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**Practices and Challenges of Public Private Partnership
In view of PEF Officers**

Abstract

Public private partnership (PPP) is bilateral beneficial collaboration between public and private sectors to elevate the infrastructure and performance in various sectors of public interest using the resources of government and expertise of private sector. This research is an effort to explore practices and challenges of priority solutions of this sector. Qualitative research methodology utilizing interview as tool was employed to obtain empirical data suggesting answers to the questions under consideration. Findings shows mutation of proper legal frame work for implementation of PPP for effective outcomes is necessary along with eradication of major resistance in joint ventures such as bureaucratic factor, lack of proper planning and corruption in government institutions, discontinuation of policies, good management and better security measure are a way forward.

Keywords: Public Private Partnership (PPP), Punjab Education Foundation (PEF), Foundation Assisted School (FAS), Public Private Partnership Act, Millennium Development Goals (MDGs).

Introduction

A concept in the devolution and decentralization of authority is governance via Public non-public partnerships (Bradford, 2003) that involves the non-public sector with the government in different affairs of the state. The private sector shares its expertise, finances and risks with government departments and bodies. Public private partnership emerged from New Public Management that is viewed as reform movement of the twentieth century. This movement introduced the private sector's enterprise concepts and management strategies in public sector for the enhancement of efficiency, effectiveness for efficient service delivery to general public through employing private sector's competencies and expertise (Drechsler, 2005). Joint efforts of the public and private sectors assist in solution of problems of the public at large in various social and economic contexts of the country. Cutting into short, that is being visualized as a key approach for increasing efficiency, generating resources and enhancing the high-quality of education service delivery, specifically to the poor (Farah & Rizvi, 2007).

Public private partnership trend appeared in Pakistan in 1990s but it remained confined only to power and telecom sectors for a longer period (Bogart &

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Chaudhary, 2009). Further developments of PPP were introduced in 2010 (Government of Pakistan, 2010). Education is of key importance in the nation's economic, political, and social development. It is solution of many problems of general public that's why governments around the globe consider it significant among other priorities. Fundamental nature of education among the basic human rights is continuously enforced through various world forums (World Bank Group, 2011). Despite putting education on special focus, there are long lasting issues in education sector of Pakistan such as a low enrolment rate, limited access to education among different social groups, and overall market failure. Provision of education to all inhabitants in Pakistan has remained an unfulfilled dream that demands innovative programs for public resources and leadership. One of such programs is a public and private collaboration to achieve national targets of the Millennium Development Goals (World Bank Group, 2011).

Although the conceptual understanding of the PPP vary in different societies and contexts with their substitute options in provision of education services aside from public finance and public delivery. However, this paper examines PPP in which the funding and financing role is on the part of the government and the delivery of quality education services is on the part of the private sector (Robertson, Mundy, Verger & Manashy, 2012).

This paper has its prime focus on the PPP in school education which aims to examine whether the commitments of the PPP are being addressed in school education in their theory, spirit and practices in the geographical perspective of the Punjab province of Pakistan. On the theoretical side, it is useful for the students, teachers and researchers who have their focus on any aspect of the PPP in general or with reference to the geo-political, social and cultural perspectives of Pakistan. On the practical side, it can be used by policy makers in public as well as private sector authorities who are dealing with the issues of education and working for the promotion and development of PPP in education sector of Pakistan. Without making any high claims of its comprehensiveness, it is hoped that this study may attract attention from different corners to stimulate further research.

Problem Statement

Public private partnership is a comparatively modern trend in Pakistan that lacks its focus. This study is an attempt to look into the policy, practices and problems of elementary schools of this trend in the context of Pakistan. It has explored the situation in schools education perspective of the Punjab province of Pakistan. There is a presentation of current practices that are a part of the PPP. Further there is description and focus on the challenges and success factors in the way to the said partnership in school education in the Punjab province

Literature Review

PPP is one of the main public sector policy instruments (Tan & Overy, 2012). It is a contractual collaboration and cooperation between the public and private sector institutions to furnish a wide framework to shape this endeavour and this is an

unfastened relationship between government and private sector in accordance with the wishes and requirements of the partnership agreement (Tan & Overy, 2012). The PPP is considered in this research as a set of working agreements based entirely on a mutual relationship between an organization in the public sector and any other non-governmental organization.

PPP initiatives are normally designed for infrastructural property of transport, health, education and defence (Tan & Overy, 2012). The major targets of these kinds of initiatives are to get finance and innovative competencies and understanding from private sector for creating infrastructural property of governmental authorities for inclusive economic as well as social improvement (Dawes & Eglene, 2008). Private sector organizations, designing, financing, building, maintaining and operating public infrastructure, and in return get the rights to receive income related to that constructed asset or they can additionally get payment from authorities in exchange for these services to government authorities (Cohen, 2014). PPP is an appropriate choice for government authorities to enhance the livelihood of people through development projects with the help of private sector (Hegde, 2012).

Conceptual Understanding

There is diverse understanding of public private partnership in different contexts and ultimately there is no consensus on any single definition. Anyhow, the concept used in this study is given as; “From combination of people and organizations of public, business and civil constituencies, who have engaged in voluntary, collectively beneficial, innovative relationships to tackle common societal goals via combining their resources and competencies” (LaFrance & Lehmann, 2005)

Advantages and Disadvantages

Researchers highlighted many advantages and disadvantages of PPP in their studies. Few studies forwarded benefits of PPP as a source of synergy (Rosenau, 2000) and efficiency (Osborne, 2002). Among other key benefits is sharing of resources (Heinz, 1999), efficient and effective services delivery (Rosenau, 2000), counter effects of authoritative resistance (Alshawi, 2009), and inclusive approach to solve legitimate issues (Daojiu, 2014). Looking forward to the disadvantages pinpoint issues of high financial damages in failure of partnership (Grimsey & Lewis, 2007), unequal resource sharing and imbalances of power and differences of thoughts (Tan, 2012).

Government Initiatives

Our history is full of political instability. This political instability has unfavourable outcomes in the education system. Enrolment and attendance at all levels of education is not satisfactory. Construction of new buildings and hiring of faculty to meet the government’s goals of admitting 100 % children in schools by 2015 looks unbelievable, no good past is basically due to the economic impact (Government of Pakistan, 2004). Government has been implementing several initiatives that provide rights to non-public organisations which are equipped to

participate in the educational process. These programmes include in but are not restrained to adopt a school and enhancement programme, introducing IT programmes in Government schools, Capacity Building of SMCs (School Management Committees), Education Foundation Programmes, Maddaris Reforms, Afternoon School System, and Punjab Education Foundation.

Punjab Education Foundation

The Punjab Education Foundation (PEF) is one of the main actors for public private partnership. It is a non-profit government organization working under the School Education Department of the Government of Punjab, Pakistan that was initiated in 1991 to promote and motivate educational services in non-public institutes in Punjab province of Pakistan. The Foundation was restructured in 2004 to maintain the changing needs in the educational trends in Punjab province of Pakistan. Its head office is in Lahore. Currently, more than two million most deserving male and female students are enrolled in PEF partner schools all over the Punjab. Girl's ratio in the partner institutions is forty five percentage (Malik, 2010).

The thought of PPP lies at the heart of procedural conducts. Various programmes are being carried out via the Punjab Education Foundation. Though there are timely changes yet few of them include; Foundation Assisted School (FAS), Education Voucher Scheme (EVS), New School Programme (NSP), Continuous Professional Development Program (CPDP), Public School Support Program (PSSP), and Monitoring and Evaluation (M&E) department.

Objectives of the Study

The objectives of the study are:

1. To assess the effectiveness of public private partnership in the development of school education in Punjab.
2. To explore the opinions of education officers and heads of schools about the current situation, problems, and constraints of the private sector; and looking at the strategy of Government in forming effective partnerships.

Research Questions

- Q.1.** What are current practices and strategies of government for an effective PPP in schools education Punjab?
- Q.2.** What are major challenges for the Public Private Partnership in schools education Punjab?
- Q.3.** What are success factors for the Public Private Partnership in schools education Punjab?

Methodology

This research is a study of the PPP in school education in the Punjab province. Qualitative research method (i.e., interviews) was used in this study. To investigate PPP in the social, political and policy settings of Pakistan by interacting with well-informed officers of the Punjab Education Foundation. Thus,

interviews are the major source of the empirical data. Population for interviews was comprised of officers employed by the Punjab Education Foundation: Directors, Additional Directors, Deputy Directors, Assistant Directors, Officers and District Monitoring and Evaluation Officers. These interviews are a source of insight into the subject and are first-hand information that is regarded as primary data in research (Sekaran, 2006). Previous studies on the subject also helped in understanding the background of the subject as secondary data source in this research (Zikmund, Babin, 2012).

Both face to face and telephonically structured interviews were conducted by using interview guide that was developed and validated in this study. Prime focus in these interviews was on identification of the problems in partner schools, issues and concerns of public and private sectors were in sequence to the research questions in this study. Out of the population in this study: Directors, Additional Directors, Deputy Directors, Assistant Directors, District Monitoring and Evaluation Officers of different PPP projects in different cities, eighteen (18) interviewees were selected with their associations to different departments of PEF on the basis of purposive sampling. Respondents were contacted and were considered as enough sources for the required data in this study.

Discourse analysis was performed through documents such as the policy document of PPP developed by Government of Pakistan in 2010, Government of Punjab & Sindh and PPP bill formulated by Government in 2011. These documents presented government's position on the PPP. Content analysis was employed in evaluation and analysis of interviews data keeping in consideration the objectives of study. It was conventional content analysis that was used to explore the phenomenon of PPP. Interview text was divided into categories and themes after thorough reading. These themes and categories were defined out of the interview data rather than the literature review. Further, inductive approach helped in contextual understanding of PPP in Pakistan.

Findings and Results

First research question for this study was; *What are current practices and strategies of government for an effective PPP in school education Punjab?*

It was found that the PPP under the authority and assistance of the PEF has delivered in the form of substantive improvements in school education. It revealed that there are considerable improvements in facilities, access, attendance and performance of schools. None of the interviewees commented negatively regarding partnership projects.

Respondents highlighted various programs and practices during interviews. These were related to the financial assistance to partners in private sector. Interviewees emphasized the PEF's major concern to follow its framework of assistance to private partner schools. It was commented by respondent that PEF's financial support and assistance policies and practices are in accordance with this

framework. These PEF Projects were stated by respondents such as establishing, improving, expanding, and managing private sector educational institutions.

Interview results showed that one of the major area of PEF's current practices was related to the provision of incentives and awards to students, teachers, and educational institutions. These incentives were mostly in terms of monetary benefits that served as a source of encouragement and motivation among students, teachers of partner schools and for the partner educational institutions.

It was reported that different practices of financial support and assistance rendered by PEF through its various programmes are also a marketing tool for both the Foundation and private schools. It was further stated that PEF gets benefits of popularity and penetration of its policies and programs in private sector. Interview results showed that these PEF fame related issues visualised in rural and remote areas where is a competitive environment to become PEF partner through its offered programmes. Effects of these popularity issues were not quite clear in civic regions. Among the reasons which were stated at it was due to the presence of other well established institutions and there was little interest of PEF in civic regions.

Respondents noted that PEF associated schools avail a competitive benefit of free schooling and different related services for their students, instructors and other affiliates. These partners get advantages of imparting better educational resources and services due to their standardized check and balance system which is controlled and managed through PEF. An example of these advantages given with the aid of PEF to the non-public companions is the announcement of faculty ranking on the basis of standards set by the PEF.

Interviewees stated government interest to expand PPP as a part of its strategy for improved transparency, dependable administration under management of public sector organizations and bodies, and to improve the basic picture of government sector educational institutions by handing them over to the non-public management of people and non-government organizations. Some of the respondents had negative effects on government approaches of PPP. They had power over the expanded privatization and step-by-step control of educational system by the non-public actors with their own agenda to follow through school education. As a whole, common remarks by respondents show that they liked government efforts made by PPP in education.

Second research question for this study was; *What are major challenges for the PPP in school education Punjab?*

Respondents mentioned various challenges for Pakistan in PPP. These challenges are of political, social and technical nature. Three of the participants considered political will as important challenge for PPP. The participant stated that all projects are initiated through political motives. Government follows top down approach in developing or implementing any policy or project that becomes indispensable for success of various partnership projects. Three participants

viewed political instability as an important challenge because of the fact that political instability leads to discontinuity of policies which brings hurdles for non-public organizations to be a helping hand for public sector.

Respondents included social challenges, such as corruption in education sector and mind set of public to perceive the phenomenon. Three participants stated corruption as major social challenge. They quoted the example of delayed payments to partner schools due to delayed budget by the Government. Two participants considered it as social challenge in PPP. They projected view of educational deficit and little knowledge of PPP and its framework. They stated it as misunderstanding, and negative conception due to few bad experiences. Even then, these respondents believed that it is an effective tool for improving governance and reducing budget deficit in Pakistan.

Interviewees mentioned technical issues to address the success of PPP. These issues include administrative or bureaucratic will, lengthy procedures, and other delaying tactics. Respondents mentioned authoritative bureaucracy having monopoly and unwillingness to share their powers with private sector. They create hurdles and troubles to resist private participation. Other technical challenge mentioned in this study include lack of capabilities and skills. A few of the participants considered this technical aspect a significant challenge in the way to progress for PPP in Pakistan.

Respondents recognized the skill, efficiency and professional behaviour of private sector. They mentioned expertise of private sector to handle different situations and business much better as compared to their counterpart. Skills gap was also one of the major reservations of private sector.

Third research question in this study was; *What are success factors for the PPP in school education Punjab?*

The participants in this study identified fifteen factors that can make PPP a successful and prosperous venture for society. Some of participants emphasized the importance of good governance that is critical and significant factor for the success. It was interview data that revealed emphasis on need to give open ends to service provider to show its worth and let it work in accordance with one's free will.

Two of the participants considered that involvement of stakeholders in the planning process as a factor that can fail PPP. These stakeholders are both from public and private sectors. They need to be included in planning procedures for any project to become part of the PPP.

Six participants showed their concern about risk management as it is among critical success factors for any project. Due to the involvement of high risks, private sector needs more confidence regarding their finances and physical structure investment. Identification of proper risks was also stressed by the participants during interviews process because PPP has involvement in the

financial modelling for maintaining and utilizing finances effectively and efficiently.

Four participants mentioned financial management as a very significant and main factor for success. They further emphasized that private sector is comparatively more profit conscious due to monetary investments. Therefore, pricing of services and facilities is among critical issues for the private sector. Two participants put forward the issues of conflicts of interest. Government subsidized projects to make it cost-effective, through viability gap fund to compensate the private sector in this regard. Some other respondents talked about mutual trust related issues for success. They further explained that public sector is required to take measures to develop trust based relationship with private sector.

Five interviewees stressed continuity of government policies for success. They illustrated that the private sector wants security of its invested money and trust but the instability of government and inconsistency of government policies make the environment insecure for the national or international investors. Therefore, sustainability and continuity in government policies can make PPP projects successful. Five respondents emphasized transparency related issues among success factors for the PPP projects. One of the reasons to them was the contractual nature of partnership and its arrangements accordingly. Some participants highlighted the requirements to prepare and update partnership contracts with time. They were of the view that clear terms and conditions need to be developed in contracts to avoid any inconvenience and any hurdle for success of partnership projects.

Four participants considered monitoring and evaluation among critical and basic factors for success of partnership projects. It was because effective monitoring and evaluation have ability to trace the progress of the projects and can help in making it effective through timely evaluation of the projects.

Discussion

In this research it was admitted by the respondents that PPP is an umbrella organization that lacks a single agreed definition. All the participants also agreed that PPP is one of the funding sources in collaboration with the private sector. Results and findings in this study are also in line with the general conception about PPP is an innovative mode of financing projects with the involvement of private sector. A consensus was observed in the responses, similar to other studies on the subject that the private sector has competitive advantages of skills, expertise, and very often financial resources as well (Osborne, 2002). Therefore, it was agreed that the joint venture between the government and private sector can be of great benefit for the masses and for the solution of social problems in a country.

Critical appraisal of the private sector came to the surface in the form of limited financial resources and related political and economic support. It was addressed in the PPP bill of Punjab 2014 that covered this gap in the form of Government support. According to this Bill, Government of Punjab is bound to provide

administrative support, utility connections of water, gas and electricity at project site, government equity in the form of land or infrastructure, identify critical sector for projects, government guarantees for political and other types of risks and direct financial help. Other funding sources such as project based funding and foreign direct investments may also promote PPP. Government's backing put forward the private sector to secure funding and trust of other investors or companies to invest in PPP projects. Such issues were explained and protected under the PPP Policy 2010 of Government of Pakistan. It explained different nature of funding for PPP projects such as tariff, endowment and direct funding for projects. The bankable projects are also designed under the umbrella of public private partnership because private sector works for economic value. In line with the results and findings in this study, government has only one function which is policy development and its implementation. Therefore, government should focus on its prime function of policy development and implementation and involve private sector for service delivery.

Findings and results in this study considered the current progress satisfactory in PPP projects. Similar to the statements in the interviews Pakistan is efficient in developing PPP projects as compared to other Asian countries like Korea and India. Korea as a leading country in pursuing PPP projects has taken seven years to start first PPP project and India has taken ten years to initiate its first PPP project whereas Pakistan has started its first public private partnership project within three years after the development of policy. Three participants in this study forward ahead the stance that it is a new phenomenon and it requires its own particular culture which is needed to develop in Pakistan and it will take time to make space in the country.

The policy document of Government of Pakistan has identified eight sectors for implementation of PPP. Public private partnership bill 2014 of Punjab has classified seventeen different sectors whereas public private partnership Act of Khyber Pakhtunkhwa has categorized twenty sectors for public private partnership. Similarly public private partnership Act of Sindh has grouped sixteen diverse sectors for pursuing PPP projects. The participants of the study have different opinions regarding suitable sectors for the PPP. Six participants considered those sectors suitable that are appropriate for both public and private domains. One of the participants has suggested that only commercial and technical sectors are suitable for PPP. Some participants have further explained that research is important for identifying appropriate sectors in Pakistan for pursuing PPP projects. One of the participants of this study has viewed only transport sector as suitable sector for PPP. The remaining participants of the research study are of the view that every sector is suitable for PPP.

Conclusion

The emergence of the concept of PPP is due to the changing political and economic trends of the countries. It has forced the governments to change their governance styles and share their responsibilities with private sector for

improvement in service delivery. Pakistan has also mixed results of success and failure. Readiness of private sector for PPP in Pakistan is among positive indicators. It might be of fruitful results if it gets prioritized attention of the government authorities to secure the trust and confidence of private sector for longer period. There is a lot to do in terms of confidence building measures on the part of public sector in Pakistan. Segments of development in PPP have been mentioned by results in this study. Out of them, one of the major importance is the legal and policy framework presented by the government authorities in their relations with the private sector. These are of high need to motivate and sustain the interest of the private sector. Many other issues such as ownership, transparency, monitoring, and evaluation related aspects also are among the most concerned areas for both the sectors. Other problematic areas also deserve proper and in time attention. These include problems in some projects developed on PPP modality like Independent Power Producers (IPPs) which is not a success story but it has not discouraged the Government of Pakistan to work on this model. There are other similar projects in Punjab, Sindh, Khyber Pakhtunkhwa and Baluchistan that are being developed on the basis of PPP. Provincial governments need to work a lot for proper adoption of PPP models in the spheres of legal and policy issues. Non-availability policy in the province of Baluchistan is not a good sign. The same issues recently have been some-how addressed by the Government of Khyber Pakhtunkhwa that has passed and enforced Act on PPP in 2014 and has also developed an independent unit for pursuing these types of projects. Enhanced facilitation and confidence building measures taken by the government authorities in Pakistan can be a positive sign for proactive role of private sector towards adopting the public private participation model for the solution of social problems and for the betterment of general public.

Recommendations

Some recommendations for improvement in PPP are:

- It is recommended to establish an unbiased unit in Planning Commission of Punjab to deal with PPP initiatives, including identification, development of feasibilities and presenting them.
- PPP units of government with professional experts and researchers should be developed to assist the departments through their research, expertise and skills.
- Government should enhance capacity of its officials regarding development and implementation of PPP projects especially in terms of contract and process management.
- It is recommended to implement clear and well-defined legal framework for each sector.
- It is recommended that effective monitoring and assessment framework for assessing the socio-economic benefits of PPP projects should be developed and the findings should be shared with government institutions for effective future projects.
- It is recommended that performance indicators be developed to measure the efficiency.

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