University Doctoral (PhD) Dissertation Abstract

CHANGING ROLE OF PUBLIC-PRIVATE PARTNERSHIP IN PUBLIC FINANCE LAW

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1. Background and objectives of dissertation

Throughout history it is observed that the states’ participation in satisfaction of public needs in a direct and indirect way is more and more extensive. In West-European states this former process reached acme at the middle of 20th century with creation and development of welfare-state. In this time states’ direct participation of public tasks provision was the most widespread in West-Europe. Citizens expectations against the state remained at the second part of the 20th century as well, but because of the latest process of world economy and the less and less predictable and consecutive economic crises, couldn’t allow for the states that they took part in satisfaction of public tasks in a same extent and form as before they did. The global economic system was formed which expects constant economic growth from its participants, also from the states which economic development and development potential are restricted by financing of public tasks supply which are eat up a bulk of budgetary expenditure. In response of this in the second part of 20th century started development and use of alternative public task-order solution devices like outsourcing, public task-order agreements, public-private partnerships (in brief PPP), support and fee policy. These alternative public task-order solutions provided opportunities to actors – other than the state – to invest their resources into public tasks provision. This related to rethinking of state’s roles and new public management movement which was unfolded in the 1970s. New public management and its tools tried to enhance effectiveness, efficiency and economy of the state and its bodies’ work. Nowadays these alternative and management tools became an integral part of structure of state’s fulfilment of tasks.

Research objective was PPP (Public-Private Partnership) as an alternative public task-order device in researching aspects of financial law and public finance. I deem public finance is a wilder notion than general government. General government subsystems and those actors who cooperate with government and use their own and public budget resources to provide public tasks are parts of public finance.

Subject of the dissertation are PPP as an alternative public task-order device, the potential opportunities and disadvantages of its usage and its adaptation’s potential for economic and socio needs. It is essential that this thesis does not negotiate connection procedural law’s issues.

Geographically the research focused on the member states of European Union (EU). EU’s role, as an international corporation’s role was examined. Examination of usage of PPP in
Hungary is particularly pronounced. *Period examined by study* starts from 1990 on EU level and form 2004 on national level to 31 July 2016.

Subject of the dissertation is current because nowadays provision of state duties is unimaginable without contracts and contractual agreements. Despite the fact that PPP is no longer supported after economic crisis of 2008 especially after 2010 in Hungary, but there are existing projects yet. These long-term contracts which are suitable of satisfy public needs (PPPs) are used even today by Hungary, by EU member states and by other countries outside Europe.

PPP contracts as public task-order devices are examined firstly financial law aspects. But because of the *subject interdisciplinary nature* it was inevitable that I use other branches of law’s (administration law, civil law) and other sciences’ (economics, political philosophy, public management) results and concepts during exploring the theme. The extension of sciences and branches of law beyond the financial law and public finances was limited to the required extent for exploration of the topic.

Hypotheses which were raised at the beginning of the research are follows:

1. **PPP contracts are special legal institutions which can be used in numerous fields to satisfy public needs.**

2. **PPP contracts are complex agreements which have civil law’s roots, but they contain unilateral compulsory elements, so they have administration law’s features as well.**

3. **Because every contract can be filled various content, PPP contracts have many types.**

4. **The civil and administrative law’s features simultaneous presence and this legal institution’s other features are the reasons why the usage of PPP is not free of contradictions and challenges.**

5. **PPP is not an original but a recent, alternative possibility for public tasks providing which was brought to life by the incumbent pressure on central budget which was generated by changing of perceptions of state’s role and the changes in the global economic milieu.**
6. If PPP is a long time viable legal institution, it will be able to adapt to changing community needs which gave birth to it.

2. Structure of dissertation

I divided the dissertation into three parts and twelve chapters. Each part divided into four chapters. The first part had the title of “Theoretical background” because in its first four chapters I presented the dissertation conceptual and theoretical basis, its public finance, civil, administrational and European Union Law’s relevance.

In the first chapter I defined the notion of PPP. After examination of international literature I concluded that an enumeration of PPP main features give the definition of this Anglo-Saxon origin deal which defines a very broad notion of this legal institution thereby creates an umbrella term. As a result of the research, I think that PPP is an umbrella term, which includes all contracts which are created between public and profit-oriented private actors,\(^1\) for a long time (several years) with an aim to supply public tasks. The notion is wider than we use it in our domestic legal literature. After determining the definition of PPP I examined these contracts possible classification methods. Then I studied the potential of the PPP, i.e. the possible advantages and disadvantages of its usage. Each of these advantages and disadvantages can be associated with two characteristics of PPP: (1) these contracts are singed to long time (15–25 years) or/and (2) the presence of for-profit private partners in public tasks supply.

In the second chapter I presented PPP’s public financial aspects. I analysed PPP not only as an alternative public task-order device but as a privatization solution in a wider sense because the government’s involvement in public tasks supply will be reduced by PPP and at the same time private sector will be come to the forefront in case of sign a PPP. PPPs can be viewed as a tool for local economic development\(^2\) since it these contracts can be considered as a determining factor in the development of settlements. Infrastructural investments have been implemented by theme (e.g. roads, railways, education or health establishments) are basically able to influence the development of the local economic environment for example through the

\(^1\) Including any legal entities which does not spent or does not manage public money and its main motivation to gain profit.

creation of jobs or the economic structure’s transformation (e.g. by establishment of knowledge centres or researching parks; by providing rapid transport and travel opportunities), thus they can also contribute to an increase in the standard of living. This multi-year contracts generate budget expenditures over many years and limit the current decision making’s financial scope. Decisions of previous governments are determined the current government’s financial scope. That is why I think it is particularly relevant to how these contracts are regulated. So presentation of connecting domestic regulation was inevitable. PPP can also be seen as a potential tool of property management. Typically the state tries to obtain ownership of public duties satisfying infrastructure facilities if they are realised in PPP. All costs do not occur immediately as a lump sum in a PPP construction, but the establishment is almost very soon available and over time it will be the part of the state property. Therefore PPP is suitable for renew or expand public property, and it is a legal tool of market-based utilisation of these infrastructural establishments. The second chapter provides that PPP is a versatile legal institution which is related to a number of public finance issues. This is why its examination can be imaginable from several aspects.

In the third chapter I described civil and administrative law’s aspect of PPP. Given the fact that PPP is a contractual agreement, it regulates relation between parties with method of civil law. However unilateral obligation elements are also shown up in these contracts which elements are typically used by administrative law. The purpose of third chapter is to scrutinize reasons which cause that civil law handles PPP as an atypical contract and simultaneously administrative law treats it as an administrative contract.

I explored PPP’s European Union relevance in the fourth chapter of the dissertation. I presented present-day trends at EU level not in the fourth chapter, but the third part of the thesis. In this fourth chapter it would have received EU-wide regulation of PPP, but the EU regulation relating specifically on PPP is absent for the time being. The relevant provisions of EU public procurement and of concession contracts should be used for PPP contracts regarding to the principals of founding Treaties and the case law of European Union’ Court of Justice. It is true that the rules directly on PPP are missing on EU level, but the activities of the Committee, the European Investment Bank and the European PPP Expertise Centre were not been fruitless at all in relation to PPP. These former European Institutions’ activities and its results were reviewed in the fourth chapter as well.

The second part of dissertation – titled “Certain areas of public task performance and PPP” – was scrutinized PPP in certain areas of public task performance. I examined
application of PPP domestic and European practice and experiences in public transport (chapter five), education (chapter six) and law enforcement (chapter seven) tasks’ performances. I chose previous public-supply areas due to the availability of data. I also fitted the eighth chapter into the second part of the dissertation which discusses Hungarian domestic local authorities PPP’s usage. This structural solution’s cause is to present the Hungarian local governments’ PPP projects because this topic can’t be ignored regarding the theme. Especially because gained experiences are very instructive. But these former investments were fitted neither into the first part of the theoretical foundation nor into the third part of the dissertation.

The third that is final part of treatise is titled: “The present of the legal institution”. In this I collected the current issues of PPP. Trends in EU member states’ PPP contracts – which were financed by European Union – were examined in the ninth chapter. I researched that the EU financed what type of task-order PPP projects through the European Investment Bank. I checked how many of these contracts were signed and what extent took part the EU of their financing. With the available statistic data it was examined which states are typically lived with PPP. In addition, presentation of the Horizon 2020 Framework Programme of European Union is also important on the subject. This Framework Programme rethinks and broadens the possibilities of the PPP’s usage with that utilizes PPP in the areas of research and development and innovation, not primarily in infrastructure’s establishment. This way the Framework Program applies PPP to solve current global economic and social challenges.

In the tenth chapter I presented Public-Public Partnership (PuP) agreements which had been developed as an alternative of PPP after the millennium. These are a corporation between two public sector institutions. These contracts are about two or more public sector organizations’ corporations which are based on solidarity and they serve development of the contractual parties’ capacity and efficiency with the unopened aim to eliminate the unfavourable properties of PPP for state. PuP was evolved from PPP. Its aim is to provide new opportunities for public-sector entities to cut costs of community’s needs and to enhance the effectiveness of the operation of the state.

In the eleventh chapter of dissertation I reviewed the current domestic stadium construction projects which are examples of PPP continued existence in Hungary. Nowadays PPP appears in a special variant at the stadium construction’s projects in our country because

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in case of such constructions like these the state enters into a contract with another public sector entity – typically with local government – and at the same time creates business associations to supply operational duties. These business associations are in central or local governments’ majority ownership. In this way the state\textsuperscript{4} enters into an agreement with a for-profit economic operator which stands on its own ownership. We could say that these are PuP transactions if we look at contractual parties, because ultimately the public sector contracts with public sector, but one of the public sector entities is profit-oriented. It behaves like any other for-profit private-sector organization. Thereby weaknesses of PPP which were intended to eliminate still remain. And even more problems also enter such as the failure of competition for select the contractor who contracts with the state.

In the last, twelfth chapter I examined critical comments against PPP which criticisms appeared in the end of 20\textsuperscript{th} and in the beginning of 21\textsuperscript{th} century. I inspected the criticisms separately and conjunction with each other. I responded to them, confirmed or refuted theme relying on knowledge which was collected as a result of the research.

3. **Methodology of the research**

I used comparative, analytical, historical and teleological methods during the exploration of the topic. Library's research was unavoidable during the examination of domestic and international literature. At the same time research on the subject of the dissertation was helped by downloaded valuable and useful publications, statistical series and reports from various international and national organizations’ official websites (such as the European Investment Bank, the European PPP Expertise Centre, Hungarian State Audit Office).

The relevant EU practice became known after analysing the European Commission, the European Central Bank, the European PPP Expertise Centre and Eurostat documents and statistics.

I lived with the method of legislative analysis during exploring the domestic regulation of the treatise’s subject. Get to know the rules didn’t limited only to the narrow sense of financial norms. Regards to the nature of the topic it was necessary to examine civil law’s, administrative law’s, constitutional law’s regulatory issues. That was necessary to know the domestic regulatory environment.

\textsuperscript{4} I mean central and local governments under definition of state.
Analytical method dominated in my work when I collected statistical data and processed budgetary Acts. I made the most part of the illustrating tables, graphs from that gathered information. I built into the main text or attached as an annex to the dissertation these tables and graphs.

I worked with deductive method in several cases in the first and second chapters. I often relied on the inductive method in the fifth, sixth and seventh chapters.

Follows are important in connection with the second part of the thesis. The various states and international organizations interpret differently the concept of PPP. PPP means deferent for theme. They fulfil definition of PPP with diverse contracts. In most of the cases they use narrower concepts of PPP compared what the first chapter of the dissertation determined as an umbrella term. Because different transactions entered in the individual states’ or international organizations’ statistics, so they are (statistics) not suitable to make precise comparisons but present trends and tendencies. These conditions drove the empirical research of the dissertation to forced way. I would have to examine PPP contracts according to broad umbrella term but the required data sets are missing. If there were available statistics about PPPs from the different public task performance areas, they have been used some kind of tightening. They made possible to research the application of PPP in its narrower sense in certain public task-order areas. Due to the foregoing the first part of the treatise defines PPP broadly until then the second part of the dissertation – which aimed the examination of PPPs’ usage in some public duty performance areas – is forced to move within the framework of a narrower definition because data’s availability. So the second part of dissertation examined those transactions which were defined PPP by the researched states and international institutions.

In the second part of the dissertation, during examination of PPP’s usage among projects of prison infrastructure I had the opportunity to use tool of interview. When I enquired PPP contracts in education I also had a chance to make a few interviews in addition I had an insight into a particular PPP contract. I analysed this contract and I built the obtained results into the treatise while respecting business’ secrets.

Because of the dissertation’s subject interdisciplinary nature in addition to financial law I used other branch of law’s (civil law, administrative law) and other disciplines’ (economics, political philosophy, public management) results and definitions.
4. New scientific results of the dissertation

I present the scientific results of the dissertation connection to the hypotheses which were formulated at the beginning of the research.

1. PPP contracts are special legal institutions which can be used in numerous fields to satisfy public needs.

As shown in the second part of the treatise, PPP are used in many fields of public task deliveries by the examined states, particularly to ensure the necessary infrastructure to supply these duties. The dissertation gives insight into usage and experiences of PPP contracts’ application into public transport, education, law enforcement and – by domestic local authorities’ PPP contracts – into sport infrastructure developments’ PPP projects. PPPs were used as a tool to realize significant cost-intensive investments in all of examined public task performance areas by the states. Think of road, railway, water or air transportations’ facilities or collegiate investments, prison projects or projects for the development of municipal sports infrastructure. In each case the objectives of the states were to repair the dilapidated and/or to create the missing infrastructural facilities for supply public duties in such a way theirs expenditures from the central (or local) government budget burdened as small as possible. The PPP can be an appropriate tool to mitigate financial burden, because one infrastructure’s expenditure doesn’t occur in one sum, but it is distributed in time (15–25 years). In addition to the public funds for-profit private partners’ resources are also involved into the financing of investments.

Furthermore, during the research it became apparent that PPPs are used not only the presented but also in other areas of public task performance such as water or waste transport services, power supply and sewerage investments. Especially the developing world states – which countries were not subject of inquiries – live with PPP in these forward fields of public task services. In these countries performance of those tasks are poorly organized or missing and the construction of necessary infrastructure is fragmented or absent.

The European Union’s Horizon 2020 Framework Programme – which I presented in the third part of the dissertation – broadens the possibilities for the application of PPP with that it does not restrict PPPs’ use for investments in infrastructure. It utilizes PPP as a tool for
financing research and development to try to solve current global economic and social challenges.

2. **PPP contracts are complex agreements which have civil law’s roots, but they contain unilateral compulsory elements so they have administration law’s features as well.**

As a result of the empirical research can be stated that typically a comprehensive cooperation agreement gives the “backbone” of PPP contract. It collects and organizes each of its (PPP’s) component contracts and clarifies these former contracts’ relationship to each other. Such – PPP-building-contracts – may be the founding treaty of land use right, the lease agreement, the management contract which will be charged with content separately but in conjunction and in line with one another. That is why it be stated that the PPP is a complex contract consisting of several contracts.

The primary civil law’s feature of PPP is that this is a contract. More specifically in their case we can speak about a special complex contracts which consist of some atypical (e.g. concession contract, lease etc.) and some typical (e.g. sale and purchase, rental, management contract etc.) contracts. Hence PPP has the characteristics of civil law contracts.

Moreover PPP transactions give excellent examples of the observed trends in the law of treaties in the 20th century as the decomposition of relative structure, the dissolving of typical contracts’ types – whereas some PPP transactions are atypical contracts, while others belong to the subgroup of mixed contracts, which should be examined contract by contract –, the strengthening of the contracts’ economic organization’s nature, the strengthening efforts of legal harmonization, the spread of mandatory nature and the strengthening role of the state as a contractual partner.

However PPPs are interesting not just as civil law contracts but as well as administrative contracts. This circumstance itself is one of the manifesto of the previous mentioned civil law’s trends. Administrative contracts are those contracts in which the public and private law’s characteristics are linked and mingled and which agreements are concluded by a public administration body – on behalf of the state – with other non-governmental bodies and legal entities in order to carry out its duties. Unilateral compulsory elements appear in these

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contracts because of the indirect subject of the treaties and one of the contracting party’s special features (the state).

3. Because every contract can be filled various content, PPP contracts have many types.

In the first chapter of the treatise I gave a generic term definition to PPP according to which PPP includes all agreements which establish a long-time relationship (multi-years) between the public and private sector partners with the purpose to provide public task. These agreements can be used in many fields of public task provision – as I presented connection to the first hypothesis – and the individual agreements are made up of several contracts. Each PPP agreement can be comprehended as a complex system of contracts. The contracting parties fulfil the PPP-builder contracts differently project by project and the list of the PPP-builder contracts is also different project by project. Because of the former reason there are several types of PPP contracts, which can be categorized according to several aspects. PPP can be classify according to the private partners’ magnitude of involvement into the public task providing, the subject of the agreement, the person of service provider and the person who has control rights on (created or renovated) property elements, the investment’s method of financing, the recipients of services, the private sector parties’ source of income, the fate of the property’s ownership at the end of the contracting length, the type of privatization solution or according to these are green- or brownfield investments.

After examination of PPPs’ types and its classification’s abilities, recognizing the diversity of PPPs’ and their connections to many other jurisprudential and sociological issues – which caused they can be scanned a number of points of view – I concluded that isn’t exist a classification method which be able to systematize all PPP contracts, the basis of all aspects simultaneously. However it is obvious that former classification method which focused only on infrastructural investments and the connecting service deliveries became outdated by the experience because such PPPs have been appeared which aim to product goods or to supply services without a need of the establishment of a separate facility for example knowledge development or competitiveness increasing.  

I think that PPP agreements can be grouped based on facility needs for which classification method I didn’t find example neither in the international and nor in the Hungarian scientific literature. So I tried to complement this gap.

6 Vide Horizont 2020.
4. The civil and administrative law’s features simultaneous presence and this legal institution’s other features are the reasons why the usage of PPP is not free of contradictions and challenges.

PPP as an atypical contract is examined by civil law and it is scrutinized by administrative law because of this agreement’s one-side mandatory elements. Explanation of one-side compulsory elements’ presence are (1) the special subject of the agreement – to supply some kinds of public task – (2) one of the contracting parties who is a public sector entities. Because of the simultaneous presence civil and administrative law’s features problematic question can be the determination of court which has jurisdiction to act. And even question is that: Has the state as a contracting party the same legal capacity as other legal entities?

Domestic case law has developed several options the designation of court. (See more about this in the dissertation’s subsection 3.3.2.2.) The elaborated jurisprudence has limited relevance in case of PPP contracts considering that the parties fix the court in contract which will dedicate in a future legal dispute. The elaborated jurisprudence will be relevant only in the case of the failure to identify the court. But it is less likely that the previous issue stay out of a contract.

There is no unified viewpoint about the state’s legal capacity in civil law’s legal relations. (See more about this in the dissertation’s subsection 3.2.3.) Agreeing with Gárdos I think that only it could provide a clear situation for the state’s contracting parties if we separate the realization of budget and public accounts norms from the state’s civil law type legal relationships. I mean we do not make dependent the civil law type legal relationships’ realizations \(^7\) from the budget and public account norms because these create obligations for the state’s bodies, organizations, and not for outsiders or external entities. The state must not rely on that its financial liabilities’ coverage is not available if it plans to get rid out of contractual obligations because this situation (lack of budget’s coverage) arises in the state’s sphere of interest, it is responsible for it.

Problematic issues related to PPP are not only linked to the mix-up of civil and administrative law’s features in these contracts. There are some challenges which can be traced back to: (1) we are faced with long-term contracts by which (2) for-profit private entities are involved into public duties’ performance. The presence of private entities cause

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communication difficulties between the parties since the private-sector and public-sector entities rarely speak the same “language” because their interests, assets and preferences are different. Presence of private entities does not help the transparency of public fund’s usage when referring to business secrets they do not provide data on the use of budget aids. The long contractual period can pose problem because of political and economic risks. Under political risk I mean that due to the political rotation while the actual government is committed itself to a development goal for a long period of time and sign a PPP agreement to achieve this goal. There is no guarantee that the same political leadership will remain in power during the contractual period. If, after signing a contract, the political leadership changes problems may arise. It is possible that the former political leadership’s long-term commitment is not or hardly compatible with the new government’s objectives and priorities. If this is the case, the new political leadership classifies these contracts as a restriction of its budgetary possibilities.

5. PPP is not an original but a recent, alternative possibility for public tasks providing which was brought to life by the incumbent pressure on central budget which was generated by changing of perceptions of state’s role and the changes in the global economic milieu.

We can talk about original public task provision by the state, when provision of its duties realizes form public budget funds by the state’s budgetary organizations with application of administrative tools and if any property item be created it will enrich the scope of state property. Alternative methods of public task performance are those service design solutions in which perform of public tasks are coordinated by the state (the state’s regulatory and coordinating functions), but supplied by actors outside of public sector and in which they involve these former actors’ resources (financial sources outside of the state’s budget) into the public tasks financing. During the alternative public task performance the state cooperate with other sectors’ actors for instance with the non-profit or civil, the ecclesiastic or the for-profit sectors’ actors to provide public duties. A number of alternative public task performance’s solutions can be distinguished. One of them is the PPP.

PPP is not an original public task provision method. But the hypothesis – which thought the reasons of PPP’s creation were the change of the world economy’s system and the

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8 It means the assets of the central governmental and local governmental subsystems.
changing perceptions of the state’s role – wasn’t be demonstrated during the researching. Instead, it can be stated: PPP, as private sector and public sector cooperation in satisfying the community needs, has old traditions in certain legal and social cultures. Not its creation, but the rapid spread and the explosive growth of its popularity are connected to the changing of state’s role and transformation of global economical milieu during the 1970s and 1980s.

6. If PPP is a long time viable legal institution, it will be able to adapt to changing community needs which gave birth to it.

I think that the third part of the dissertation is appropriate to prove hypothesis which was draw up at the beginning of the research which stated that PPP is a still existent and used legal institution which is able to adapt the ever-changing economic and social needs.

It is clear from the ninth chapter that the European Union and its member states are still using PPP, as an opportunity of satisfy public needs, especially to carry out vehicular, educational, health infrastructure and – more frequently – infrastructure for environment protection. It can be observed certain cyclicality in these investments’ number and cost implications. We can find examples for new type of PPP’s usage in the European Union, because Horizont 2020 Framework Programme uses PPP to achieve research and development goals. This can be considered as a re-interpretation of the application possibilities of PPP.

*Public-public partnerships (PuP)* or *public to public partnerships (P2P)* were appeared as an answer to critical remarks of PPP contracts in the 21st century. PuP is cooperation between two or more public sector organisations, which bases on solidarity and which helps to develop the capacity and/or efficiency of at least one of the public-service supplier parties. PuP tries to eliminate some disadvantageous features of PPP which are shown up at the state’s side such as high transaction costs or private partners profit requirements.

It can be read in the eleventh chapter of my treatise that certain form of the examined legal institutions are appeared in our country in relation to the stadium construction projects. It seems that some of these investments combine features of PPP and PuP contracts.

In the final chapter of the dissertation I presented the critics of PPPs which were appeared at the end of 20th century and at the beginning of 21st century. The chapter draws attention to the fact that PPP is neither a panacea nor a remedy for the fiscal imbalances and it does not contribute to the reduction of public debt in itself. But it gives an opportunity for stats – which
are struggling with lack of budget resources – to bring forward in time the satisfaction of its needs despite their limited budgetary possibilities by signing long-term contracts with the for-profit private sector. These contracts create a kind of differed, instalment payment constructions which are more expensive than the lump sum of immediate purchases.

The overall conclusion is that: PPP is a complex contractual construction which can be an option of original investments by the state on many fields of public task provision and which is able to adopt for the ever-changing social and economic needs which brought it alive. PPP’s application in practice does not free from challenges because of the long contract length and the presence of for-profit public sector partners in the public tasks provision. Due to the former points and the state short-term budgetary planning and because of the medium term policy objectives PPP can be a constant subject of professional and policy’s debates.

5. Possible utilization of the research’s results

Topic of the dissertation which has been explored by financial law’s aspect hardly was the subject of scientific studies in our country. Complex, comprehensive, public task centred, financial law and non-procedural aspect analysis from that topic has not been made yet in Hungary. Due to that, this paper and its reached conclusions have a systemising role and fill the gap in the domestic financial legal literature.

The dissertation contributes to expand the existing theoretical knowledge about PPP with that:

- It rethinks the definition of a PPP compared to the domestic published legal literature studies.
- It seeks to show the grouping options of PPP contracts as specific as possible.
- It collects and orders of the benefits and drawbacks of these contracts.
- It presents the PPP agreements’ connections with other public financial issues.
- It explores the Hungarian practice of PPP’s usage in certain areas of public task supply by analysing the available National Audit Office’s reports, as well as the central budget and final accounts laws.
- It proves that PPP contracts are still exist and used which are able to adopt for the changing social needs.
The dissertation gives usable results for the practice when it reveals the Hungarian PPP’s practice existing problems and contradictions in some area of public task supply. It states that:

− There is a need to eliminate the regulatory vacuum because expressly legal standards for establishing long-term state contracts lacking in today's Hungarian legal system. Earlier there were fragmentary regulations for these treaties in our general act of public finance but they were compulsory only for contracts made by central government and not for contracts made by local governments.

− In addition, we should strive to ensure a stable regulatory environment because the profit-oriented stakeholders manage as a risk the rapidly changing legal standards and they price themes. This will result in increase of costs. Because of the former reasons, it should define the stability of development policy as an aim.

− It would be important to accept and adapt legal requirements which grantees an objective comparison method of public task provision alternatives. This comparison should be important after the investment decision is taken.

− Essential during the implementation and operation of PPP projects that the state lives with its control right, keeps it and does not contract it out.

− It is determinative that the state does not miss the consistent application of sanctions when its private partner does not fulfil the contract or fulfil it late or wrong. Lack of sanctions – thought that the missed interests’ enforcement by state – were problems in many domestic PPP investments.

− Also it would have a great need for a system of legal norms which grantees transparency of the utilization of public resources. This could be ensured by consistent control and monitoring, by disclosure of these controls’ results, by the detailed and same formed indication of the Budget and Final Accounts’ data in each separated projects. It is a problem in Hungary for instance when each ministries’ PPP projects are in an aggregated form in the Annual Budget and Financial Accounts Acts. Thus amount for each PPP investments are not separated from each other. Still belong to the transparency is that: public funds user companies do not rely on business secrets the context of budget support and ensure the publication of these data.
List of publications related to the dissertation

Articles, studies (18)

1. **Varga, J.**: A PPP mint gyűjtőfogalom.

2. **Varga, J.**: A PPP szerepe a visegrádi államok közlekedési infrastruktúra fejlesztésében.

3. **Varga, J.**: A hazai kormányzati szerepek a sport finanszírozásában: vaggongazdálkodás.

4. **Varga, J.**: A helyi közösség közlekedés.

5. **Varga, J.**: Magyar helyi önkormányzatok esete a 3P-vel.

   *Jog. állam, politika*. 8 (2), 75-100, 2016. ISSN: 2060-4580.


8. **Varga, J.**: A hosszú távú kötelezettségvállalás és a tárgyéven túli kollségvetési tervedés szabályozásának alakulása államháztartási törvényekben.

9. **Varga, J.**: Az államadósság-kezelés és a hosszú távú állami kötelezettségvállalás keretében
   Alaptörvényen innen, Alaptörvényen túl.

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In: Jelenségek a várasi kormányzás köréből. Szerk.: Horváth M. Tamás, Dialóg Campus,  

In: Kilengéseik : közszolgáltatási változások. Szerk.: Horváth M. Tamás, Dialóg Campus,  
Budapest; Pécs, [309]-323, 2013. ISBN: 9789639950900

In: Miskolci Egyetem Doktorandusz Fóruma Állam- és Jogtudományi Kar Szekcióövdíványa /  
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Annamária Csilla, Hajdu József Ákos, Jámbr Adrienn, Juhasz Andrea, Andrasz Kardos,  
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