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THE POTENTIAL ROLE OF THE PRIVATE SECTOR FOR EXPANDING EQUITABLE ACCESS AND IMPROVING LEARNING OUTCOMES

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Introduction

Public Private Partnership (PPP) is one of such collaborations with partners coming from the public and private sectors to meet predefined goals. This provides several opportunities but at the same time several management challenges too arise for such collaborative projects with multiple partners and diverse backgrounds in working towards mutually set goals.

Provision of schooling is largely provided and financed by governments. However, due to unmet demand for education coupled with shrinking government budgets, the public sector in several parts of the world is developing innovative partnerships with the private sector. Private education encompasses a wide range of providers including for-profit schools (that operate as enterprises), religious schools, non-profit schools run by NGOs, publicly funded schools operated by private boards, and community owned schools. In other words, there is a market for education.

In low income countries excess demand for schooling results in private supply when the state cannot afford schooling for all. In high income countries, however, "differentiated" demand leads to a demand for private schooling, as a sophisticated clientele demands different kinds of schools. By providing demand-side financing and contracting private organizations to provide support services, governments can provide better choices to parents and grant them an opportunity to fully participate in their children’s schooling.

The education market highlights the importance of effective regulatory frameworks and contractual instruments to ensure quality and effective use of public resources.

The main rationale for developing public-private partnerships (PPPs) in education is to maximize the potential for expanding equitable access to schooling and for improving education outcomes, especially for marginalized groups. In this chapter, we show how different types of contracts can help to meet these two objectives in different socioeconomic and political contexts. Specifically, we examine how contracts are used to hold all partners accountable and how contracts are designed to produce measurable improvements in education outcomes or performance. The analysis considers contracting as a distinct instrument from any other education accountability mechanisms.

While governments remain the main financiers of primary and secondary education, a substantial share of education worldwide is now delivered by private agents. To increase access and improve quality in education, many governments are finding effective to separate the financing of education from its provision.

In the most common type of PPP, governments fund existing private schools; in more recent types, governments have contracted with private providers to generate alternatives to traditional forms of public education.

The expansion of private participation in the education systems of both developed and developing countries is increasingly turning them into markets with the potential to increase quality and efficiency. In the following chapter, we discuss examples of public-private partnerships across the world and describe the PPP continuum that depicts the main forms of publicly funded and privately provided education as a tool to help countries identify the appropriate level of engagement with the private sector.

Klijn and Teisman (2003) define PPP as “co-operation between public and private actors with a durable character in which actors develop mutual products and/or services and in which risk, costs, and benefits are shared.” During the past two decades the concept of PPPs has attracted attention world over and has been promoted in several countries.

According to (World Bank, 2007), the total investment in infrastructure projects in developing countries with PPP during the period 1990-2007 has been US$ 1,475 billion with about 4100 projects. In the year 2007 alone, the total project commitments touched US$ 158 billion. PPPs have been in existence in the USA throughout its history and the num-

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ber of such collaborations increased significantly during the past three decades in the USA and Europe (Klijn and Teisman, 2003; Trailer et al., 2004). PPPs have been implemented in sectors like real estate, health, energy, transport, telecommunications and environment (El-Gohary et al., 2006; Jamali, 2004; World Bank, 2007). PPP as an innovative institutional arrangement has gained popularity in recent years particularly in the developing countries, as it reduces the burden on public resources and is seen as a solution to the lack of dynamism of traditional public service delivery initiatives (Grimsey and Lewis, 2002; Jefferies, 2006; Parker and Hartley, 2003; Jamali, 2004).

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