

Non-Cooperative Game Theory Approach for Ensuring Community Satisfaction on Public-Private Partnership Projects

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Abstract : Private sector involvement in Public Private Partnership (PPP) projects may raise public suspicion, as PPP is often mistaken as merely a partnership between private and government agencies without consideration for greater “public” (community). This public marginalization is crucial to be dealt with because undermining opinion of majority may cause problems such as protests and/ or low demand. Game theory approach applied in this paper shows that probability of public acceptance towards a project is affected by overall public’s perception on Private sectors’ possible profit accumulation from the project. On the contrary, goodwill of the government and private coalition alone is not enough to minimize the probability of public opposition towards a PPP project. Additionally, the threat of loss or damage raised from public opposition does not affect the profit-maximization behavior of Private sectors.

Keywords : community satisfaction, game theory, non-cooperative, PPP, public policy

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