

PUBLIC PRIVATE PARTNERSHIPS 101:

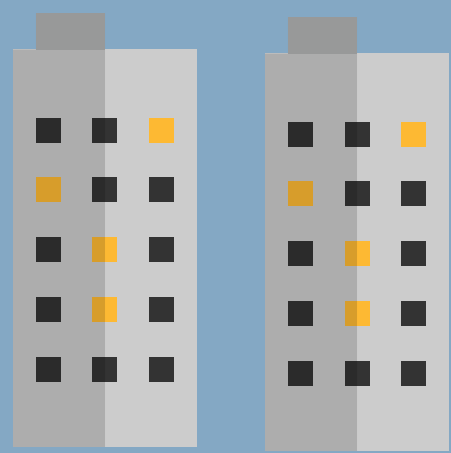
WHAT THE PEOPLE SHOULD KNOW ABOUT PPPs

PUBLIC



Government

PRIVATE



Big businesses
& investors

PROFIT OVER PEOPLE

PPPs hurt the people as governments abandon their social responsibilities to profit-led corporate interests. Governments must be responsible for providing services to the people.



CORRUPTION

Private companies often extract bribes and renegotiate contracts to secure big cost increases. In Latin America, 78% of all transport PPPs had been renegotiated, resulting in an average increase of US\$120 million.



LIMITED ACCESS

The drive for profit makes social services inaccessible. An 18-year PPP contract for the Queen Mamohato Memorial Hospital in Lesotho diverted resources away from rural areas where 75% of the population live.



PRICES

PPPs result in higher prices for resources and services such as water, health, and transportation. One study shows that PPPs cost an average of 16 per cent more than conventional tendered contracts.

MONOPOLY

PPPs in research and development facilitate technology monopoly. Farmers of underdeveloped countries lose control over what beneficial technology to develop. Farmers also have to pay more for seeds now.

DISPLACEMENT

Infrastructure PPPs, especially mega-projects, often displace communities. The Nam Theun Dam in Laos demonstrates the need for resettlement in these cases.

DEBT

PPPs can lock governments into debt bondage to private firms. Eurozone countries with the largest PPPs have experienced the highest surge in government debt in recent years.