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Public-Private Partnerships: Opportunities and Risks

A Case Study of Punjab Education
Foundation



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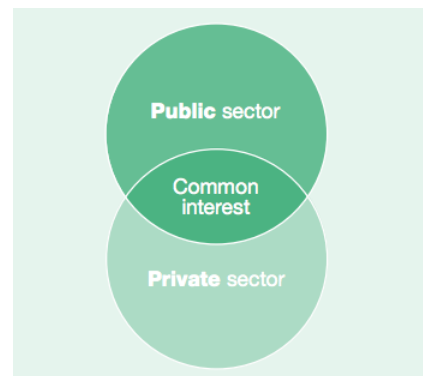
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Introduction

The governance pattern of public organizations has witnessed a change in the last few decades. Salamon (2002, pp.1-2) calls it a ‘fundamental transformation in the basic form of governance’, meaning thereby that networks, markets, and community have replaced the traditional form of governance through the hierarchy. The proponents of the state-centric approach, though acknowledge that the state is undergoing a metamorphosis but they claim that the state is still at the center of the governance pyramid. Hindmore, (2009 p.71) argues that the claim of replacement of state with governance through networks is an exaggerated one. Andersen (2004, p.7) states that governments have reconfigured themselves and adopted alternative governance strategies, and expanded government scope of action through partnerships.

This paper examines the opportunities associated with governments entering into partnerships with the private sector citing examples of the Assisted Schools Programme and The Education Voucher Scheme run by the government of Punjab in collaboration with the private sector. Further, the paper highlights the challenges associated with the risks which the contemporary governance arrangements (involving partnerships between state and non-state actors) pose for public policy.

First, this paper examines the opportunities associated with the contemporary governance arrangements, involving partnerships between state and non-state actors for public policy. World Economic Forum report (2006, p.41) points out that multi-stakeholder partnerships between public and private organizations are often painted as ‘win-win partnerships with measurable benefits and results’. In the same way, the United Nations Development Program Commission for Private Sector Development (UNDP 2004, p.4) report highlights that public-private partnerships can help in the development of knowledge and skills, assist in broader access to funds, and in this way, make possible the delivery of basic services.



Source: Framingfirst.org

Public-Private Partnership in Education

Interventions engaging public-private partnerships (PPPs) have increased in almost every field of governance. However, the paper highlights the opportunities offered by PPPs initiatives in the promotion of good quality education to the most marginalized segments of society. Owing to market failures and equity issues the public sector is still the largest provider of education. World Bank report (2009, p.1) emphasizes that in addition to public resources, innovative programmes are required for fulfilling the dream of providing universal primary education as envisaged in the Millennium



Source: www.pef.edu.pk

Development Goals (MDGs). In the last few decades, private sector involvement in the provision of education has spiked dramatically the world over. (W.B 2009, p.2).

The public-private Partnership mode in education has many advantages. First, awarding PPP contracts involve choosing private-sector education providers through open bidding. The government defines benchmarks regarding the quality of education before entering into PPP contracts. These contracts include quantifiable targets and outcomes. Government can choose the contractors with the best and low-cost proposals. This process alone can substantially increase the quality of education. (W.B 2009, p.4). Secondly, the Public-private Partnership mode in education creates an atmosphere of competition in the education market. The private sector’s competition for attracting maximum students pushes both the public and private sector to improve the quality of education they impart to the students. Thirdly, public-private partnerships in education increase the outreach of the government and it can take advantage of specialized skills offered by private originations. Encouraging the private sector through PPP contracts has many potential advantages not only for private sector contractors but also for the government as PPP contracts are considered as a middle ground between privatization and government delivery of service. Hence, it attracts less criticism from stakeholders. Another advantage of PPP contracting is that government can hire a range of services from academic to non-academic activities including the provision of food services, subsidizing tuition fees. PPP contacting also allows government leverage to target its initiatives to disadvantaged groups in a society to achieve specific outcomes (W.B 2009, p.4)

Punjab Education Foundation (PEF)

The Government of Punjab, alone cannot achieve the huge task of providing education to all and meet the target of universal primary education as enunciated in the SDGs. To improve the quality of education and equity the Government of Punjab initiated projects based upon the public-private model run by Punjab Education Foundation (PEF) (Malik 2010, p.viii). PEF has started many PPP mode initiatives which include Foundation Assisted School(FAS) Programme, the Continuous Professional Development Programme(CPDP), The Teaching in Clusters by Subject Specialists(TICSS) program, and Education Voucher Scheme(EVS) (Malik 2010, p.viii).



Punjab Education Foundation(PEF) was established in 1991 and restructured in 2004 as an autonomous body to promote high-quality education for the unprivileged in partnership with the private sector. PEF is responsible for running all the afore-mentioned PPP projects. According to the World Bank report, 33% of school-going children aged between 6 to 10 attend private schools. (W.B2009, p.21). To



Source: www.pef.edu.pk

cash on the enormous potential offered by the private sector Foundation Assisted Schools (FAS) programme, a PPP project, was conceived to increase the outreach of the government and to improve the quality of education by engaging the fast-growing private education sector in Punjab (Punjab Education Foundation 2017). FAS programme was initiated in 6 districts of Punjab in 2005. The project started in 2005 by engaging 54 schools on PPP contracts and with the enrollment of 8573 students (Malik 2010, p.7). Gradually operations of this project expanded to all the 36 districts of Punjab. Now FAS is working with around 3000 partner schools in the whole province. The enrollment in FAS has exceeded 1.3 million students. (Punjab Education Foundation 2017). FAS programme has increased the outreach of the government to remote rural areas and urban slums.

PEF has initiated another project, The Education Voucher Scheme (EVS) on the PPP model to extend quality education to the most vulnerable segments of society and promote social equity, social cohesion, and efficiency. PEF designed EVS programme for the slums in collaboration with and assistance of Teachers College, Columbia University. The



Source: www.pef.edu.pk

project was initiated in 2006 from the urban slums of Sukhneher, Lahore where PEF conducted a survey to workout target population living below the poverty line. PEF delivered redeemable Vouchers to the target households. The vouchers were payable to the participating schools in place of tuition fees. (Malik 2010, p.23). In 11 years, EVS is operational in all the 36 districts of Punjab and more than 1365 partner schools are imparting quality education to approximately 0.3 million otherwise disenfranchised children(Punjab Education Foundation 2017)

Secondly, as mentioned above, the advantage of competitive and transparent bidding in granting PPP contracts is that it increases competition and consequently boosts the quality of education. In both FAS and EVS projects, a stringent criterion is laid down for the selection of a school for PPP contract which is based on several factors including the location of the school, number of classrooms,



Source: www.pef.edu.pk

student-teacher ratio, teachers' educational qualification. The expansion process of both projects has been carried out phase-wise to cover the whole province and every phase was advertised and applications were called from interested private owners of schools. The results

of both initiatives seem promising. Innovative Development Solutions' (IDS), third party evaluation(TPE) report (2009, p.60), points out that FAS and EVS programmes have made considerable progress in making available better quality education especially to the poorest of the poor. key findings of the TPE were that 'the design and components of the project are well suited to the project objectives.... the school eligibility criteria are well thought out and disseminated properly'. Other PPP mode-based programmes run by PEF like the Continuous Professional Development Programme(CPDP), The Teaching in Clusters by Subject Specialists(TICSS) are also aimed at improving the quality of education in the schools managed on PPP mode in Punjab.

Challenges

Alongside brighter aspects, the contemporary governance arrangements, involving public-

private partnerships, pose challenges for public policymakers. Richter (2004) points out the lack of monitoring and enforcement mechanism to ensure that public-private partnerships promote public and not just private interests. Kingdon (2007) argues that the partnerships where governments provide funding to the private schools but do not monitor them can have negative consequences. World Bank report (2009, p.5)



Source: premarket.org

indicates that if PPPs in education are not handled appropriately, then they can increase opportunities of corruption in awarding PPP contracts. PPPs can lead to the privatisation of education and governments' loss of control over important public services. PPPs may face opposition from stakeholders, for example, teachers may see PPPs are a threat to their job security (W.B2009, p.5). FAS programme expanded rapidly and performed well. However, the monitoring and accountability mechanism for FAS and EVS projects is limited. The Quality Assurance Tests (QATs) and reports of inspection staff regarding the performance of FAS and EVS are the only measures of the output of schools. Communities' and parents' involvement in the accountability process is conspicuous by its absence. Parents and communities' involvement helps the educational system assimilate into the fabric of society (Malik 2010, p.13). Secondly, monitoring and evaluation are considered very important for the achievement of the objectives of an organization. PEF's M&E staff is still having limited capacity to carry out monitoring tasks whereas the scale of the project has increased enormously.PEF needs to increase the strength and capacity of the M&E staff and improve procedures to enable the staff to identify the gaps in the project implementation. As highlighted in the World Bank report (2009, p.5) the inept handling and lack of proper supervision open the door for corruption and inefficiency. However, as per IDS' (2009) TPE report, the award process of PPP contracts and selection of schools for performance rewards were declared transparent. IDS carried an in-depth evaluation of transparency in the disbursement of funds to the schools. The report says, 'It was heartening to know that FAS management is keeping a strict tab on the disbursement of funds, including incentives to the high performing schools'.

Conclusion

Finally, it can be remarked that it is a fact that public-private partnerships with all their limitation and risks are increasing in number and volume. However authoritative judgment regarding efficacy or risks attached with partnerships cannot be pronounced. Wittie and Reinicke (2005, p.85) sum up our state of understanding of potential risks and opportunities of public-private partnerships as, ' current research on partnerships suffers from lack of comparable case studies and other data. Resources should be made available to facilitate such applied research work to improve the systematic understanding of where, when and under what circumstances partnerships are likely to deliver'.

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