

Role of Public Private Partnership in School Education in India

Manisha Luthra and Shikha Mahajan

University of Delhi.

Abstract

Education is a fundamental sector that every country needs to develop but governments in developing countries have limited resources for it. They face difficulties in providing quality education services that take into account individual and community diversity. This has resulted in greater involvement of the private sector including non government organisations, business corporations and communities in the finance and management of services. This paper examines the role of public private partnership in school education. First, it provides an overview of school education in India. Second, the paper explains conceptual underpinnings for why public private partnership is needed and how they can contribute to achieve a country's educational goals. Third the focus is on some very innovative public private partnership arrangements. Next chapter discusses international experiences of public private partnership and lastly concluding section details out issues and constraints in public private partnership in India and suggests ways for effective implementation of it to reap maximum benefits.

1. Introduction

The 12th Five year plan period coincides with the period of the implementation of the Right to Education Act. India is poised to provide quality education to all children in the country irrespective of gender, caste, creed, religion and geographies. The Organization of Economic Cooperation and Development (OECD), 2005, puts the average spend on education proportionate to national GDP at 5.6%, while Korea being 8% and 3.5% in Turkey and Greece. India spends on an average, less than 3% of its GDP. India currently has the world's largest student body with 135 million children

attending primary school. The 86th Amendment makes free education of children aged 6-14 a fundamental right. Over the past decade the Sarva Shiksha Abhiyan programme has brought over 60 million additional children into school – expansion at a scale and pace unprecedented in history – achieving near universal enrolment and gender parity.

Since the 1960s, expenditure of 6% GDP on education has been recommended in 13 policy documents. DISE data for 2007-08 shows that 14% of the elementary schools are under unaided management. The National Sample Survey 2009 reports that at primary level, 7% of students study in private aided, and 20% in private unaided schools. Quality of education remains a major issue in *all* types of schools. Private schools can only be afforded by parents who can pay fees, which are often substantial and children from the educationally backward sections of society do not get to study in these schools. The expansion of fee paying schools which function effectively will be limited by the number of parents who can pay enough fees to enable effective education. The private schools running on low fees have been severely constrained in terms of quality education.

Economic survey 2008-2009 estimates 37.3% Indians live below the poverty line. Hence large scale capacity to pay for education does not exist. The Government is the only agency that can fund education. Also 45.34% of the 4.7 lakh teachers in the elementary (Class 1-8) school system have not studied beyond class 12 and a quarter of them have not studied beyond class 10. Only 35% teachers are graduates, 12% post graduates; 0.4% has M.Phil. / Ph.D. degree (Mehta, A.C. 2006). “PPP is often described as a private investment where 2 parties comprising government as well as a private sector undertaking form a partnership” Ministry of Finance, Government of India. “Arrangements whereby the private sector provides infrastructure assets and services that traditionally have been provided by government, such as hospitals, schools, prisons, roads, bridges, tunnels, railways, and water and sanitation plants.” – Organization for Economic Co-operation and Development.

1.1 Need for public private partnership in India

India has never been challenged to provide quality education to first generation learners and vulnerable groups at the scale that Right to Education compels it to do today. Without marshalling large amounts of resources and skills from both government and non-government sectors, this challenge will not be met.

Moreover the private sector is often heavily criticized for exploiting the developing countries, for paying unfair prices, repatriating profits, evading taxes, bribing politicians, crowding out local competitors, etc. Working together with public development cooperation is seen as mark of confidence and as increasing the legitimacy of the companies concerned.

In general the private schools tend to exclude rather than function as inclusive institutions. This inclusion refers not only to bringing in children with disabilities, but also to children from the marginalized sections of society. At the broader level, schooling in India needs to be neighbourhood based, it requires creation of infrastructure, and school compositions that are inclusive, provide a climate for

equitable, sensitive teaching-learning, prepare teachers pedagogically, linguistically and sociologically to work effectively with children. At present, it can safely be said that there are very few private schools which fulfil any of these very reasonable criteria. Poor performance of public schools combined with non affordability of private schools by majority of parents is another underpinning for why public private partnership is needed. Prime problem starts from the management of government schools.

The biased and partiality based administration accumulates lot of problems in the proper implementation of policies. Also teacher's union are just as bad as all other unions. They shelter the lazy and incompetent and at the same time discourage and beat down the eager and hardworking. Job security is another reason behind the inefficiency prevailing in public schools that makes government servants underperformers. The primary purpose of PPP is not merely to use the private party as an executor or a source of funds though these may be parts of the role in specific cases. Rather it needs to seek a collaborative engagement that builds on the strengths of different players and creates a whole greater than the sum of the parts.

2. PPP Arrangements

(i). Management services

Management of either a single public school or an entire public school district by private organisations. The responsibilities that the contractor assumes under these contracts usually fall into four categories: financial management, staff management, long-term planning, and leadership. Within these contracts, all non managerial personnel continue to be public sector employees. Example: Educomp has entered into an agreement with the Government of Punjab in running five Senior Secondary schools in Punjab state under PPP Model.

(ii). Philanthropic initiatives

The practise of companies by which they target their charitable activities. Example: India's Bharti Foundation committed \$50 million to the creation of strictly non-profit, private schools in the nation's poor rural areas.

(iii). Professional services

It involves Contracting out professional services such as teacher training, textbook delivery, curriculum design, quality certification, and supplemental services. Its main advantage is that it brings private providers' expertise. The quality of service can be specified in the contract and sanctions included if the contractor fails to provide that level of quality. Thus the performance of contractors can also be conveniently monitored. A prime example of this form of PPP is provided by the Government of Gujarat's (GoG) recent steps to improve the level of learning in its schools across the state. The GoG put out tenders to private operators to assist in the delivery of a number of projects focusing exclusively on improving the quality of education and/or building capacity of teachers and educational personnel.

(iv). Support services

It involves contracting out Non instructional activities, including building maintenance, pupil transportation, and school meals, IT facilities, laboratory, which is often very costly for public schools. . Example: IT services are being provided in several government schools in several States like Tamil nadu, Karnataka and Andhra Pradesh by private partners who set up the entire hardware infrastructure along with facility management.

(v). Operational services

It means contracting private organizations to handle a wider range of responsibilities, in essence, to operate an entire public school. In these operational contracts, private organizations not only manage the school but staff it as well (World Bank 2006).

(vi). Education services

Instead of engaging a private organization to operate a public school, some governments contract out the enrolment of students in private schools. By paying for students to enrol in existing schools, governments can quickly expand access without incurring any up-front expenditure on constructing and equipping new schools. (vii).

Provision of infrastructure

Government can contract out the financing and construction of facilities to the private sector which allows the government to pay for these capital investments over time by making periodic payments over the term of the contract. The scope of the responsibilities taken on by the private sector varies by contract, and similar arrangements often have different names as given in the table below:-

The range of options for public-private partnerships in infrastructure

Type of partnership	Features
Traditional design and build	The government contracts with a private partner to design and build a facility to specific requirements.
Operations and maintenance	The government contracts with a private partner to operate a publicly owned facility.
Turnkey operation	The government provides financing, the private partner designs, constructs and operates facility for a specified time period, while the public partner retains ownership of facility.
Lease-purchase	The private partner leases a facility to the government for a specified time period, after which ownership is vested with government.
Lease or own-develop-operate	The private partner leases or buys a facility from the government and develops and operates the facility under contract to the government for a specified time period.

Build-operate-transfer	The private partner obtains an exclusive contract to finance, build, operate, maintain, manage and collect user fees for a facility for a fixed period to amortize its investment and at the end to the franchise; the title reverts to the government.
Build-own-operate	The government either transfers ownership and responsibility for an existing facility or contracts with a private partner to build, own, and operate new facility in perpetuity.

Source: World Bank 2006.

3. International Experiences of Innovative PPPs

3.1 Examples of different types of PPPs in educational arrangements

PPP initiative	Country	Example	Benefit
Infrastructure	Australia	The private sector financed, designed and constructed nine new public schools in the state between 2002 and 2005. These new schools were built to standards that met or exceeded the Department of Education and Training (DET) school design standards. The private sector will provide cleaning, maintenance, repair, security, safety, utility and related services for the buildings, furniture, fittings, equipment and grounds of these schools until 31 December 2032.	Private sector will receive performance-related monthly payments from the DET during the operational phase of the project. At the end of the contract period, the buildings will be transferred to the public sector which are better maintained and do not require costly renovations.

Management	Punjab province, Pakistan	Cooperation for Advancement, Rehabilitation and Education (CARE) –a local NGO manages 170 government schools in Lahore City and two in Sarghoda, with enrolments of 100,000 students.	To ensure regular attendance of teachers and students, monitor performance of government and CARE staff by an External Coordinator(EC) and also ensure that student work is checked properly and tests are administered and recorded regularly
Education	Côte d’Ivoire	The government introduced a programme whereby it sponsors ‘public’ students to attend private institutions. Under the programme, private schools receive a payment for each ‘public’ student they enrol. The government sponsors students in lower and upper secondary school and in professional and technical training.	The number of students in the private school sponsorship programme grew from 116,000 in 1993 to 223,000 in 2001, an increase of 92 percent.
Philanthropic	UK	Corporate philanthropy is a key feature of the UK’s Academies programme. Academies are publicly funded independent schools that provide free education to students of all abilities. Academies are established by sponsors from business, faith or voluntary groups through partnerships with central Government and local education partners.	Running costs are met by the Government. The first Academy opened in 2002. There are currently 47 Academies

Voucher	US	A voucher programme was launched by the national government in 1991. It targeted to lowest socio economic strata. Families were given a voucher worth approximately \$190 to use at a school of their choice.	Recipients of vouchers attended private schools 15% more than non recipients did.
---------	----	---	---

4. Conclusion

PPP can be an important part of the overall strategy to achieve quality at scale, but is not a panacea. The PPP strategy must fit into and be in line with the overall school education strategy and priorities. PPP is useful to the extent that it helps meet the larger goals. Also PPP should never limit or restrict government itself from offering educational services or running schools because it has a PPP partner in that area. To private partners, working amongst the dispossessed, is a new arena which will need much learning, and the learning curve will be steep; but not impossible. It may well be that the model of PPP evolving in this manner may well be very different from what we see today or envisage for the future. We need to proceed with the conviction and processes to make sure that the best amongst all players come forward.

The most fertile area for a PPP engagement in India is in the form of Model School scheme launched in November 2008 which has clearly articulated that out of the 6000 sanctioned, 2500 will be built under PPP. The model school infrastructure will be provided by the private entity which is legally competent to run an educational institution. *The Government will contribute to recurring cost on per capita basis for the students sponsored by the Government. Besides, additional 25% support will also be provided in respect of sponsored students towards capital cost.* For the implementation of the scheme MHRD has invited applications from private entities for setting up of model schools under PPP mode.

Similar PPP arrangement was initiated in *the Australian state* of New South Wales in the form of the 'New Schools Project'. Here the private sector financed, designed and constructed nine New Public Schools in the state between 2002 and 2005. A recent report by Standard and Poor's show increasing investor interest in PPPs, with projects valued at \$3.7 billion in the pipeline (LaRocque, 2007). The project has been extended to the State of South Australia. This suggests the success of this PPP arrangement in Australia.

Thus it can be concluded that the use of PPP structures in education projects in India is set to continue and expand in the coming years. There is a stream of project in the pipeline. The educational PPP sector is new in India and is not as well developed as PPP in other sectors. On complete implementation of Model School Scheme research in the future can be done on the same.

Bibliography

- [1] Department of School Education & Literacy - Ministry of Human Resource Development, Government of ... Home > School Education > Model School Scheme...
http://mhrd.gov.in/sites/upload_files/mhrd/files/Scheme-MS-PPP_-_clean-NEW_0.pdf
- [2] DISE (2006) Elementary Education in India: Analytical Report 2005, District Information System for Education, NIEPA, New Delhi.
- [3] Education International (2009) Public-Private Partnerships in Education, Brussels: Education
- [4] International, [Electronic], Available: http://download.ei-ie.org/Docs/WebDepot/200909_publication_Public-Private-Partnership-in-Education_en.pdf
- [5] Kingdon, Geeta Gandhi. "Private and Public Schooling: The Indian Experience," Mobilizing the Private Sector for Public Education (Conference Volume - forthcoming). Kennedy School of Government, Harvard University, 2006.
- [6] LaRocque, N. (2006) Contracting for the Delivery of Education Services: A Typology and International Examples, Education Forum, Wellington, www.educationforum.org.nz.
- [7] Muralidharan, K. (2006) Public-private partnerships for quality education in India, [Electronic], Available: <http://www.dise.in/Downloads/Use%20of%20Dise%20Data/Karthik%20Muralidharan2.pdf>
- [8] Pratham (2006) ASER 2005 - Annual Status of Education Report, Pratham, New Delhi, February 2006.
- [9] Pratham (2007) ASER 2006 - Annual Status of Education Report, Pratham, New Delhi, January 2007.
- [10] P. Jegadish Gandhi and M.L. Joseph (ed.), Public Private Partnership in Nation Building, Deep and Deep Publishers Pvt. Ltd., New Delhi, 2005. p.xi.
- [11] Sosale, S. (2000) Trends in Private Sector Development in World Bank Education Projects, Policy Research Working Paper 2452, World Bank, Washington DC.
- [12] Genevois, I (IIEP) "The case of Public Private Partnerships in Education" 107 http://www.iiep.unesco.org/fileadmin/user_upload/Research_Challenges_and_Trends/pdf/symposium/IGenevois.pdf
- [13] World Bank (2006) .Secondary Education in India: Investing in the future. Human Development Unit, South Asia Region, World Bank, draft, April 2006.

- [14] World Bank (2011) Public-Private Partnerships in Education, [Electronic], Available:
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTEDUCATION/0,,contentMDK:20756247~menuPK:2448342~pagePK:210058~piPK:210062~theSitePK:282386,00.html>
- [15] Working Group on Private Sector participation including PPP in School ...Department of School Education and Literacy, Ministry of Human Resource . M-12015/1/2011-HRD dated 6.8.2011
http://planningcommission.nic.in/aboutus/committee/wrkgrp12/hrd/wg_pppsc hool1708.pdf
- [16] EDUCATION IN INDIA. International Conference on. 'Public Private Partnerships in Secondary Education'. August 29 and 30, 2011. INDIA
http://siteresources.worldbank.org/INDIAEXTN/Resources/295583-1298351570365/PPP_Background_Paper.pdf

