Public-Private Partnerships (PPPs or P3s) are a form of privatization of public-sector projects and services and, hence, are an important aspect of public policy. Academics and activists alike need to understand them to be able to participate in the policy discourse around PPPs, but informed discussion is a rarity because there is so much obfuscation about their true nature. This paper hopes to help rectify that by examining how the recent global financial crisis has affected public policy towards PPPs.

PPPs take two main forms. The first occurs when the private sector performs functions in the delivery of projects that are customarily undertaken by the public sector. This could be directly financing a project, as opposed to the public sector issuing its own debt or funding a project out of budget revenues, or it could be operating or maintaining a project once it is complete. The private sector might even own the project, but this is unusual. More normally, capital assets remain owned by the public sector, which then pays the private sector to finance or operate the project. This contrasts with the conventional procurement model in which the private sector almost always builds the project but the public sector arranges design, financing, operations, and maintenance. In the second type of PPP, the public sector retains the asset but asks the private sector to operate it, as in handing over the operating budget for a water treatment or sewage plant. The private sector takes a cut of any savings it makes.
PPPs have become quite common since the 1990s. Accurate data are difficult to come by, but it is claimed that, between 1985 and 2010, 2,954 PPP projects were planned worldwide at a cost of $1,376 billion US. Of these, 1,867 costing $712 billion US were funded. The largest projects planned, both in number and value, were roads (1,061 for $350 billion US); the others involved rail, water, and buildings. Of these projects, Europe (mainly the United Kingdom) accounted for about one third in number and 44 percent by value, while Canada accounted for 168 at $46 billion US.¹

This paper looks at the impact the recent global financial crisis has had on PPPs around the world and especially in Canada. It examines changes in the functioning of insurance and credit markets during the crisis and how the private sector responded: by restructuring PPP financing, by sharply reducing PPP activity, and by lobbying governments for financial assistance. It then looks at how the public sector responded to these requests in different parts of the world and at how the Canadian government, in particular, has expanded financial resources for PPPs even in the face of growing fiscal challenges. The paper then goes on to examine critically the economic arguments said to underlie government largesse in this area. It concludes that the promotion of PPPs owes much more to ideology than to a rational evaluation of their net economic benefit.

The Impact of the Global Financial Crisis on PPPs

The Crisis and the Credit Markets  The international financial crisis had an immediate and negative impact on the financing of PPPs. Up to 2007 there were two major sources of long-term funding for PPPs: bond financing and bank debt financing. Bond financing, which was highly developed in the United Kingdom for very large projects, relied heavily on “monoline” insurance companies “wrapping” the bonds of project companies to enhance their credit rating.² In effect, the project company issuing bonds paid a fee to the insurance companies to guarantee their bonds. The result was that project company bonds then carried the same rating as those of the monoline insurer i.e., AAA rather than the much lower rating (reflecting the higher risk) they would have carried without it. These long-term “wrapped” bonds
were more attractive to private insurance and pension funds, just as collateralized debt or bundled mortgage loans had been before the real estate market collapse. The second source of financing is debt financing from local or international banks that formed syndicates, organized by a lead bank, to bid jointly with project companies on PPP requests for proposals, and offered long-term finance at competitive rates at the outset of the bidding process. Debt financing was usually for shorter terms than bond financing (15 to 20 versus 30 years), and carried floating rates, necessitating swaps by project companies to garner fixed rate flows in line with the fixed payments they would normally receive from the public sector. Bank financing usually contained a clause to “step up” margins after a certain number of years to compel refinancing of the bank loan.

The 2007 international financial crisis had a devastating impact on the monoline insurance industry because many of its underlying assets proved to be dubious US mortgages. The result was that many insurance companies found their own ratings being written down significantly, while some ceased business altogether. The monoline insurance industry effectively collapsed and bond issuers were thrown back onto their own creditworthiness, with higher borrowing costs and less attraction to investors. It is to be emphasized that it was not the PPP business of the monolines that brought about their downfall but rather their involvement in the subprime and related markets; on the contrary, PPP bonds were and continue to be lucrative. The main impact of the bond market collapse was felt in the United Kingdom, where about two-thirds of PPPs (Private Finance Initiative (PFIs) in UK terminology) costing more than £200 million relied on bond financing. But Canada was also affected because monolines were beginning to catch on here, the first example being the Golden Ears Bridge in British Columbia.

Banks and related financial institutions active in the PPP market also withdrew suddenly in 2008. International banks pulled back from foreign operations to solidify their national bases, and domestic banks reduced credit availability, raised rates and loan margins significantly, cut back the number of years over which they were prepared to lend, and began calling for much higher levels of security and financial performance. Club deals,
involving many banks each offering lower amounts of credit and coming into the picture only after the successful bidder has been chosen for the project, are said to have replaced syndicated lending. So-called mini-perms became more common: banks either restrict lending to five to seven years, compelling projects to refinance before that date (hard mini-perm) or lend for longer periods with an aggressive “step-up” clause after so many years to encourage refinancing (soft mini-perm). The net effect was that financing for new and especially large PPP projects almost dried up in 2008 and, where lending was available, it became more expensive, harder to obtain, available in smaller amounts, and more short term. Now there is also “a new focus on 'market flex,’ whereby banks reserve the right to change their finance terms after best and final offer stage…[which] causes all sorts of financial, practical and legal problems for the public sector.” Hybrid financing deals have also become common: long-term bonds are accompanied by short-term lending, the rates on which need to be fixed by swaps, introducing complicated security issues into the projects. Equity requirements for projects were also increased from the pre-crisis level of five to ten percent to nearly 20 percent, as were performance securities and default provisions.

**The Impact of the Crisis on PPP Activity** The financial crisis had a dramatic impact on PPP funding. In Europe between 2007 and 2009, the number of PPPs fell from 136 to 118, and their value fell from €29.6 billion to €15.7 billion. The average size of a project, therefore, also fell, from €218 million to €133 million. The decline was largest in the United Kingdom, falling from over 60 projects in 2008 valued at about £8.4 billion to 25 projects valued at £1.6 billion in 2009. In Canada, the $2.3 billion Port Mann Bridge project in British Columbia was unable to proceed as a PPP because the proponent could not arrive at suitable financing arrangements with the province and the project proceeded as a design-build project. Between mid-September 2008 and mid-August 2009, only 12 projects reached financial close. Loans to Canadian projects, of which there had been 11 in 2007 for $1.6 billion, fell to six for $0.9 billion in 2009.
Private-Sector Response to the Crisis

The private sector responded to the crisis by making a series of demands to governments designed to ensure that the profitable PPP market would continue to flourish. In Canada, this was organized by the Canadian Council on Public-Private Partnerships (CCPPP), the pro-PPP lobby group that draws its membership from the various segments of the private sector that benefit from PPPs and from governments using them. The Industry Members of the Council\(^9\) called for greater national coordination of the timing of PPPs to bring them into line with available financing as lack of coordination in Canada, and resulting project “bumpiness,” was held partly responsible for the huge increase in spreads (up from 100 basis points (bps, or one hundredth of one per cent) to between 200 and 300) in November 2008.\(^{20}\) They also called for an increase in break fees and honoraria to private bidders to compensate for cancellation or delays in projects that were being contemplated by governments at that time and to offset additional legal and bidding costs.\(^{21}\) They recommended that the use of the emerging two-stage process of PPP procurement (technical before financial) be continued, that the amount of time to deal closure be specified more clearly, and that greater due diligence be exercised on proponents to ensure smooth financial closure. Additional honoraria were proposed for unsuccessful private sponsors. They called for clearer specification of who would bear the greater refinancing risks inherent in mini-perms, suggesting that if the public sector would not do it, then the private sector would add contingency provisions that would reduce the value-for-money (VfM) of PPPs. They were not in favour of the proposal to introduce funding competitions once the preferred proponent had been selected because this would delay closure, possibly shift financing risk onto the public sector, and possibly also “negate the competitive advantage some sponsors perceive they enjoy in the procurement of financing.”\(^{22}\)

The Industry Members of the CCPPP stated that “Private sector sponsors generally would welcome any form of government assistance (financial or non-financial) that could assist in the raising of financing in the current markets,” while conceding, somewhat disingenuously, that “(c)onsideration should be given to whether government funds could be better deployed elsewhere rather than invested into PPP transactions.”\(^{23}\) They recommended
that consideration be given to government cofinancing of PPPs, but only at arm’s length and on a temporary basis. Their preference would be for a US-style TIFIA (Transportation Infrastructure Finance and Innovation Act) program in which the public sector provided debt that would be subordinated to senior private debt. Somewhat surprisingly, the Industry Members were not in favour of governments providing credit default guarantees to private sector lenders because of their “complexity and lack of cost-benefit evidence.” Furthermore, they were lukewarm on government grants, acknowledging that they “have their place in Canadian PPP projects” but worrying about them being too large so as to negatively “impact risk transfer, impact equity returns and dissuade private sector sponsors.” They recommended that Export Development Canada offer all types of commercial credit to PPPs in Canada. They did not support “staple financing,” in which the government would prearrange a financial package that would be available to all bidders because this might bias selection of sponsors and, as with funding competitions, undermine some existing credit relationships. Finally, the Industry Members of the CCPPP consider but do not recommend the proposals that governments cover all the foreign exchange risk of foreign banks lending to PPP projects or all the inflation risk of domestic lenders.

The private sector is asking the public sector to pick up the increased costs of doing PPP business that the credit crisis has induced and to help better plan and coordinate the PPP project pipeline while stepping in to fill financing gaps that might still remain. Any direct financial participation should, however, be limited, temporary, and of a subordinate character and should not displace private equity or the preferred creditor status of private loans. Furthermore, there is a reluctance to encourage more competitive funding arrangements lest these undermine existing monopolistic relationships.

**State Reaction to the Crisis** With real official interest rates being close to or even below zero in 2007–2008 and with private long-term borrowing costs rising significantly, it was clear that expansionary fiscal policy would have to be pursued if the state were to prevent economic collapse because monetary policy has reached its limit. Given that taxes had been cut consistently over
the previous decade, it was also apparent that state spending would have to increase because taxes couldn’t be cut any further. What was not obvious was that PPPs would figure prominently in this fiscal expansion because they generally take at least two to three years to develop, but figure prominently they did. In both Europe and North America, state institutions promoting PPPs were either created or given expanded responsibilities. In late 2008, the European Union created the European PPP Expertise Centre (EPEC) to strengthen the capacity of member states to enter into PPP deals. It is sponsored by the European Investment Bank (EIB), the European Commission, and member states, and has published important papers on the impact of the financial crisis on PPPs. The lending capacity of the EIB, the main EU vehicle for funding PPPs, was also expanded temporarily by €106 billion (40 percent) in 2009 and 2010 to help address the economic downturn. The EIB provides loan guarantees to PPPs, and in 2008 these were expanded by the creation of the €1 billion Loan Guarantee Instrument for Trans-European Transport Network projects (LGTT).

After considering various options, the UK government created the Treasury Infrastructure Finance Unit (TIFU) in March 2009. Its function is to lend directly to PPP projects that would otherwise not be able to mobilize sufficient funding to reach closure in a timely fashion or would otherwise obtain funding which was off-market. Intended to be temporary and not to compete with private funding, the TIFU was expected to advance £2 billion between 2009 and 2010, but, in fact, has made only one loan of £120 million, to the Greater Manchester Waste PFI in April 2009. Nonetheless, the TIFU is said to have helped restore confidence as well as having played a “shadow” role in other projects, facilitating their closure. It is claimed, therefore, that TIFU has helped revive the market for PPPs in the United Kingdom, which saw 32 deals with a value of £4.6 billion closed in 2010.

The government of France has taken a different tack in supporting PPPs: providing €10 billion in partial guarantees, allowing the state-supported Caisse des Dépots et Consignations to provide an additional €8 billion in loans to infrastructure projects, changing regulations to allow partial state funding of PPPs, and by delaying the requirement for projects to finalize
financing arrangements until the preferred proponent stage is reached.\textsuperscript{32}

In the United States, the Transportation Infrastructure Finance and Innovation Act (TIFIA) provides both credit and credit guarantees for private participants in infrastructure. In 2009, a $1.5 billion grant program for Transportation Investment Generating Economic Recovery (TIGER) was established.\textsuperscript{33} Monies can be used to support TIFIA loans, demand for which has been exceeding supply since the onset of the crisis.\textsuperscript{34}

In Canada, since the financial crisis there have been several federal initiatives designed to promote PPP activity in the infrastructure area. PPP Canada is administering a $1.26 billion P3 Canada Fund to “help open the door to greater possibilities for P3s in Canada,” in the words of Finance Minister Jim Flaherty.\textsuperscript{35} The Fund can offer non-repayable or repayable financial contributions, loans, or loan guarantees.\textsuperscript{36} There have been two rounds of calls for proposals. Round 1 resulted in 20 proposals being submitted from nine provinces and six municipalities, ranging from $45 to $500 million. The second round closed on 30 June 2010 and yielded 73 proposals from 11 provinces and territories: 35 were municipal projects while 12 were from First Nations. While PPP Canada claims that its key objective is to “increase the value, timeliness and accountability that are being delivered through P3s,”\textsuperscript{37} there have been complaints about its tardiness in dealing with applications, and beyond the basic guidelines for proposals, PPP Canada offers few insights as to how it evaluates submissions.

The Building Canada Fund is an $8 billion, seven-year infrastructure fund that requires public-sector applicants to consider the PPP approach. The same requirement exists in the $2.1 billion Gateway and Border Crossing Fund.\textsuperscript{38} It is not apparent what forms of assistance are available from these facilities, but their focus is very much on promoting PPPs.

The four main provincial users of PPPs have all adjusted the ways they handle PPPs to address the issues raised by the financial crisis. What follows explains these developments and compares them with the private-sector wish list/advice dealt with earlier.

Ontario has allowed two-stage bidding with the financial proposal being received later than the technical proposal, thereby reducing financing risk. Financial proposals can also be modified 30 days after first submission to
take into account changing credit spreads. Bidders must submit evidence of the stability of their financial proposals and must agree to a clause providing for failure to reach financial closure on account of credit market disruption.\textsuperscript{39} Ontario has also increased the size of its substantial completion payments, has allowed shorter tenor financing and reserves the right to use funding competitions if unsatisfied with financing bids, but does not intend to take equity holdings, use colending, offer credit guarantees, share refinancing risks with the private sector, require staple financing, cover foreign financing risks, or index capital payments.\textsuperscript{40}

British Columbia does use milestone payments in some of its PPP projects, has considered the use of cofinancing, allows for the use of funding competitions and for shorter tenor financing, offers foreign exchange risk protection, and considers sharing cofinancing risk on a project-by-project basis. It does not intend to take equity holdings, offer credit guarantees, require staple financing, or index capital payments.\textsuperscript{41} In the midst of the financial crisis, in October 2008 Partnerships BC introduced a major innovation in the use of “wide-equity” in the Fort St. John Hospital and Residential Care and Royal Jubilee Hospital projects. The projects were given an Affordability Ceiling, but the cost of debt was so high that the ceiling was exceeded. In response, the successful proponents were asked to contribute 20 percent of the project cost in equity (i.e., double the normal share) in conjunction with larger milestone payments by the hospital authorities. The health authorities then had to undertake due diligence monitoring and security functions, normally undertaken by major lenders, for which they retained private-sector advisors.\textsuperscript{42} This initiative was seen as temporary until banks re-entered the PPP market.

Alberta has always paid substantial milestone payments (approximately 50 percent of project costs). It has also reduced the size of bundled school projects, though whether this was in response to the financial crisis or because of criticism from smaller local contractors who feared bundled PPPs would “jeopardize the expertise and capacity of Alberta’s construction industry”\textsuperscript{43} is not clear. The Province does allow shorter tenor financing and does not require committed financing, but bid prices must be held for 90 days. Alberta does not intend to take equity holdings, use colending,
offer credit guarantees, share refinancing risks with the private sector, require staple financing, cover foreign financing risks, or index capital payments. Finally, Quebec has begun making substantial completion payments, allows soft mini-perms, continues to require committed financing, and is not considering offering foreign exchange risk protection, sharing cofinancing risk, taking equity holdings, offering credit guarantees, requiring staple financing, or indexing capital payments.

What is striking about developments in Canada is that they have been so marginal. Provincial initiatives have varied, but generally have been moderate and time-limited responses to private-sector financing difficulties. The federal government’s initiatives have much less to do with responding to the financial crisis than the promotion of an ideological agenda designed to commodify state activities and raise private-sector profits from the provision of public infrastructure and services. The sums of money on offer are not large in aggregate and are spread over a number of years. The long delivery times of PPPs make them a clumsy and tardy vehicle for expansionary fiscal policy, and federal-supported PPPs cannot be said to have played any role in the economic recovery of the country.

The Costs and Benefits of PPPs  The arguments in favour of shoring up capital markets to preserve and promote PPP activity are premised on the belief that PPPs offer a useful and rewarding alternative to conventional procurement methods. There have been two main arguments put forward to justify their use. The first is the budgetary one that the infrastructure gap is so large and government budgets so constrained that private-sector funding is needed to bridge the gap, and this also reduces debt on the government’s books. The second argument is that the private sector is more efficient than the state at managing public infrastructure and services. These arguments in favour of PPPs are now taken as being self-evident and soundly based empirically, but this is far from being the case.

The Budgetary Argument  The first budgetary argument is bound to be heard more often in the future as governments adjust their budgets in the post-crisis era, moving, as Albo and Evans have put it, from “rescue strate-
gies to exit strategies,”46 seeking to reduce their debts and deficits; it is a purely illusory argument. When public infrastructure is directly financed by the private sector, rather than indirectly through financing government debt, the result is still an increase in the amount owed by the government, whether or not this is on the books. The payment of leases to the private sector over 20, 30, or more years is in effect a long-term payment commitment that is identical to debt. These payments can be discounted back to give a present value and the amount arrived at should be treated as the current debt equivalent of the future leases. Indeed, rating agencies do exactly this and adjust public-sector debt holdings accordingly; effectively, leases become debt. Moreover, the private debt that government repays through leases is almost always much more expensive than if the government had borrowed directly.

Reality is, however, one thing while perception is quite another, and it is how these contracts are perceived by accountants that determines how governments behave. The accounting treatment of these leases has evolved and, increasingly, governments have been required to put some of them on their books even when projects were initially designed to be off-book, such as the Charleswood Bridge and the Confederation Bridge. Recent changes in municipal accounting and the impending introduction of the IFRS system of accounting will close even more doors, to avoid treating leases off-book.47 Facing mounting fiscal problems however, most levels of government will no doubt try to take as much advantage as they can from off-book accounting possibilities, and PPPs do offer some room for manoeuvre here. In the United Kingdom, most PFI transactions have been kept off the books by using UK GAAP methodology. The introduction of IFRS would have reversed this practice, allowing full disclosure of PPP liabilities. Initially, the Treasury sought to avoid this by announcing its intentions to follow instead the more manipulable Eurostat accounting conventions,48 but under pressure from the House of Lords, reluctantly agreed it would in future adopt IFRS standards.49 Governments can be expected to use whatever flexibility the IFRS rules permit to keep PPP transactions off the books.

The treatment of PPP liabilities is only one aspect of the fiscal argument. More importantly, the main constraints on the ability of the public sector
to increase spending on infrastructure and services—namely, balanced budget legislation and the systematic, neoliberal reduction of taxes over the last decade—are, in fact, entirely self-imposed. Thus, the fiscal argument for PPPs, meant to justify their additional financing costs, is bogus.

**The Microeconomic Argument** This pushes the case for PPPs onto what are called micro-economic drivers. This approach argues that PPPs are warranted by the private sector’s superior ability to deliver value for money through economies of scale, more efficient and innovative use of labour and materials, and the transfer of risk. The micro arguments ignore the link between ongoing, largely self-induced, macro fiscal restraint and the erosion of public-sector capacity. They are based on an ideological presupposition that the public sector is inherently less efficient and less competent.

In establishing the micro case, the lifetime costs of PPP projects are discounted back to present value and compared with those of a public-sector comparator (PSC). If the costs of the former are lower than those of the publicly delivered alternative, then the PPP is said to offer value for money, often expressed as a percentage saving on the PSC. The costs of the PPP alternative are to be arrived at through a competitive and transparent bidding process. How-to manuals on best practices in assessing value for money and arranging competitive bids have been made available by the federal and by several provincial governments. Value-for-money assessments of individual projects are increasingly available online, especially from Partnerships BC and Infrastructure Ontario (IO).

All such published VfMs purport to demonstrate that the PPP option is superior. There are two main reasons for this. First, as a close examination of IO projects reveals, it is the value of risk said to be transferred from the public to the private partner that justifies the so-called superior performance of PPPs. In the pro forma VfM manual used by IO to demonstrate how VfM is arrived at, base costs, financing costs, and ancillary costs (i.e., legal and other transactions costs) of the PSC are actually lower than those of the PPP. It is the transfer of risks that entirely explains the PPP superiority. This also seems to be the case with individual projects. The Brampton Youth Justice Facility, for example, delivers VfM of -$8.7 million on costs and
+$18.2 million on risk for a net value for money of $9.4 million or 8.45% over the traditional mode of delivery.\textsuperscript{55} A review of the Ottawa Hospital, Sudbury Regional Hospital, St Joseph’s Health Care, Sunnybrook Health Science Centre, and North Bay Regional Health Centre projects reveal exactly the same outcome: value for money is in the 8%-10% range and all of it is explained by risk transfer.

What risks are being transferred is not clear. The risk analysis of IO is based on a report from a private consultant\textsuperscript{56} with a risk transfer matrix showing that the province would retain risk equal to 43.6% of base construction costs under a traditional model and only 16.7% of base construction costs under a Build-Finance model. These, it argues, would vary from project to project, and it appears that the projects mentioned assume greater risk transfer than the average suggested by the consultants (over 3:1 versus the 2.6:1 implied in the model). The problem with the consultants’ report is that there is no source, reference, or justification given for any one of its numbers. None of the individual projects does any better because absolutely no support is presented, except the consultants’ report, for the risk transfer figures given. If these crucial risk transfer numbers have any foundation empirically, it is not clear what it is or where it comes from.

The same problem is found in projects sponsored by Partnerships BC. As an example, the Kelowna and Vernon Hospitals PPP is shown with a VfM of $25.4 million, or a 5.7% saving on the PSC. Risk transfer is assumed to be $32.3 million.\textsuperscript{57} These projects in Ontario and BC are what Iacobacci would call “second-wave” PPPs,\textsuperscript{58} which are supposed to be superior to earlier PPPs in terms of design, evaluation, and performance, but he blindly accepts their VfM analyses and supposed risk transfer without any critical assessment.

The assumption of risk transfer, therefore, remains central to VfM analysis in Canadian PPPs, but it is not clear where risk transfer numbers come from. It now seems to be taken for granted that risk transfer will take place, that it cannot be addressed other than by the private companies undertaking the finance and operation of projects, and that it warrants paying higher financing and other costs to them for doing so. The superior efficiency of the private sector is now routinely built into the PPP discourse without
a great deal of attention being paid to verifying it. One number that has floated around the world for some years is a 17% cost saving on PPPs. This number has been quoted by the IMF, Industry Canada, and the Vancouver Sun long after it had been thoroughly discredited by Pollock and Vickers as being without empirical foundation. On the other end of the spectrum, there are sanctions and penalties on private companies that run over budgets or experience delays in conventional contracts. As John Knappett, a small BC contractor who feels threatened by large companies that typically benefit from PPPs, put it to the Greater Victoria Water Watch Coalition:

Our firm has completed hundreds of public sector projects in BC over the past 25 years and we have seldom been late and never over budget. I know that because when we bid on a Stipulated Sum Contract, we have a contracted fixed budget and an attached schedule to the Contract. If we are late the Province has penalties it can assess and if we are over budget we must absorb the cost at no fee to the Province.

Advocates of the PPP approach consider the use of such sanctions on conventional procurement approaches to be not as effective as the penalty of additional financing costs to the private partner involved in PPP delays. The other argument that PPP advocates studiously ignore is that if the bulk of risk transfer takes place before and during the construction phase of projects, could the same risk transfer not be achieved by the public sector employing design-build techniques in procurement without handing over financing, operations, and maintenance (and sometimes ownership) to the private sector? This technique is not without problems, but it does seem to address the bulk of the risk transfer concerns, as PPPs have not been that successful in transferring longer-term risks, such as revenue and usage risk.

The other critical variable in the VfM assessment of PPPs is the choice of discount rate. Here, there are great discrepancies and irrationalities at work in Canada, much of which biases VfM towards the PPP outcome. PPPs tend to have a longer financial lifetime than conventionally procured public projects. The use of high rates of discount would reduce the present value of these costs’ cash flows significantly more than would lower rates of discount, hence biasing VfM in favour of the PPP. PPPs frequently also
have balloon payments by the public sector towards the end of their lifetime relative to a more steady cash flow under publicly funded projects.\textsuperscript{68} This, too, biases project selection, and the more so the higher the discount rate. The discount rate is so important that the overall VfM of a PPP can be radically altered by what might appear to be a relatively small change in its size. In the case of Abbotsford Hospital, a 6\% discount rate was used to show VfM of $39\ million or 8.4\%, which would have fallen to $13\ million or 2.8\% had a 5\% discount rate been used.\textsuperscript{69} BC projects all tend to be assessed with relatively high discount rates that seem to reflect, to some degree, the private sector’s cost of capital.\textsuperscript{70}

For the longest time, the federal government used even higher ones of 10\%, falling to 8\% in 2007 and later to 6.75\%.\textsuperscript{71} Quebec has been using 8\%, but recently reduced it, on the advice of the Auditor General, to 6.5\%.\textsuperscript{72} Ontario uses the province’s current 30-year cost of borrowing, currently around 4.6\%.\textsuperscript{73} But the theoretical literature argues for rates even lower than the current Ontario rate. In the United Kingdom, a 3.5\% rate is used, based on the rate of social time preference, or the rate at which current consumers are thought to be prepared to give up consumption now in favour of the next generation. On this basis, Arrow has recommended a 4\% discount rate for the United States.\textsuperscript{74} For Canada, Boardman, Moore, Vining, and De Civita\textsuperscript{75} have recommended a social rate of discount of 3.5\%, based on estimating the social rate of discount “as a solution to an optimal growth rate model.” We can conclude that the use of multiple discount rates in Canada in the evaluation of PPPs makes no sense, and that the discount rates being used are generally too high relative to what theory suggests the rate should be, and thus generally there is a bias in favour of the public sector choosing the PPP option. Surprisingly, this aspect of PPPs was not examined by Iacobacci,\textsuperscript{76} who is, nonetheless, effulgent about the VfM benefits of more recent PPPs. The reality is that there are generally insufficient data presented even in the recent public VfM assessments to allow anyone to evaluate them critically. On the odd occasion where details are available, official measures of VfM are often seen to be highly exaggerated.\textsuperscript{77}

The use of private consultants to lend their imprimatur to PPP agencies’ VfM calculations is also worthy of comment. This is seen as necessary
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because the PPP agencies operate under a huge conflict of interest, being both an advocate for PPPs and, supposedly, an impartial evaluator of PPPs versus conventionally procured projects.\textsuperscript{78} For example, Deloitte and Touche were hired by Infrastructure Ontario to confirm that the methodology being proposed would, “if properly applied using valid assumptions, yield fair and accurate results.”\textsuperscript{79} Infrastructure Ontario also somewhat disingenuously involves private consultants in its VfM assessments. Thus, the VfM assessment of the Brampton Youth Justice Facility states that Pricewaterhouse Coopers’ assessment “demonstrates projected cost savings of $9.4 million by delivering the youth justice facility project using the AFP model, over what it would have cost to deliver the project using a traditional delivery model.”\textsuperscript{80} But what PricewaterhouseCoopers actually said was “We did not audit or attempt to independently verify the accuracy or completeness of the information or assumptions underlying the PSC, which were provided by IO, and/or the successful proponent’s final offer, nor have we audited or reviewed the successful proponent’s financial model,”\textsuperscript{81} raising the question of what exactly they did do. The problem is that all major consulting/accounting companies in Canada have a vested interest in promoting PPPs and all are members of the CCPPP lobby group. It is difficult to see them as impartial or unbiased, although they may have a role in helping the public sector negotiate with potential private partners once the decision to go the PPP route has been made.

\textbf{Transparency and Accountability} There is no doubt that there has been improvement over the years in transparency and accessibility to information about PPPs. There is now usually a bid process overseen by a fairness commissioner—see, for example, the report on the Brampton Youth Justice Facility on IO’s website. Most VfM assessments are available online as well as, often, the Project agreements. There is also likely more information available about current PPP projects than there is on projects procured traditionally.\textsuperscript{82} But what is available leaves much to be desired, and decisions about projects are often not open to public scrutiny. It is, as we have seen, impossible to deconstruct or reproduce VfM assessments. Published agreements usually have the interesting numbers either redacted (BC) or deleted.
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(Ontario) in the name of commercial confidentiality. The effect of this is that any transparency is really quite opaque, a form of window dressing. In Winnipeg, a large (at least $660 million) PPP project for the sewage treatment system was approved by Council without most members having seen the proposed deal, and Veolia Canada, the successful proponent, appears to have started work before the contract has actually been defined, let alone signed. Also in Winnipeg, Council accepted Deloitte Touche's recommendations to use a PPP for the Disraeli Bridge. While a summary of the report is available on the City's website, the full report, which presumably contains detail about why the recommendation was made, is not made public, and officials refuse to disclose why this is the case.

There is no effective political oversight of PPPs and no discussion of project structure or details at the political level. There is little informed public discussion about specific projects, and relevant technical details are made available only well after decisions have been made and even then very inadequately. This has led the Auditor General of New Brunswick to argue that PPP contracts should be debated in the legislature before they are signed, whereas they are now discussed only after they appear in the Province's budget, which is often several years after contract signing.

It is also the case that not all PPPs are subject to competitive bidding and not all of them are assessed for VfM, though the best-practice manuals consider these to be essential for the supposed microeconomic benefits of PPPs to be realized. In April 2008, New Brunswick entered into a sole-source, untendered PPP deal with Shannex Inc. to provide 216 new nursing home beds. The Auditor General was critical of this decision and of the failure to follow due-diligence procedures, undertake any risk assessment, or put in place any post-implementation performance requirements. An even more egregious example of departure from best practice is the Lansdowne Park Partnership Plan between the City of Ottawa and the Ottawa Sports and Entertainment Group (OSEG), which appears to have been single-sourced and not subjected to a VfM assessment, even though the City is on the hook for more than $120 million. This project is being challenged in court on these and other grounds. There are also examples of where the so-called competitive process yields only one bid, as was the
case with the Abbotsford Hospital, for which, incidentally, a ViM assessment was carried out only after the contract was signed,\(^\text{87}\) and also for the huge two plus billion dollar Centre Hospitalier de l’Université de Montréal (CHUM) project in Quebec.\(^\text{88}\)

**Timing and Flexibility** Finally, PPPs raise important issues of timing, flexibility, and long-term compliance with contracts. Twenty- to forty-year contracts are very long term indeed. They will span the lives of many governments and several turnovers in civil service personnel. They will commit operations and maintenance monies to projects in legally binding agreements that severely restrict future governments’ flexibility. They will tie up infrastructure in particular locations for particular uses, whatever the need for them might be many years ahead. Annual lease and servicing payments will have to be made regardless of whether or not the facilities make sense at that point in time. In the United Kingdom—whose experience with PPPs is so much longer than ours and which might, therefore, be a harbinger of what might come to pass here—at least three PPP schools have had to close because of declining enrolments, but lease and other payments for them of £70 million must be made until 2035.\(^\text{89}\) In Nova Scotia, the PPP schools established so controversially and ineptly in the 1990s\(^\text{90}\) have been beset with ongoing problems related to monitoring contracts. The Auditor General of Nova Scotia documented numerous instances of overpayment of the private partners and underpayment of school boards of sums received from the Province. It found ambiguity in contracts, the absence of systems to check compliance with contracts, ignorance of what contracts contained, and problems of lack of institutional memory as public sector staff turned over or retired.\(^\text{91}\) Ironically, when Nova Scotia re-entered the PPP market in late 2007, the government claimed it had learned from the school fiasco.\(^\text{92}\) Given the relatively short experience in Canada with such projects, we can expect such problems to become more frequent in the future.

Long-term contracts are difficult to renegotiate and, once signed, the balance of power resides with the private partner. Breaking these contracts can be very expensive, as a detailed examination of the Charleswood Bridge contract in Winnipeg has found, so that the City continues to pay an effec-
tive interest rate of more than 11% per annum (p.a.) although borrowing rates have fallen to less than half of that.\textsuperscript{93} In more recent deals, there has been some improvement because refinancing gains are now split with the public sector. But as circumstances change and contracts need to be revisited, the public sector is obviously at a disadvantage in terms of bargaining power.

**Current Status and Future Prospects** It appears that the dip in PPP activity, in Canada at least, was a purely temporary phenomenon. There are at least 16 projects in the pipeline in Ontario, excluding the 23 that are under construction,\textsuperscript{94} nine in Quebec,\textsuperscript{95} six in British Columbia, and others scattered across the country. The loan data referred to above suggest that, in 2010, loans to Canadian PPPs bounced back to in excess of $2.7 billion, three times higher than in the previous year and higher even than in 2006. But what was striking about these loans is that the weighted average maturity fell from 23.5 years in 2006 to only 8.5 years in 2010.\textsuperscript{96} These are both club deals, mainly with foreign banks, 11 for $1.3 billion and syndicated loan deals, 7 for $1.4 billion, in most of which Canadian banks are involved. So while it is clear that foreign banks have now re-entered the Canadian market,\textsuperscript{97} syndicated lending appears not to be dead in Canada. The maturity of the syndicated loans, at an average of eight years, is somewhat lower than that of club deals (9.9 years). These much lower maturity rates than in pre-crisis years suggest that refinancing and its associated risks are likely to become a bigger issue in Canada in the not-too-distant future.

There have also been some large bond deals in Canada in recent years, which is not surprising given that the spreads in the bond market are said to have shrunk from close to 300 bp in early 2010 to 200–225 on long-term bonds and 125-135 on short-term, compared with those on bank debt that are as high as, if not higher than, 300 bp.\textsuperscript{98} Available information is sketchy, but three recent bond issues, each for 30+-year PPPs, show a similar hybrid pattern of either short-term bonds or bank debt, repayable from milestone payments, together with long-term bonds. Each lays out enhanced security requirements and penalties for non-compliance with the contract. Each is rated at “A Low with a stable trend.” To take one example, the *Accès Research*
Montréal LP company, a special-purpose entity contracted to design-build-finance and maintain CHUM’s new research centre, will borrow $59.7 million in short-term bonds, repayable by 2013 from milestone payments from the public sector, and $334 million in long-term bonds. The total project costs are about $586 million and equity in the project is $43.8 million or only 7.5%, back to pre-crisis levels. This project has a debt-service coverage ratio (cash available, or EBITDA, to cover interest and principal payments) of 1.37, well above the minimum recommended by DBRS Ltd. The other two, the Integrated Team Solutions SJHC Partnership, a special service entity created to design-build-finance and maintain mental health facilities in Ontario, and Plenary Properties LTAP L.P., which will design-build-finance-operate and maintain a new security building for Communications Security Establishment Canada (CSEC), are similar hybrid deals.

Each of these projects replaces cheaper government bond financing by private bond issues for public-sector projects. Thus, the federal government’s AAA rating, Ontario’s AA- rating and Quebec’s A+ rating are all replaced by an A- rating that will carry higher interest rates. The interest rate on the long-term bond issued by Montréal LP, the only one for which information is available, is 7.067%, much higher than the costs of 30-year bonds for the Province of Quebec. Little wonder that the bond market is once again funding PPP projects in Canada, despite their very dubious justification on the grounds of risk transfer and value for money, referred to earlier.

Given many governments’ ideological predisposition to PPPs, and the availability of finance, albeit on tighter terms, the following trends are likely to appear in the near future in Canada. First of all, policy seems to be urging municipalities and First Nations to adopt PPPs. There is a real question, however, of the extent to which these levels of government are equipped to deal with the complexities of PPPs. Most are too small to be able to negotiate effectively with PPP actors and likely too understaffed to be able to monitor and control PPP activities throughout the many changes in government likely to be involved. The fiasco of the South Okanagan Event Centre in Penticton, BC, which was massively overbudget with grossly overoptimistic usage and revenue forecasts and which is now a huge drain on scarce
revenues, is indicative of the risk that municipalities will be out of their depth in dealing with PPPs. Indeed, PPPs “do not offer municipalities a magic solution to the real problem of financing infrastructure,” the real problem being revenue constraints. Yet, it is precisely the perceived fiscal appeal of PPPs that appears to be driving some municipalities into PPPs. Take, for instance, the recent proposal of George Mammoliti, Chair of the Community Development and Recreation Committee of the City of Toronto, to explore using the social finance model advocated by the Canadian Task Force on Social Finance (CTFSF) to finance PPPs for community ice rinks. This represents a complete misunderstanding of the CTFSF report’s intent, which was to promote the “business capabilities of charities, non-profits and other social enterprises,” and not to promote private business through PPPs. The focus of the Task Force, like that of the United Kingdom’s experience on which it was based, was the mobilization of private capital to strengthen social enterprises in deprived areas, not to replace public infrastructure with privately run facilities.

Fiscal appeal also seems to lie behind the Mayor of Toronto’s recent proposal to use a PPP for the new extension of the Sheppard Avenue subway line and organize it as a design, build, and finance project. This huge, complicated project might be difficult to finance in the immediate post-financial crisis period, but a PPP is unlikely to save the City any money in the long term. The proposal seems to have called forth the usual pro-business argument that the whole of Toronto’s transit system be privatized, which seems to ignore experience elsewhere, such as in London, UK, where the conservative Mayor of London, Boris Johnson, recently renationalized the London underground that was previously converted to a PPP, accusing the private companies of “looting.” It also ignores the sceptical view of PPPs by some sections of the transportation business community. Bombardier has reacted negatively to a proposal for PPP light rail in Winnipeg, even though they would be the clear favourites to deliver the street cars, stating that “public-private partnerships are not the best way to finance public transit.”

PPP Canada also appears to be using its capital funding to push municipalities into contracting out the operations of their infrastructure. In rejecting a bid for assistance to expand the Winnipeg Convention Centre in 2010,
PPP Canada gave as one reason the fact that the centre was not planning to hire private management of the facility. The City, however, was encouraged to reapply, suggesting that PPP Canada seeks to pressure the public sector into redesigning proposals to further private gain from public assets.

Fiscal pressures on governments are likely to see two other PPP forms promoted in the future. First, the requirement to balance budgets in a context of slow growth and reluctance to raise taxes is likely to increase pressure for service-type PPPs, where the government retains ownership of assets but hands over the operating budget to a private company and shares any savings. Since “savings” usually means reduction in wages, this type of PPP represents a serious threat to organized labour and, judging by the experience of the aborted Hamilton-Wentworth water and sewage project, potentially threatens the quality of services provided.

The second form of PPP is already familiar to the federal government and involves selling off public assets and leasing them back. Doing so gives governments an immediate cash windfall, the high costs of which are spread over many years and are less transparent. This process was started by the Liberal government in 2004. More recently, the government asked BMO Capital Markets Real Estate Group and RBC Capital Markets Real Estate Group Inc. to review 40 federal buildings across the country and recommend how best to meet the accommodation needs of the government. They advised selling and leasing buildings, seven of which were identified for sale last year. And who was asked to market these buildings? Yes, the BMO and RBC companies involved in the recommendation. Larco Investments Ltd. bought the buildings for $1.644 billion, leasing them back to the government for 25 years. No details of the lease agreement were made available.

In the United States, Arizona raised $0.735 billion by selling off, and leasing back over 20 years, buildings that house, among other things, both houses of the State Legislature, prisons, and the state police headquarters. Governor of California Arnold Schwarzenegger planned to sell off buildings, including the State Supreme Court’s location, for $1.1 billion. This transaction was cancelled by incoming Governor Brown who argued that the effective interest rate on the lease was 10% p.a. He promised to also review other planned sales, such as those of the Orange County and Del Mar
The third trend is the growth of the refinancing of earlier PPP loans and flipping the equity in PPP projects. Refinancing has already been discussed. It will become more common and not all provinces have agreements in place for the public sector to share in any windfall gains it might bring. But no province or public-sector entity seems to have in place arrangements to share in the gains to be made from selling on shares in PPPs, once the high-risk construction phase has been passed. Such equity flips have already taken place in British Columbia on projects such as the Abbotsford Hospital, the Sea-to-Sky Highway, and the Kicking Horse Canyon project, and the equity of the Abbotsford Hospital has been flipped four times already. No one knows how much profit was made on these transactions. If the United Kingdom’s experience is anything to go by, such flips will become much more common. There, the equity in 1,229 projects was flipped, with each flip yielding a profit of more than 50 percent. These profits were not explicitly allowed for in the initial VfM calculations. There was no government monitoring of the equity sales, and ownership has often ended up in offshore tax havens. These equity transactions were not affected by the financial crisis.

The final trend that I see becoming more important in the near future is the greater involvement of pension funds in PPPs. There has already been significant interest, but as more PPP deals are brought forward, the pressure will be there to encourage more pension fund involvement. This seems to be widely accepted by those promoting PPPs both in Canada and Europe. Many of the UK equity flips have also ended up in pension funds. There has been some PPP financing in Canada by union pension funds, mainly by OMERS but also by the Ontario Teachers Pension Plan and by the Labourer’s Pension Fund of Central and Eastern Canada. The OMERS investments have been particularly controversial and appear to have been halted as a result of opposition from the Canadian Union of Public Employees (CUPE), the Ontario Public Service Employees Union (OPSEU), the Ontario Nurses Association, and the Ontario Secondary School Teachers’ Federation, all of whom are members. It is, however, precisely the large and
stable returns from PPPs that make such investments attractive to pension funds, whoever runs them, and it takes an enlightened union with a broader and longer vision to see that the counterpart to these returns is higher payments by the public sector over many years with a consequent negative impact on the level of public services or the loss of jobs by public-sector unions.

**Conclusion** The PPP market appears to have recovered from the financial crisis and once again bank and bond financing is flowing, albeit on stricter terms and, in the case of bank finance, at higher costs, in smaller amounts, and for much shorter periods of time. Although the fiscal argument for PPPs is looking less and less plausible, the fiscal pressures that all levels of government are under may, ironically, lead to more PPPs. Other, microeconomic, arguments for PPPs are, nonetheless, taking centre stage in the pro-PPP literature and are presented more or less as self-evident truths. In fact, there are many unresolved issues in value-for-money analysis, pertaining mainly to risk transfer and the appropriate discount rate, and there are still serious questions of transparency and access to information in PPPs, notwithstanding the progress that has been made. Governments in much of Canada simply sweep aside these serious problems and continue to blindly promote PPPs, supported and encouraged by the powerful PPP lobby. That lobby, active across Canada as well as abroad, asserts that the vast majority of Canadians support PPPs, that support is growing over time, and that most members of public-sector unions, the main opponents, actually support PPPs. These surveys are based on leading questions that are propagandistic in content, such as: “If your access to services remained the same, if the quality of services was the same or better, and if the cost to you was no more than if the government was providing the services, would you support or oppose private-sector involvement in the following areas.”126 Even then, they ignore results that might question their glowing reports, such as a sharp decline in PPP support in Quebec over the past three years. All of this suggests that PPPs are highly political, driven by ideological motives, and that huge amounts of money are spent promoting them.

As governments across Canada pursue fiscal austerity, they will undoubt-
edly rely more heavily on PPP financing of infrastructure projects, drawing on the rhetoric of “partnership,” private-sector efficiency, and debt avoidance. Increasingly, public assets may be sold off to be leased back from the private sector. Over time, the additional financing costs of these approaches will lead to yet further fiscal restraint, but in the short run they may appear to ease it by giving the impression that capital projects are being funded by the private sector. Service-type PPPs may also be used more to reduce public-sector employment, unionization, and wages and benefits. PPPs may, therefore, become more prominent in the fiscal cutbacks that different levels of government are currently undertaking, along with more contracting-out of services and outright privatization. If so, then mobilizing against PPPs may need to become an important aspect of opposition to fiscal restraint.

The main source of opposition to PPPs has been CUPE, which has worked tirelessly not only to understand and question their technical nature, but also to mobilize people to forestall them and to hold government accountable for blindly promoting them. The full cost of PPPs will emerge over time and may be evident only to the next generation. In the meantime, we should all support CUPE’s efforts to strengthen public-sector capacity and services, to inform the public about the hidden pitfalls of these so-called partnerships, and to help mobilize people against them because, in effect, they represent ideology trumping economic reality.

Notes

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2. Monoline insurance companies offer guarantees to issuers of debt that enhance the quality of the debt.
5. Derived from EPEC, “Capital Markets in PPP Financing,” p. 5. At the same time, these projects accounted for only 10 percent of total PPP (or Private Finance Initiatives (PFIs), as what we know as PPPs are called in the United Kingdom) projects signed between 1996 and 2009. It is not clear how important bond financing was for the many more, smaller projects (EPEC, March 2010, p. 5). The United Kingdom’s experience is of great interest because PFIs have provided the template for much of what has happened elsewhere in the world, and the United Kingdom’s experience with PFIs is much greater than elsewhere. Of 751 PPP projects signed between 2001 and 2008, 536 were in the United Kingdom (Dexter Whitfield, *Global Auction of Public Assets: Public Sector Alternatives to the Infrastructure Market and Public Private Partnerships* (Nottingham: Spokesman Books, 2010), p. 145).


18. Derived from Infrastructure Investor, “Canada,” pp. 31–32. These numbers should be treated cautiously because they refer to “Selected Loans” without indicating the basis of the selection. The general trend in these numbers conforms to widely held perceptions of those involved in PPPs.

19. CCPPP, “The Impact of Global Credit Retraction.”


41. Ibid.


45. DBRS, *Rating Report: Accèss Research Montréal LP*, and CCPPP, “The Impact of Global Credit Retraction,” pp. 34–37. While Quebec has some unique financial institutions, such as the Caisse de dépôt et placement du Québec, its approach to PPPs has been very similar to that of other provinces. See Loxley and Loxley, *Public Service Private Profits*, pp. 53–55.


Value for money refers to using the “fewest resources to achieve desired service outcomes... Considering a broad range of factors including service levels, costs, promotion of growth and employment, environmental considerations and other health, safety and economic issues” (British Columbia: 2002), p. 39.

See Loxley and Loxley, Public Service Private Profits, Chapter 2.

Loxley and Loxley, Public Service Private Profits, p. 70.


Reports of cost overruns and late deliveries of public sector projects in the United Kingdom, which have led to the government arbitrarily adding huge “optimism bias” costs to PSCs in comparison with PPPs, have been found to be entirely without empirical foundation; see Allyn Pollock, David Price, and Stewart Player, The Private Finance Initiative: A Policy Built on Sand (London: Public Health Policy Unit, UCL, October 2005). An Australian study found that there was virtually no difference in time of completion of PPPs and traditional projects from announcement to commissioning, but found that average cost increases after contract award were higher for conventional projects than for PPPs—by 18.0% versus 4.3%. See Colin Duffield, “National PPP Forum—Benchmarking Study, Phase II. Report on the Performance of PPP Projects in Australia when Compared with a Representative Sample of Traditionally Procured Infrastructure Projects” (University of Melbourne, December 2008), <http://www.infrastructureaustralia.gov.au/files/National_PPP_Forum_Benchmarking_Study_Ph2_dec08.pdf> (accessed 17 February 2012). What is not clear from this study is the extent to which the two sectors differed, if at all, in their initial pricing of projects or in changing the scope of projects after initial budgets were set. Even if accurate, it is not clear that Australian experience can be translated to Canada, and while PPP apologists acknowledge this and even as they recognize that no empirical tests have been conducted in this country, they still argue that preliminary evidence from Canada is “consistent with international evidence!” (Iacobacci, Dispelling the Myths, 2010). It should also be noted that PPPs often have cost overruns, often disguised as contract renegotiations (Columbia Institute, 2008).

Iacobacci, Dispelling the Myths, p. 38.

See Loxley and Loxley, Public Service Private Profits, pp. 73–74.


Iacobacci, Dispelling the Myths, pp. 38–74.

67. In the case of “wide-equity” projects such as Fort St. John and some recent heavily front-end-loaded hospital projects in BC, such as Royal Jubilee, a rise in the discount rate actually makes the PPP less favourable in terms of VfM (see Partnerships BC project files for these two projects).

68. Reynolds, “Public Sector Advantage Disappear.”

69. See Project files of Partnership BC.


72. Infrastructure Quebec, “Quebec Confirms the Choice of PPP and Budget Parameters of the CHUM” (20 December 2010), <http://www.infra.gouv.qc.ca/fr/infrastructure-quebec/salle-de-presse/25-chum/115-chum> (accessed 17 February 2012).


74. Loxley and Loxley, Public Service Private Profits, p. 64.


76. Iacobacci, Distilling the Myths.


82. Iacobacci, Distilling the Myths, p. 45.


92. Loxley and Loxley, Public Service Private Profits, p. 47.

93. Loxley and Loxley, Public Service Private Profits, p. 115.


96. Calculated from Infrastructure Investor, Canada, pp. 31–32.


98. Halai, Quebec. Spreads can change very rapidly and would widen quickly if the financial crisis were to recur.


100. DBRS, Methodology: Rating Canadian Public-Private Partnerships (Toronto: October 2010).


105. George Mammoliti, “Ice Rink Infrastructure Task Force: Memo to Community Development and Recreation Committee Members, City of Toronto” (7 January 2011).


110. Winnipeg Free Press (7 July 2010).


113. Loxley and Loxley, Public Service Private Profits, p. 42.


121. Reynolds, “Flipping equity in P3s.”


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