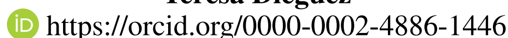
Chapter 5
Public–Private Partnership Growth in Europe and Portugal:
Challenges and Impact

Teresa Dieguez

https://orcid.org/0000-0002-4886-1446
IPCA, Portugal

ABSTRACT

This study analyzes Public-Private Partnerships (PPPs) in Portugal's healthcare sector, focusing on the balance between citizens' needs and public finance management. PPPs have become a key method for managing and financing hospital facilities within the National Health Service, often involving private operators in service provision. This arrangement raises concerns among healthcare professionals regarding the quality of services due to private oversight. The study aims to gather healthcare professionals' perspectives on the operational impact of PPPs compared to traditional public management. It evaluates the advantages and disadvantages of the current PPP model and proposes solutions to address the challenges identified. Findings suggest that the Portuguese experience reveals risks like excessive service utilization, with citizens primarily seeking prompt and effective healthcare services, regardless of their provider.

DOI: 10.4018/979-8-3373-3471-4.ch005

Copyright © 2025, IGI Global Scientific Publishing. Copying or distributing in print or electronic forms without written permission of IGI Global Scientific Publishing is prohibited.

INTRODUCTION

Public-private partnerships (PPPs) are a recent phenomenon, just over 20 years old (Sarmento & Renneboog, 2016). PPPs are long-term inter-organisational cooperation agreements “between the public and private sectors, to carry out a project or provide a service traditionally provided by the public sector” (European Commission, 2003, pp. 15-16). Although they are widely used (Adi et al., 2023), they are often debated as a mobilizing public and private resources method to achieve specific political objectives (Marx, 2019; Pattberg et al., 2012). In general, PPPs represent an innovative approach to realising major public projects (Almeile et al., 2024; Greve & Hodge, 2013), even if there is an applicable universal model (Ke, et al., 2024; Leigland, 2018).

PPPs can take various contractual and operational forms (Mouraviev & Kakabadse, 2016), but generally involve private sector entities that finance the development of assets - most often infrastructure - while at the same time participating in the provision of public services over an extended time (Romero & Van Waeyenberge, 2020). This modality allows large-scale initiatives to be carried out without needing an initial public investment, taking advantage of synergies with the private sector (Hatem, 2022). As well as financing the projects, the private sector contributes to their design, construction and management, while also taking on some of the associated risks (Barão, 2018).

The reference methodology for PPPs is the British model, adopted since the mid-1970s and which served as the basis for the models developed subsequently (Sooby, 2021). They have been gaining momentum in Portugal (Cruz & Sarmento, 2022) and are partnerships that offer a new way of realising large-scale public projects, allowing them to go ahead without the need for initial public investment (Delmon, 2021). This encourages cooperation between the public and private sectors. In PPPs, the private sector finances and participates in the project's design, construction and management and shares the risks associated with its ownership (Delmon, 2017; Yescombe & Farquharson, 2018).

PPPs offer numerous advantages to the state, including faster project completion, lower costs, greater innovation and transparency. However, success is not guaranteed and depends on careful planning, negotiations and solid supervision mechanisms (Engel et al., 2020; Ross & Yan, 2020; Wang & Ma, 2021).

More and more, economic experts are suggesting the use of Public-Private Partnerships (PPPs) to improve economic efficiency and create 'Value for Money' (VfM) in the public sector. In a PPP agreement, the public sector focuses on setting the requirements and contracting the work to maximize VfM, rather than directly participating in the construction and operation of the assets (Sarmento & Renneboog, 2021).

24 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/public-private-partnership-growth-in-europe-and-portugal/374182

Related Content

Enhancing Organizational Excellence: Performance Management Strategies for Safety, Security, and Service

Tanusree Chakraborty, V. S. Sharadaand Pooja S. K. (2026). *Developing Resilient and Secure Organizations: Leadership and Security Measures (pp. 117-152).*

www.irma-international.org/chapter/enhancing-organizational-excellence/386715

Cultivating Future Leaders: The Role of Mentorship in Talent Development

Andi Asrifan, Rahmad Hidayat Boli, Rahmawati Rahmawati, Yulianty Adipu, Nurnaningsih Utiarahmanand Meimoon Ibrahim (2026). *Driving Organizational Success Through People-Centered Practices (pp. 95-124).*

www.irma-international.org/chapter/cultivating-future-leaders/411423

Global R&D Strategies of German MNEs in the Changing World: Exploring Co-Invention Trends Between 2019 and 2023

Irina Ervits (2026). *Co-Constructing Economic Transformation Through Enterprise, Narrative, and Systemic Design (pp. 377-412).*

www.irma-international.org/chapter/global-rd-strategies-of-german-mnes-in-the-changing-world/403475

The Impact of COVID-19: A Major Crisis or Just Another One?

Marcelo Amaral Dionisio (2021). *Cases on Small Business Economics and Development During Economic Crises (pp. 207-217).*

www.irma-international.org/chapter/the-impact-of-covid-19/285829

Business Angels Funding Startups in Morocco: Competitive Advantages and Investment Embedded in Regions and Regional Institutions

Fatima Ezzahra Essaf, Hassan El Aissaouiand Adil El Amri (2025). *Cases on Sustainable Organizational Performance and Competitive Advantages (pp. 221-242).*

www.irma-international.org/chapter/business-angels-funding-startups-in-morocco/372048