



ACADEMIC YEAR 2009 – 2010

TITLE OF DIPLOMA THESIS:

Correlation between critical socio-economic factors and implementation
of PPP projects

AUTHOR: Barbas Alexandros

ABSTRACT

In the last 15 years many countries have witnessed an increasing provision of public goods, traditionally provided by the public sector, by private profit and nonprofit firms in the form of Public Private Partnerships (PPP).

Because of the number and economic size of PPP projects launched annually worldwide, it is of great interest to identify factors, economic, political and social, that may be related to the implementation of PPP projects.

Data is being utilised from the World Bank's database for PPP projects in developing countries and from the International Monetary Fund database on critical socio-economic indicators of these countries. Following a current study under the auspices of the International Monetary Fund, data is being presented and then analysed by applying exploratory data analysis methodology to identify correlations between indicators and the number of PPP projects.

The results indicate that the number of PPP projects launched in each country benefits from the macroeconomic stability of the country, expressed as low inflation, high money supply and high total reserves, from lack of corruption, a strong legal framework, the population of the country, and a healthy financial situation of the country, namely a low government deficit and a low cost for debt servicing.

In contrast, the number of PPP projects is adversely affected by the purchasing power of population, the development aid per capita received by a country and the fuel exports as a percentage of total exports.

The geographical region of the country plays an important role, as strong variations in the correlations between indicators and the number of PPP projects take place between different regions.

Regarding the failure rate of these projects, it is not affected by the examined indicators, but by the geographical region of the country.

KEYWORDS

Exploratory Data Analysis, PPP, Correlation, PPIAF, Exploratory Data Analysis