A comparative study of Water Public-Private partnership characteristics in Guangdong and Shandong provinces in China

Jihye Oh*

Abstract

Since China adopted Public Private Partnerships (PPPs) in the 1980s, China has relied on water PPPs to expand appropriate water facilities.. According to the World Bank data from 1994 to 2020, the top five provinces hosted over 40 percent of total PPPs, with four of them located in the Huadong area and one in the Henan area. A vast gap exists between the group attracting the most PPPs and the group hosting the least.

This study explores Guangdong and Shandong provinces, which have led most PPPs in China. Coincidently, these areas are also famous for the typical areas to show the Chinese economic policy after the open-door policy. They have achieved economic development and rapid urbanization rates based on the large scale of Foreign Direct Investment inflow and export-oriented manufacturing industry, as well as their active participation in PPPs over the last thirty years.

An economic approach can provide valuable insights into the development of water infrastructure. Adequate urban infrastructure has been shown to impact local economic development positively. Water infrastructure also provides a basic and sustainable environment for economic activities by satisfying more water usage, improving the efficiency of the water supply, and reducing water pollution caused by industrial activities.

However, it remains only partially understood without inclusive research on the issues related to water resources in each province. For instance, existing studies have been limited to explaining slightly different patterns of water PPPs between Guangdong and Shandong at the beginning of the PPP era.

This study aims to elucidate the development pattern of water PPPs in each province from multi-dimensional aspects. Therefore, the study will help understand why China boosted the development of the private water market.

Keywords: China, water PPPs, Shandong, Guangdong, water resources

* Member · Research Professor, Global Research Institute Korea University · E-mail : water_harmony@naver.com