

ROLE OF PUBLIC- PRIVATE PARTNERSHIP (PPP) IN EDUCATION SECTOR IN INDIA

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Received: 08 Aug 2018

Accepted: 13 Aug 2018

Published: 18 Aug 2018

ABSTRACT

There is a fashionable slogan in the development strategies, particularly during the last couple of decades in many developing as well as advanced countries that Public-private partnership (PPP) has been the latest mantra of development. Even those countries which prohibited any role of the private sector for long have become receptive to the idea of PPP and are even championing the cause of the private sector and PPP in most development activities. In generally, we can say that a public-private partnership (PPP, 3P or P3) is a cooperative arrangement between two or more public and private sectors, typically of a long-term nature. Governments have used such a mix of public and private endeavors throughout history. PPP is being adopted in a good number of economies in various infrastructure development sectors, such as the development of airports, railways, roads, and so on. not only these PPP is being also extended to education, including elementary education, which is regarded as a universal human/fundamental right, and also other human development sectors such as health and even to activities relating to poverty reduction.

In this paper, the researcher wants to highlight on what is the concept of Public-private partnership (PPP) and the role of Public-private partnership (PPP) in the education sector.

KEYWORDS: *Public-Private Partnership (PPP), Education*

INTRODUCTION

Nowadays privatization of every sector is going to current trends. Evert sector such as - the development of airports, railways, roads, and so on. But it is no longer confined to these sectors and in this context, PPP has playing a vital role to introduce a new world of privatization. Public-private partnership (PPP) has been the latest mantra of development. It has also become a fashionable slogan in the development strategies, particularly during the last couple of decades in many developing as well as advanced countries. A public private partnership is tremendously entered in education over the last three decades across the world. In India, the 12th five-year plan introduced RTE, for 6-14 years child in elementary level irrespective of caste, creed, gender, Geographic's to provide quality education. PPP involves in many ways in the education sector such as- funding the public school with vouchers, stipends, subsidies, capitation grants, etc. Even prohibited countries (privatization) they also show interest on PPP mode. They know very well that PPP can be a good number of economies in various infrastructure development sectors, such as the development of airports, railways, roads, and so on. But it is not only confined to these sectors. It also has entered the sectors of education. Now PPP is being extended to education, including elementary education, which is regarded as a universal human/fundamental right, and also other human development sectors such as health and even to activities relating to poverty reduction.

Definition of PPP

It seems there is no proper and clear definition of PPP; but various interpretations are available. We cannot define PPP in a few words, because its scope is vast. Most countries embarking on PPP programs have attempted to provide some form of the definition of a Public Private Partnership. Such as-

- **Brazil's new PPP law** defines, in its Article 2, that Public Private Partnership contracts are agreements entered into between government or public entities and private entities that establish a legally binding obligation to manage (in whole or part) services, undertakings, and activities in the public interest where the private sector is responsible for financing, investment and management [1].
- **Ireland** defines PPPs as any arrangement made between a state authority and a private partner to perform functions within the mandate of the state authority, and involving different combinations of design, construction, operations, and finance [2].
- In **South Africa**, a PPP is defined in law as a contract between a government institution and a private party where the latter performs an institutional function and/or uses state property, and where substantial project risks are passed to the third party [3].
- The **UK's Private Finance Initiative (PFI)**, where the public sector purchases services from the private sector under long-term contracts are the best-known component of that country's PPP program[4].
- According to the **Department of Economic Affairs, Ministry of Finance, Government of India, 2007**, PPP is defined as, "A partnership between a public sector entity (sponsoring authority) and a private sector entity (a legal entity in which 51% or more of equity is with the private partner/s) for the creation and/or management of infrastructure for public purpose for a specified period of time (concession period) on commercial terms and in which the private partner has been procured through a transparent and open procurement system"[5].

Aims & Objectives of the PPP Model in Indian Education System

- To uplift the quality of the Indian education system.
- Helps to increasing enrolment ratio of the students.
- Improve the outcomes of the education system.
- To maintain the coordination between Public Private and Government sector.
- To reduce the overload of the government.

Advantages of PPP Model

"Education is a societal duty and the responsibility not only of government, but also of civil society. The effects of our history on the fabric of our whole society, including education, have been so profound that it will take the efforts of all sectors to build a stronger education system," says Barbara Valentine, Research, and Development for Institute of Training and Education for Capacity Building" [6].

- PPP provides the good infrastructure which is fully private or fully public. Every participant does what it does best.
- PPP ensure adequate investment into the public sector and provide effective public resources management;
- PPP complete every infrastructural project very fast that's why they can reduce delays or maintain time -to-completion.
- One of the important benefits of PPP is 'Return of the Investment' or ROI is greater than traditional or government system.
- In PPP project risks allocation enables to reduce the risk management.
- Most of the time risk of the project execution are transferred to private authority, which has more experience in cost containment.
- Another important benefit of PPP is it reduces government budgets and budget deficits.
- PPP is economically very healthy and it also allows lower taxes.
- PPP has ensured higher quality and timely provision of public services.

Challenges of PPP in India

There are various types of challenges that PPP models are facing in India. These challenges are-

- When you going to start any projects sometimes carried out some risk are arising, such as- construction risk, financial risk, market risk, demand risk etc. This risk can't give you thrive properly.
- In PPP projects profits are depending in so many things like assumed risk, the competitive level, complexity of the project etc.
- In our country the acquisition of land is a big challenge for PPP because of various policies regarding the land issue.
- Lack of proper coordination between public-private and government, the mission becomes not so fruitful.
- Some project are becomes failure due to mismatch of the overall costing of the project.
- And as we know that due to the involvement of too many people and processes PPP projects are always subjected to the risk of corruption.

Mr. P. Chidambaram (Finance Minister in 2006), [7] in a major PPP Conference listed four major weaknesses in PPP development in India as:

- **Weakness in enabling policy and regulatory framework.** Substantial work needs to be done in making sector policies and regulations PPP friendly. A large number of these projects are in the States, and without the active participation of the States it would not be possible to achieve satisfactory results.

- **Lack of Long-Term Instruments** The market presently does not have adequate instruments and capacity to meet the long-term equity and debt financing needed by infrastructure projects.
- **Lack of Bankable Projects** Finding credible and viably structured projects continues to be a challenge. There is a lack of shelf of credible, bankable infrastructure projects, which could be offered for financing to the private sector. Some initiatives have been taken both at the central as well as the states' level to develop PPP projects these tend to be isolated cases and have demonstrated a marked lack of consistency.
- **Limited Capacity to Manage PPP in Public Sector** There is also a lack of capacity in public institutions and officials to manage the PPP process. Since these projects involve long-term contracts covering the life cycle of the infrastructure asset being created, it is necessary to manage this process to maximize returns to all the stakeholders.

Role of PPP in Education

As we can see that Public Private Partnership is a current fashionable trend in various sector, so basically it has also a great role in education system. Various Eastern and Western country such as – Pakistan, US, England etc. have already used the PPP model in education to increases the accessibility, improve the quality of education and provide choice in underserved communities. India is not lagging behind from them, so our country also try to implement PPP model in our education sector. Well-designed PPP model makes feasible of the school system in India. Various governments at the central, state and local level are exploring and implementing PPPs in education.

Increasing Access to School

In India, important problems of elementary education are Wastage, Stagnation, and Drop out. The goal of Universalization of the elementary education has become nearly reached; the main focus in the Indian education system is now shifting towards quality education and outcomes. PPP model can enlarge the reach of the government system to provide children access to schools and helps to fulfill the mission of universal retention.

Effective Utilization of Underutilized School Infrastructure

All over India, we can see that major metropolitan areas such as- Mumbai, Chennai, Pune, and Ahmadabad have experienced almost quarter decline in enrolment in government schools last one decades. And that's why their education budgets have almost doubled. As a result, this trend makes the government school hollowing out. If we give a chance to the Private sector, obviously they can manage high-quality schools in these empty buildings. By this governments can effectively utilize of underutilized school infrastructure.

Widen access and Utilization of Existing Assets of Education

As we know that India is a rural-based country, and here some metropolitans, cities are highly decorated in school infrastructure. But on the other hand, in rural areas, India still has lagging behind in good school infrastructure particularly in the secondary space. So the accessibility of the education did not reach the certain levels. By giving the chance, PPPs can help increase access to schools. In the above mention point, we can see that, in urban areas how effectively PPP can utilize the underutilize school infrastructure. As well as in rural area, only PPPs can rejuvenate the Widen access and utilization of existing assets of education.

Lift the Quality of Education

In across India privatization of education system is still not fulfilled. In existing schools, PPPs can introduce skills and innovations within the government system. In similar condition, PPP projects in education have a high level of relevancy rate and level of funding as government schools. PPP providers are scientifically sound, flexible, innovate, and introduce better management and pedagogical techniques etc. For instance, they can use technology in teaching-learning, administration, evaluation system, or teachers can use various innovative techniques etc. All of this uplifts the quality of Indian education system.

Increase Choice for Low-Income Parents

Every Parent's desire that his son/girl becomes fluent in the English language, but our government school teaches students through a vernacular medium. That's why they are increasingly leaving the government school system. On the other hand, the enrolment ratio is increasing in private school or English medium almost 250% in the last one decade. And also we can see all national level exams are being conducted in English medium. So in generally those PPP schools, who introduce high-quality English instruction, would allow governments to provide parents the option to receive an education of their choice.

Reinforce Responsibility in the Government System

It is very easy to say that the increasing number of PPP institutions helps to increase reinforce responsibility in the government system. Parents begin to expect fair measurement of education standards and the PPP and government school systems have to respond to the demand for greater accountability.

World Bank Group [8] prepared a background paper for mentioning the role of PPP in school education:

Easing the Budget Constraint

The huge gap between the requirement and the availability of school infrastructure in the country requires an attention. In order to achieve targeted school enrolment ratio, a large sum of the fund could not be bear by the government alone in a stipulated period of time. Involving the private sector in the endeavor the financial resources could be augmented. The private sector's participation in the development of physical infrastructure enables the government to cater to a large student population without substantial spending on their part.

Efficiency Gains

It is argued that because of specialization in certain areas, the private sector has greater efficiency. For example, the Public-Private Partnerships in real estate including road and building have shown the expertise of private sector in the infrastructural development. For schools also the private sector may bring innovative building designs more convenient for schools. The private partners from the financial sector can generate suitable instruments for raising funds for schools. Similarly, for the support service as well as the operational services, the private sector can deliver with much greater efficiency as compared to the government.

Appropriate Risk Sharing

A fundamental principle in a partnership is that any risk should be allocated to the particular partner who can properly manage the same. The various risks of PPP project may be allocated between the public and private sector optimally so that the overall risk gets reduced significantly.

Speed of Implementation

In a public sector school project, many players are involved and coordination becomes difficult. In general, construction of school building and the 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. It should be possible to complete the project in not more than 18 months.

Reduction 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.

Accountability for Performance

In the public sector, accountability for performance in schools is diffused. Therefore, there are many instances of failed schools, particularly in urban areas. However, in the case of a PPP model, failed schools would mean no payment and hence is preferable.

Quality Monitoring

In the case of PPP, the 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.

Greater 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.

Concluding Remarks

From the above detail, it is clear that public- private partnership (PPP) has playing a vital role in all sectors. And nowadays PPP is also disseminating in the field of education. We cannot deny the core needs of privatization. Above discussion, we can see that PPP has become a fashionable trend of the modern era. All sectors like airways, roadways, electricity, everywhere we can see the significant role of PPP. Educational sectors are also not an exception. Well-designed PPPs can create models of innovation for the education system in India. PPP enhancing access to school, Using underutilized school infrastructure, the quality of education Strengthen accountability in the government system. And we can also see that World Bank Group (2011) has emphasizing the role of PPP in the school education system.

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