and inclusiveness is the seventh principle and is concerned about the whole society. This principle illustrates how state policies impact citizens' lives in an indirect and direct manner (UNESCAP, 2000). The principle necessitates that public policies are ethical and inclusive of everybody, especially the marginalized groups (Asaduzzaman, 2016). Lastly, the eighth principle puts emphasis on efficiency and effectiveness in public systems (Shiple & Kovacs, 2008). In contemporary infrastructure provision, public services provided through the public-private partnership have to be more efficient and of better quality than those which are done through conventional processes. Hence, efficiency can be achieved through synergy in public and private collaboration.

Material and Methods

In this paper, a systematic literature review will be used to consider the suitability and compatibility of PPPs within specific administrative paradigms. The study will analyze the existing body of research on governance and public administration with a view to assessing how the main governance principles of key administrative paradigms influence the application of PPPs. In particular, it will explore how PPPs, being considered a market-related neoliberal concept, interact with hierarchical, market, and network governance paradigms. Instead of carrying out an empirical analysis, the study will use a philosophical approach. Specifically, the paper will conduct a critical evaluation of the applicability of PPPs within diverse administrative paradigms. Moreover, it will examine how the concept of PPPs complements, undermines, or transforms specific governance paradigms.

Discussion: Interaction of PPP with Different Administrative Approaches

It is hard for the traditional bureaucratic structure based on the Weberian ideas to exist alongside such modern forms of procurement as PPP. Centralized nature of bureaucracy is viewed by this system as a challenge since PPP seeks to minimize the role of the state in the process and make the process equally favorable for public and private participants. It is this reason why the majority of countries that have managed to implement the PPP model of procurement have done this only after their administrative structures were reformed according to NPM-based market approach. Developing nations, in turn, face difficulties in making the most of PPP due to highly bureaucratic and unwilling to share power institutional structure.

Generally speaking, there are two approaches to the evaluation of PPP models among scholars in the context of NPM literature. The first approach treats PPPs as the next stage in the development of the NPM concept implying that PPPs can be regarded as an improved privatization model. The second approach assumes that PPP is contrary to the principles of NPM since PPP implies collaborations rather than selling of assets hence retaining the property of infrastructure to the public sector. Moreover, another fundamental concept of NPM is the notion that market competition increases service quality, giving citizens an opportunity to become consumers and select the best one among several providers. Nevertheless, the long-term character of the PPP contract leads to a sharp decrease in competition after the selection of the private sector participant (Conteh, 2010). Despite having a solid theoretical basis, provided by NPM, there is still no substantial

empirical research that proves the necessity of NPM reformations in order to ensure PPP efficiency. Indeed, many governments use PPP without any previous NPM policy implementations. As Larbi says, states do not need partnership for value for money maximization; on the contrary, the PPP may be the only reasonable way to make a decision between the creation of the valuable asset and the absence of any action. Such an approach was seen during the Latin American debt crisis when international financial organizations offered PPP schemes within a more complex economic aid package. This is the reason why the government in the region was able to take on the partnerships mainly for the purpose of fiscal reforms rather than governance improvement (Siqueira et al., 2018).

Governance is an essential framework when it comes to optimizing the production of public service while protecting the interests of the people. Good governance is a precondition which transforms the structures of the state through a democratic approach in order to ensure the benefits of PPPs. This includes, for instance, transparency in the selection of the private partner and mutual accountability, which guarantees value for money. At the same time, equity, inclusiveness and consensus orientation allow incorporating citizens' views in the broader governance context. The policy networks within the governance approach enable the state to move beyond its traditional boundaries and engage directly with non-state actors to create high-quality policy input (Fourie, 2015).

Unlike the top down state centered methods of traditional public administration or the completed market driven logic of NPM, the governance framework relies on multiple actors to design public policies through negotiation and shared interests. PPPs serve as the prime example of multifactor participation where public and private entities collaborate to deliver services, while not for profit organizations and civil society provide critical oversight to evaluate performance and protect citizen rights. This transition represents a paradigm shift in public service delivery which challenges the state's traditional, passive relationship with its population. It actively fosters civic awareness which may help citizens understand their fundamental rights and what they should expect from their government (Yamamoto, 2008).

Conclusion

This paper maps the structural encounter between bureaucratic and post-bureaucratic paradigms in the wake of neoliberal movement, it evaluates the field's dominant administrative models and their compatibility with PPPs. The traditional public administration remains heavily influenced by Weberian philosophy. While nations with traditional administrative systems have adopted PPP models and achieved satisfactory results in certain contexts however the day-to-day coexistence of a rigid bureaucracy and a flexible partnership model remains deeply challenging. Bureaucratic institutions frequently view PPPs as a direct threat to their longstanding monopoly over power and resources. Meanwhile, NPM, despite being highly concentrated with the role of the private sector, remains theoretically split on the true nature of PPPs. One group of NPM scholars view these partnerships as a logical extension of NPM principles whereas another camp argues that they represent a departure due to the absence of constant market competition under long term contractual arrangements while finally the asset remains in ownership of the state. Of these competing values, the governance approach will by necessity rely on alliances in order to maximize public services delivery. It is for this reason that the values of good governance become the basis for analysis in this paper.

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