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ROLE OF PUBLIC PRIVATE PARTNERSHIPS IN EDUCATION

SUKHWINDER KAUR

Assistant Professor , Deptt. of Community Education & Disability Studies,
Panjab University, Sector-14, Chandigarh.

Abstract:

Increase in the coverage of education to ensure that all children go to school has been addressed by government and private agencies. The concept of a public-private partnership (PPP) recognizes the existence of alternative options for providing education services besides public finance and public delivery. Governments around the world are exploring different ways to involve the private sector in providing education. PPPs involve the public and private sectors working together to achieve important educational, social and economic objectives. They represent a move away from the traditional model of government procurement for the delivery of public services. Recent years have seen an expansion and broadening of the private sector's role in the financing and provision of education services in many countries. A key trend has been the emergence of more sophisticated forms of private involvement in education through public private partnerships. Hence public private partnership is contractual relationship between the Government and the Private Sector for a specific project for which the responsibility of providing public service like education rests with the Government but the infrastructure provision or service delivery is entrusted to private sector. The paper disseminates knowledge about the role of PPPs in the field of education and ends up by giving succinct recommendations to improve public private partnership.

KEYWORDS:

Public private partnerships, Education, Government.

INTRODUCTION:

Indian higher education system has undergone massive expansion in post-independent India with a national determination to establish several Universities, Technical Institutes, Research Institutions and Professional / Non-professional Colleges all over the country to generate and disseminate knowledge coupled with the noble intention of providing easy access to education to the common Indian. The public initiatives play a dominant and controlling role in this phase.

Private funds as well as individuals play key roles in the cause of education. With the public funding being no more in a position to take-up the challenging task of expansion and diversification of the education system in the country to meet the continuously growing demands at present, there is little option other than bringing in private initiatives in a massive way to meet the various challenges. The need to ensure Education For All (EFA) and the challenge of the Millennium Development Goals has resulted in growing support for partnerships as a vehicle that will increase the current provision of education during the twenty first century. The public-private partnerships (PPPs) can even be tailored and targeted specifically to meet the needs of low-income communities. Aside from charitable activities and high-engagement ventures,

private organizations can support the public sector by constructing, managing or maintaining infrastructure. They can provide education services and operations, as in voucher schemes or charter schools (a private organization manages and operates a public school). Private organizations can give teacher trainings, help in management or curriculum design, among others. But one of the conditions for PPPs is an enabling environment where the private sector can participate in providing education.

CONCEPT OF PUBLIC PRIVATE PARTNERSHIP

Public private partnerships are a much contested concept. It is not only hard to define the concept, since it can take many forms, but the opinions differ whether they are a wishful development. Proponents and critics of public private partnerships agree on a loose concept of public private partnerships, namely a public and private interaction to deliver a service. Yet providing a clear definition turns out to be challenging. The term is a sort of an umbrella notion covering a broad range of agreements between public institutions and the private sector, aimed at operating public infrastructures or developing public services.

Public private partnership is an approach used by government to deliver quality services to its population by using the expertise of the private sector. It is a contractual agreement through which a private party performs part of the service delivery functions of the government while assuming associated risks. In return, the private party receives a fee from the government according to pre-determined performance criteria. Such payment may come out of the user charges or through the government budget or a combination of both. The World Economic Forum (2006) defines Public Private Partnership as a voluntary alliance between various actors from different sectors where both agree to work together to reach a common goal or to fulfill a specific need that involves shared responsibilities, means, competencies and risks.

Canadian Council for Public-Private Partnerships defined this concept as "a cooperative venture between the public and private sectors, built on the expertise of each partner that best meets clearly defined public needs through the appropriate allocation of resources, risks and rewards."

According to OCED (2003) PPPs are "Arrangements whereby the private sector provides infrastructure assets and services that traditionally have been provided by government."

PPPs can be defined as "a contract that a government makes with a private service provider to acquire a specified service of a defined quantity and quality at an agreed price for a specified period" (Taylor 2003).

CHARACTERISTICS OF A DESIRABLE PPP FRAMEWORK

Comprehensive in that it covers the range of functions, including financing, capacity building, human resources, accountability and transparency, equity and monitoring to ensure appropriate implementation
Pro-poor in approach and be designed to recognize the varying levels of capability across districts
Flexible enough to allow for different approaches across sectors and across districts
Designed in consultation with partners and stakeholders, including community groups
Interventions should be demand-driven, focused on beneficiaries' needs and financially/politically sustainable
Includes initiatives to build public sector capacity to implement public-private partnership
Bureaucratic processes must be transparent
Designed to ensure quality of delivery
Framework should be institutionalized, with greater continuity of policy and programs and more transparent processes
Include monitoring and evaluation framework.

The two means of provision - public and private – can be characterized according to the way that they are managed and financed. In their purest forms, public provision is managed directly by the government and the expenditures are met by tax revenues while in private provision revenues are derived from fees and private contributions and the providers are free to determine the type of their educational services. The state usually subsidizes the private sector through payment of costs incurred in curriculum development, inspection and teacher training. The public sector includes various government institutions or agencies at national, regional and local levels. The private sectors may include for-profit and not-for-profit organizations, professional associations and individuals, as well as voluntary groups and NGOs.

There are ways in which the public and private sectors can join together to complement each others' strengths in providing education services and helping developing countries to meet the Millennium

Development Goals for education and to improve learning outcomes," (Patrinos, 2005).

RATIONALE FOR PPP

The following constitute some of the rationale for public private partnership in the school education system:

(**E**asing the budget constraint: There is a huge gap between the requirement and the availability of school infrastructure in the country. For example, in the secondary stage alone, the gross enrolment ratio from class IX-XII is 40.6%, whereas the vision of the country is to universalize the secondary education. To raise the enrolment ratio to 65%, the Working Group on Secondary Education constituted by the Planning Commission to assess the requirement during the 11th Plan has estimated the requirement to be Rs.1.45 lakh crore. It is not possible to provide such a large amount from the government alone in a short period of time. If the private sector is involved, it could augment the financial resources by providing school infrastructure for which it would be paid an annuity. Thus, without investing a very huge sum of money upfront, government would be able to cater to a much larger student population.

(**E**fficiency gains: Private sector has greater efficiency in certain areas because of specialization. For example, those in the construction sector can create innovative designs for schools, those in the financial sector can create appropriate instruments for raising funds for schools, and similarly, private sector can provide support services and even operational services with much greater efficiency as compared to the government sector because of specialization. Another reason for improvement of efficiency is the greater accountability of private staff to perform in a private set up as compared to the accountability of public sector staff because of the inherent nature of the arrangement.

(**A**ppropriate risk sharing: It is a fundamental principle that in a partnership, any particular risk should be allocated to that partner which can best manage that risk. In a PPP, risk allocation between the public and private sector can be optimized to ensure that the overall risk is lowered significantly.

(**S**peed of implementation: In general, construction of school building and opening of a full fledged high school takes about three years in government. Since the private partner would be interested in getting payment as soon as the services start being made available, the speed of implementation would be much quicker.

(**R**eduction of costs: Because of greater efficiency and competition among private partners, the cost of operation is expected to be much lower than in government set up. This is due to the greater managerial efficiency in the private sector.

(**A**ccountability for performance: In the public sector, accountability for performance in schools is diffused. However, in case of a PPP model, failed schools would mean no payment and hence is preferable.

(**Q**uality monitoring: In case of PPP, government will monitor the quality in the school as payment is related to quality. The private partner would have an incentive to raise the quality of education in the school to be eligible for payment.

(**G**reater flexibility: Under PPP, there will be greater autonomy and flexibility at the school level whereas the government systems have rigidity. The private partner will have much higher autonomy in hiring teachers and organizing the school. Similarly, depending upon the need, the schools processes can be modified quickly

LITERATURE REVIEW

Gibson and Davies (2008) conducted a study to examine the implications of public private partnership for education delivery, attainment, attitude, behavior and attendance. The findings of the study suggested that the impact of the partnership on education is positive. Pupils perform significantly better than both the average Hull and National Primary schools. There appears to be a positive impact on attitude, behavior and attendance.

Brans (2010) found that there are strong discursive differences on the impact of the translated public private partnerships' policy on the education problems in Uganda. It was further found out that the conditions for translation policy are only partly met. As a consequence, the case of Uganda is in line with critics in the global debate on public private partnerships, who argue that the actual 'partnership' arrangement is highly ambitious and that it therefore can be seen as a form of privatization.

Khan, Khalid and Khan (2010) studied the attitude of head teachers of the Government schools towards

public-private partnership in education. It was concluded that 50% of the head teachers feel that NGOs in government school have influence from some to a large extent some impact on academic matters of the school from no to some extent. Similarly, 48% of the head teachers think that public-private partnership could have influence from some to even more on administrative matters. Moreover, 50% of head teachers think that public-private partnership may have some impact on financial matters of the school from some extent to even more. Head teachers from public-private partnership schools felt that it may positively influence the responsibilities of the head teachers. Public-private partnership in education may facilitate head teachers in different academic, administrative and financial issues of the school.

According to Levin (2001) Education inherently serves both public and private interests. It addresses public interests by preparing the young to assume adult roles that promote civic responsibility, embrace a common set of economic and political values, and share a common language. Education serves private interests in promoting individual development, understanding, and productivity that contribute to adult productivity and well being.

According to Linder and Rosenau (2000) Privatization and the increase of private-public partnerships signal not a decline of one sector relative to another but rather a resumption of service responsibilities by local, community-based entities, acting in concert with the state and with the private sector.

PUBLIC PRIVATE PARTICIPATION IN EDUCATION

Private participation in education has increased dramatically over the last two decades across the world, serving all types of communities. Trends in the education sector show an amplified recognition of the value of human capital, yet despite significant improvements in education coverage in developing countries, there is still a massive unmet demand for access and quality. But, as the pressure on the education sector to address all the diverse needs continues to increase, the situation is worsening by tight financial constraints, distributional inequities, and ongoing problems of service delivery. The concept of a public-private partnership (PPP) recognizes the existence of alternative options for providing education services besides public finance and public delivery.

The PPP arrangements are an innovative means of delivering modern schools for modern teaching. Investments in school infrastructure can improve the performance of individual schools and contribute to broader educational improvements across the State. While private schools are often seen as catering solely to the wealthy, the reality is that many countries have seen the emergence of private schools charging modest fees that cater to students from low-income families (Ball & Youdell, 2007).

Recent years have seen an expansion and broadening of the private sector's role in the financing and provision of education services in many countries. A key trend has been the emergence of more sophisticated forms of private involvement in education through public private partnerships. PPPs involve the public and private sectors working together to achieve important educational, social and economic objectives. They represent a move away from the traditional model of government procurement for the delivery of public services.

Conforming to the national education system is the first level of public private partnership in education (Fennell, 2007). Traditionally, it has been the role of government to provide school education to the appropriate age group. However, a variety of public private partnership already exists in this field; the most common being the government aided schools system in the country. Tripathy (2012) says that the country (India) is yet to realize the power of public-private partnership in education sector, particularly at the school level. In 2006-07, 30.05% of higher secondary schools and junior colleges, 27.15% of high schools, 6.75% of upper primary schools, 3.19% of primary schools and 5.15% of pre-primary schools were run by private institutions with substantial financial assistance from the State Governments. Various models of public private partnership exist around the world. The World Bank research study "Public Private Secondary Education for Developed Countries – A Comparative Study" analyzed the cost and achievements of private and public schools in five developing countries i.e. Columbia, Dominican Republic, Philippines, Tanzania and Thailand and it was found that (i) Students in private schools vary on a variety of achievements (ii) Unit costs of private schools were lower than those of public schools and (iii) Private schools had greater authority for decision making at the school level and better emphasis on enhancing student achievement.

ROLE OF PPPs

In particular, well-designed public-private partnerships can:

increase the level of financial resources committed to Basic Education. Private sector philanthropic initiatives have the additional benefit that funding is generally more flexible than public sector funding, the bulk of which is committed to teacher salaries, particularly in developing countries;
supplement government schools' limited capacity to absorb growing numbers of children, thereby expanding access and helping to reduce class sizes in government schools;
increase the level of private sector knowledge, skills and innovation – whether pedagogic, technical or management related – that may not be available in the education sector;
allow government education authorities to focus on core functions such as policy and planning, curriculum development and quality assurance where they have a comparative advantage over the private sector, rather than devoting resources to areas where it may not have such an advantage;
allow for much greater innovation in the delivery of education by focusing on the outputs and outcomes desired from an educational provider, rather than specifying how those outcomes should be achieved;
allow governments to circumvent unnecessarily restrictive employment laws and outdated government pay scales that limit governments' ability to hire appropriate staff and organise delivery in the manner required;
introduce a longer time horizon into public private relationships and better align the interests of the public and private sectors;
reduce the politicization of schooling and reduce the degree of corruption in the education sector;
make the cost of services more transparent through the use of explicit contracts and improved costing mechanisms; and
sharpen competitive pressures in the education sector, thus generating efficiency gains and spurring greater innovation in education delivery.

FACTS ABOUT PPPs:

Theory vs. practice: Authentic partnering, in theory, involves close collaboration and the combination of the strengths of both the private sector (more competitive and efficient) and the public sector (responsibility with accountability vis-à-vis society). But anticipating success or failure in advance of implementing the partnership is difficult and monitoring partnerships for impact and performance over time is critical.

Cost and quality: Private schools are probably more cost effective than public schools in producing student achievement (Cox and Jimenez 1991) although Levin (1999) maintains that this cost advantage is lost once the externalities of monitoring and regulating of private provision are factored in.

Equity and access: Assessments of the performance of partnerships on equity are mixed, the only clear point perhaps is people's expectation and perception that the public sector is more equitable. This lack of clarity is further complicated by the question as to whether or not equity concerns are less of a problem when the partnerships involve public/not for profit providers rather than public/for profit providers.

The vulnerable population: There is currently insufficient evidence to support the case that the difficulties of vulnerable populations with regard to access and equity are ameliorated within the private education marketplace. This is a case where societal values regarding policy should take preference over a strict cost calculation. Further, there is consensus that there is vulnerable population for which protective government measures are necessary.

Regulation: Evidence to date indicates that public-private partnerships do not seem to reduce regulation since the role of the government has changed to become both a partner in the provision of services and the monitor of the marketplace. Is Levin (1999) thus correct in implying that the infrastructure required for monitoring the mix of private and public providers may be greater than the savings attributed to private schools? How much regulation is required to assure fair competition between private and public schools?

Accountability: The public-private partnership within the education sector must be accountable if they are to fulfill their policy objectives successfully since education is an essential service. Again, however, there is no specific solution to the accountability challenges, although there is a clear trend that indicates that the partnership must be structured, with partners receiving specific responsibilities, incentives and resources.

RECOMMENDATIONS TO IMPROVE PPPs

The following recommendations should help in the conceptualization of PPPs' role in education

and in the improvement of PPPs' performance:

- Include output specifications that define performance standards and facilitate the measurement and tracking of quality and school efficiency. Performance indicators can be quantitative, such as standardized tests or enrolment figures, or qualitative, such as school and parent surveys or school inspections.

- Define operating requirements and performance standards that private schools and operators should follow. Private schools should meet eligibility criteria to receive public funding (such as infrastructure and staff requirements), follow national curricula, and meet performance benchmarks.

- Reward innovation and quality improvements. One way to reward schools is to provide monetary awards for good performance. Conversely, sanctions for poor performance should include the revoking of any subsidies.

- Help private schools to deliver high-quality education and accompany voucher programs with capacity-building interventions. Some private schools lack the capacity to improve the quality of the education that they provide because their teachers lack qualifications, the schools lack the resources to buy materials and textbooks, and school management is not aware of the most effective teaching techniques and management processes.

- Establish a specialized group of authorities to manage PPP programs and the flow of funds from the government to private schools, and to enforce qualifying criteria and regulations.

CONCLUSION

Public education systems in many developing countries face a number of challenges. Private participation can encourage the public sector to improve the quality and efficiency of the public schools. Competition among providers of services can lower costs and improve responsiveness to the needs of consumers. A more pragmatic approach that utilizes different forms of partnership between the two systems needs to be explored in order to enable more effective basic education provision. The paper will help all those who are working towards creating Education reform influence public private partnerships while strengthening the efforts to develop partnerships.

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