

Does Political Contestability Affect Implementation of Public-Private Partnership
Zhenhua Chen¹, **Nobuhiko Daito**¹ 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.