Does Political Contestability Affect Implementation of Public-Private Partnership
Zhenhua Chen¹, Nobuhiko Daito¹ and Marian Moszoro², (1)George Mason University,
(2)University of California at Berkeley

ABSTRACT

Public-private partnerships (“P3s”) have gained considerable recognition as useful tools for state
and local governments in the U.S. to improve efficiency in delivering critical infrastructure
projects. It is still unclear, however, why P3s are adopted differently across states and what the
fundamental attributes facilitate and/or hinder the process of P3 adoption in infrastructure
development. We investigate the influence of political contestability on the implementation of
transportation P3s by U.S. states, using a panel data of 50 states for the period of 1998-2012.
After accounting for fiscal constraints and the endogeneity between the political environment of
states and their P3 enabling legislation, our empirical results will help decision makers better
understand the process of P3 implementation.