
CHAPTER - III

REVIEW OF LITERATURE AND RESEARCH METHODOLOGY

Research is an academic activity and a systematized effort to gain new knowledge. It is system of principles and methods of procedure in any discipline, such as education, research, diagnosis or treatment. Research Methods are the methods or techniques employed by researchers in conducting research operations. Research Methodology is a scientific and systematic way to solve research problems.

This chapter contains review of literature, statement of the research problem, Significance of the study, Objectives of the study, Hypothesis of the study. A brief explanation of these aspects is given below.

3.1 REVIEW OF LITERATURE

This section presents an overview of works undertaken by academicians and researchers in the field of Private Partnership in Education.

According to Ministry of Finance, Government of India, "PPP is often described as a private investment where 2 parties comprising government as well as a private sector undertaking form a partnership".

According to Commission of UK, "PPP is a risk-sharing relationship based upon an agreed aspiration between the public and private (including voluntary) sectors to bring about a desired public

policy outcome. More often than not, this takes the form of a long-term and flexible relationship, usually underpinned by contract, for the delivery of public funded service.”

According to Canadian Council of PPPs, "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”.

A Paper on Public private partnership in school education by World Bank (2004) says that ‘Public private partnership (PPP) 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 arrangement 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 in a report "Partnering for success" (2005)²⁵ defines the 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 fulfil a specific need that involves shared responsibilities, means, competencies and risks.’

According to Asian Development Bank The term “public–private partnership” describes a range of possible relationships among public and private entities in the context of infrastructure and other services. Other

terms used for this type of activity include private sector participation (PSP) and privatization.

In a guideline book of govt. of Rajasthan (2005), PPP is defined as follows:²⁶

PPP means an arrangement between a government or statutory entity or government owned entity on one side and a private sector entity on the other, for the provision of public assets and/or related services for public benefit, through investments being made by and/or management undertaken by the private sector entity for a specified period of time, where there is a substantial risk sharing with the private sector and the private sector receives performance linked payments that conform (or are benchmarked) to specified, predetermined and measurable performance standards.

Mr. E.S. Savas defines privatisation and public private partnership in his book named (E. S. Savas, *Privatization in the City: Successes, Failures, Lessons* (Washington, DC: CQ Press, 2005), chapter 1) as follows.

“We attempt here to clarify the confusing picture and offer a general definition that captures the broad essence of the practice and leads to various implementation techniques. Fundamentally, privatization is much more than a financial or managerial action; it is a philosophical position concerning the roles and the relationships of society’s private institutions and government. Society’s principal private institutions are the market, voluntary nonprofit associations of all kinds (civil society),

and the family. Privatization is the act of reducing the role of government or increasing the role of the private institutions of society in satisfying people's needs; it means relying more on the private sector and less on government.²⁷

Both the public and private sectors play important roles in privatization, and it is increasingly common to refer to "public-private partnerships," a less contentious term-despite its indistinct boundaries-than "privatization," as noted above. The fundamental, philosophical view of privatization noted above brings forth strong ideological opposition and distracts from privatization as a pragmatic tool to improve government performance and societal functioning."

Rajasthan Education Initiative (2005) an organization setup to implement the projects Private partnership in Rajasthan states about Private partnership in Education- "The REI has emerged as a unique model of public-private partnership in education. Partners from the private sector have brought resources, including technologies, training, knowledge and expertise to meet the specific needs of the students, teachers and schools. At the same time, the REI has engaged with NGOs and Foundations to mobilize, sensitize and involve communities in the educational processes leading to the formation of focussed strategies and self sustainable outcomes."

A research conducted by Geeta Gandhi Kingdon (2005)²⁸ revealed the value of Private partnership in education. In her book (Private and Public Schooling : The Indian Experience- University of Oxford) she

says that “In response to the poor functioning of government run schools across many countries, in recent years there has been advocacy in favour of private public partnerships in education, i.e. publicly funded but privately produced/delivered education. Privately run charter schools are an example of PPP in US education. The main supposed advantage of PPPs is that they are a more flexible way of producing education, since the entity running the school, such as the private management of a school, has considerably more discretion about the running of the school and disciplining staff than is possible in public schools.

An extensive PPP system does operate in India at the junior, secondary and higher levels but not so much at the primary level. This is the system of government grant-in-aid to privately managed schools. Grants to aided schools account for a very substantial proportion of the education budget, for example, about 70% of the higher and 80% of the secondary education budgets in Uttar Pradesh (Muzammil 1989, p179-80). PPPs are the main mode of delivery of secondary and higher education in much of India.”

An article published in newspaper The Hindu by Mr. Jandhyala G.B. Tilak on 24 May 2010 narrated the importance of Public-private partnership (PPP).

He written that “PPP has become a fashionable slogan in new development strategies, particularly over the last couple of decades. It is projected as an innovative idea to tap private resources and to encourage the active participation of the private sector in national development. It is

more forcefully advocated when public resources are projected to be inadequate to meet needs. PPP is already being adopted in several infrastructure development sectors, such as the development of airports, railways, roads, and so on. But, going by media reports, these have mixed outcomes. The policy initiatives are no longer confined to these; they are being extended to human development sectors such as education and health.²⁹

In the case of education, PPP has been proposed as an important strategy in the Eleventh Five Year Plan. Among many things, the Eleventh Plan has proposed the setting up of 6,000 new model schools in secondary education, affiliated to the Central Board of Secondary Education. Of these, 2,500 are to be under the PPP model. The intention is to set up these schools in the backward regions and remote areas where good schooling facilities do not exist, so that quality education is accessible in the backward regions as well.”

Venu Narayan³⁰ wrote an article in the Economic and Political Weekly in February 2010 entitled 'The Private and the Public in School Education'

"The poor quality of the state-run school education system has led to demands that the State should withdraw from schooling, and that the government should only fund private initiatives or let the private sector take over schooling with public-private partnership initiatives. However, proper regulation of private schools and quality-driven reforms in public schools is a better alternative to PPP.

Importance of private partnership is accepted by Govt. report, 2011 “A Note of PPP in Education” says “PPP emerges as a viable alternative to improve access to quality school education while ensuring equity and social justice. Not only can the constraints be overcome, but the quality of education can be significantly enhanced through improvement of accountability structure. There is a perception that the accountability of teachers in private schools is much higher as compared to government schools because of the inherent structure of management. That is why even low income families make their best effort to send children to private schools by paying a much higher fee as compared to government schools which have nominal or no fee.”

According to Scheme for Augmenting School Education through Public Private Partnership. “PPP in school education is essentially an arrangement where the private sector partner participates in the provision of services traditionally provided by the government. It is usually characterized by an agreement between the government and the private sector, with the latter undertaking to deliver an agreed service on the payment of a unitary charge by the government. The need for PPP in school education primarily arises out of the government's commitment to provide world-class education to under-privileged children who cannot afford the tuition fee that a private school would normally charge. While access to quality education for the underprivileged is traditionally expected from government schools, they alone may not be able to fulfil this enormous task. The justification for PPP schools arises primarily from the need to accelerate the expansion of education, supplement

investment and enable different models for improving the quality of education.”

In a book "Non-state Providers and Public Private Partnership in Education for Poor" written by Jouko Sarvi and Clifford Meyers (book published by the UNICEF and ADB, 2011)

One such innovation involves the use of PPPs, under which the public and non-state sectors work together to achieve desirable economic, social and educational goals. Definitions of PPPs vary, as explained in but they generally share several features – a formal relationship between partners, most often in the form of contracts, with defined outcomes for a specific period of time. It does not matter whether the non-state sector partner is profit oriented, philanthropic, faith-based or community-based; but in all PPPs, an element of risk sharing between the public and non-state sectors exists in the arrangement. The public sector defines the scope of business, targets and outputs, and the non-state sector delivers them, based on built-in incentives. PPPs can be distinguished from privatization, with the latter involving a permanent transfer of control from the public sector to the private sector, while the main aim of PPPs is to promote improvements in the financing and provision of services without altering the balance of control of one over the other.

The Government of Rajasthan (A Note on Private sector may 2012) recognizes that the private sector can play a prominent role in infrastructure development. PPP is evidently emerging as the preferred route to leverage private capital as well as to induct private sector. A

closer partnership between the public and private sectors can support sustainable development, reduce poverty, and ultimately foster greater prosperity.

PPP is a viable alternative to public funding, by harnessing private sector efficiencies for infrastructure development which traditionally has been the government domain. Objectives of PPPs in very broad terms can be achieved through privatization, a practice more commonly followed in Latin American economies—with the government selling the assets or its controlling stake in its various development programmes. In emerging Asian economies a common practice has been allowing ‘market access’ to private players to enter into hitherto closed markets³¹. PPP as it is largely understood is a cooperative venture between the public and private sectors in which several options are possible.

Mr. Susan L. Robertson and Antoni Verger (2012)³² stated in their research governing education through public private partnership conducted for The Centre for Globalization, Education and Societies says that To understand the significance of PPPs, and the changing relationship between the public and the private sectors in contemporary education governance, we need to look back to the early 1970s, to the crisis of the post-war capitalist development project (a marriage between economic liberalism and social democracy) (Hobsbawm 1994; Harvey 2005), and the subsequent introduction of free market economics as the dominant means of organising social and political life. Free market ideas had circulated from the 1930s onward, but had not been able to secure a toehold in political and policy circles.

Instead, Keynesian ideas dominated post-war reconstruction efforts, championing state-managed economic and social policies in order to smooth over the cycle of booms and busts that characterized capitalist economies and the need to repair market values. Neo-liberals, in contrast, argued that state-driven Keynesian policy, and its tendency to create state monopolies, ‘crowded out’ the private sector from those areas where competition would generate efficiencies, greater risk taking, and innovation. For neoliberals, the appropriate role for the state was to create and preserve an institutional framework that ensured the conditions for enabling the market to work effectively

PPP in Basic Education-An International Review By Norman Larocque, 2012 (Published by CFBT Education Trust)

PPPs aim to promote improvements in the financing and provision of services from both the public and private sectors but not to increase the role of one over the other. Rather, PPPs are geared toward improvement of existing services provided by both sectors with an emphasis directed on system efficiency, effectiveness, quality, equity and accountability³³.

3.2 PPPs IN EDUCATION

Partnerships between Government and private sector in providing education existed in some countries long before the term PPP became widespread. They reflected each country’s history and political processes. However, the last three decades marked the rise of a different type of PPP – an alternative strategy put forward to address the challenges confronting education systems. This alternative, which started in the industrialised

countries, is being promoted in developing countries by aid agencies as well as international institutions such as the World Bank and OECD¹. It has important implications for the role of the state *vis-à-vis* the private sector as a provider of public services, including education systems.

The terms used in defining PPPs in general are also seen as applying to PPPs in education.

UNISON (2005: 2) contends that PPPs are a major mechanism for introducing the private sector into public services, especially sensitive services like health, prisons and education. PPPs as a form of exogenous privatisation, a term to describe forms of privatisation involving the opening up of public education services to private sector participation on a for-profit basis and using the private sector to design, manage or deliver aspects of public education³⁴ (Ball and Youdell, 2008: 8). The authors contend that the relationships of power within public-private partnerships vary markedly and the language of partnerships is often a 're-labelling' of contractual or out-sourcing arrangements .

A strong supporter of PPPs in education and a consultant to the World Bank, LaRocque (2008) states that these PPPs share a number of characteristics: they are formal in nature, involve the development of a long-term relationship between the partners, are outcome focused, include an element of risk-sharing among the partners and can involve both the voluntary and commercial sectors as private sector partners.

The public sector's role is essentially to define the scope of business; to specify priorities, targets, and outputs; and to set the

performance regime by which the management of the PPP is given incentives to deliver. The essential role and responsibility of the private sector in all PPPs is to deliver the business objectives of the PPP on terms offering value for money to the public sector.

The term ‘partnership’ associated with other terms such as ‘multi-stakeholder’ and ‘public-private’ can be used to mean a pure contractual arrangement, a loose agreement among different parties to work together, a highly structured and governed- set up, or can merely be a term indicating an attitude of reciprocity in development programmes between donors and recipients³⁵ (Draxler, 2008). Moreover, the phenomenon is not static, but changes over time. In the light of this broad and shifting terrain, we have opted to deal with two categories of public-private interaction in education. One is described broadly as “Contractual PPPs”, since there is some form of contractual relationship between government and private providers. The other is described as “Multi Stakeholder Partnerships in Education” (MSPEs).

3.3 WHAT ROLE FOR PPPs IN THE EDUCATION SECTOR

At this stage, debates over the appropriateness of PPPs in the education sector are largely theoretical. Despite a growing number of PPPs in education around the world, rigorous evidence on the impact of these programmes is limited except for vouchers, for which there is more extensive literature³⁶. This is due in part to inherent difficulties in defining what is meant by ‘quality’ education and to the lack of studies carried out using rigorous evaluation techniques³⁷. Regarding interventions such as non-state management, subsidies and non-state

finance initiatives, empirical information is less abundant. Evidence on the Colombian voucher programme indicates it had positive effects on several outcomes over both the short and long terms, including school attendance, years of schooling, repetition rates and standardized test scores. On the other hand, evidence on the national Chilean voucher scheme is mixed and controversial. Voucher programmes in Denmark, the Netherlands and Sweden appear to have increased competition and, in the case of the latter two, have had a positive effect on student achievement. An independent evaluation of the Punjab Education Foundation's Foundation-Assisted Schools programme in Pakistan found that it led to a marked improvement in school administration and management, lower teacher attrition, regular teacher attendance, better learning outcomes and increased teacher salaries and working conditions. More and better evidence is required to assess the potential for PPPs in the education sector.

These arguments provide a useful starting point for considering the potential for introducing education PPPs in any given country context. Rigorous empirical evidence of the impact of PPPs in a developing country context remains inconclusive, but available studies do show promising trends of PPPs and, more importantly, some of the essential elements to implementing successful PPPs, particularly for the benefit of the poor. While there are legitimate concerns about the use of PPPs, some are unlikely to be relevant in practice. Clearly, PPPs – like any other education reform – should not be seen as a panacea for improving education performance in developing countries. A variety of factors, both

internal and external to the education system, will influence the extent to which PPPs (or any other school reform) can deliver successful outcomes for children. Despite this, it seems that PPPs do have some advantages as policy tools and can play a role in broadening access and lifting the quality of education in developing countries.

As discussed in the next section, a range of PPP models can be explored, and the degree of benefits and risks associated with PPPs with respect to equity cannot be generalized for all populations and across different levels of education. The range of PPPs in place across both developed and developing countries

3.4 WHAT IS PRIVATE PARTNERSHIP IN EDUCATION

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. This definition covers several different types of contracts, which may procure different services and vary in complexity. The services include education services (management, maintenance, and support services like transportation); operation services, such as pure management; and infrastructure (in what is often referred to as a private finance initiative). This review of the empirical literature focuses on three types of education services and operations—vouchers, subsidies, and the private management of schools—and private finance initiatives for school construction. Education operations contracts are generally complex. The delivery of education can be measured as the number of students enrolled in any given school, but the number of students attending school does not

in itself mean that the students are learning anything. Observing the inputs associated with these contracts is extremely difficult. Moreover, how much students learn depends heavily on their family background, a factor that the school cannot control. In short, the parameters of these contracts are difficult to establish and usually require long-term commitments. Construction contracts are complex as well. The private provider has to commit to investing over several years, and contracts have to stipulate who owns the infrastructure. These contracts are often build-operate-transfer contracts, which implies an eventual transfer of infrastructure from the private to the public sector. Construction contracts also require a long-term commitment from both partners.

Each type of contract works differently depending on the technical capacity and the rule of law that prevail in a country. Less complex contracts can work more efficiently in low-capacity countries, while more complex contracts require a higher degree of legal and technical development. Contracting as a means of increasing the private sector's role in education can have several benefits over the traditional public delivery of education. These benefits include greater efficiency, increased choice, and wider access to government services, particularly for people who are poorly served by traditional methods. Increased private involvement in education, through contracting or vouchers, has the additional advantages of bringing specialized skills to bear in the operation and management of public schools and of circumventing the inflexible salary scales and work rules that tend to prevail in public sector employment. The final objective of PPPs is to increase the enrolment

rates and improve the education outcomes (such as standardized test scores and dropout rates), particularly of students from low-income families. From the government's point of view, reducing costs alone can be an important objective. Strengths of the four types of contracts analyzed—vouchers, subsidies, private management, and private finance initiatives—with regard to the four main objectives of PPPs: increasing enrolment, improving education outcomes, reducing inequality, and reducing costs.

In terms of enrolment, vouchers and subsidies can in theory deliver very significant positive outcomes as long as there is an adequate private supply of school places. However, these contracts may also reallocate students between public and private schools, and therefore, the net gain in enrolment can be small. Private management and private finance initiatives require partners to make large initial capital investment in the construction of schools, limiting their ability to produce substantial changes in enrolments. Vouchers, subsidies, and private operations, in theory, can have significant effects on education outcomes as discussed further in the next section. In contrast, private finance initiatives can only influence education outcomes to a limited extent because the link between infrastructure inputs and education outcomes is weak: changing only infrastructure—without changing the pedagogic methods and teaching—will have little or no effect on final outcomes. Equity is an important consideration in the design of PPPs. There are those who fear that increased choice will benefit only better off and better-informed families, even if the program is ostensibly targeted to the poor. Better-

informed families, it is argued, know which schools have the best outcomes and facilities and are, therefore, the best option for their children. In other words, school choice may result in students from more privileged homes becoming segregated in the best schools, thereby further improving their own outcomes, while other students are left behind in ever-deteriorating schools.

3.5 RESEARCH PROBLEM

So much has been said and written about public private partnership in last few years, it was natural that it caught attention of the academicians, researchers and practitioners. The academicians and marketers and over the world are talking about private partnership in the Indian Education sector. Hence, it was an obvious topic for investigation in the field of education research. Second important aspect of the present study is education sector. Education sector is the fastest growing sector.

Hence research problem identified is as "Private partnership in education sector: A Study with reference of new challenges". The above challenges envisages all aspects i.e. Public private partnership, its role, significance and challenges in education sector.

3.5.1 Significance of The Study

Private Partnership as a concept and practice is still a newer trend in education. The significance of this research lies in touching this emerging concept. The research will help the researcher to gather knowledge about the concepts of Private Partnership in education . The significance of the study is as follows:

1. It will help in exploring the Indian education sector and to know what efforts are being undertaken to deliver best education service and develop brand loyalties with special reference to education sector.
2. For scholar of education, the present research will help in analyzing the direction and success of the efforts being undertaken by them.
3. The present research is also important for all those interested in similar studies in other industries/sectors.

3.5.2 Objectives of The Research

The main objective of the research is to analyze the role of Public private partnership in Indian education sector. The research aims:-

1. To analyze the role of private partnership in Indian education sector.
2. To determine scope and implementation of private partnership in education sector.
3. To determine better possibilities of PPP in education.
4. To examine the government policies towards the growth of Private partnership in education sector.
5. To analyze effect of Private partnership in education sector.

3.6 HYPOTHESES OF THE STUDY

The main Hypotheses of the study are as follows:

1. Standard of Education is improved after introduction of private partnership in education sector.
2. Expenditure on fee structure is highly increased after introduction of private partnership in education sector.
3. Number of students are highly increased after introduction of private partnership in education sector.

3.6.1 Universe and Sample :

Students of govt. and PPP based colleges constitute the Universe of the research. Since it was not feasible to examine the entire universe, Researcher decided to select a representative sample. The scope of study covers students studying in various colleges situated in Rajasthan.

Sample Size : A sample size of 50 respondents from both the groups i.e. govt colleges and Colleges running under PPP model was consider as sufficient for the purpose of the study as well as for analysis.

3.6.2 Data Collection

The present study is based on both primary & secondary data. Primary data has been collected through questionnaires. The questionnaire contain some statements to which respondents have to report their level of agreement ranging from strongly agree to strongly disagree. Questionnaires have been filled through personal contact with the respondents.³⁸

Secondary data has been compiled from various sources. Sources are both in-house and external.

3.6.3 Tools of Data Analysis

Collected data has been analyzed with the help of Statgraphics software applying several statistical tools, whichever is suitable.

3.6.4 Chi-Square analysis

The chi-square test is an important test amongst the several tests of significance developed by statisticians. Chi-square is a statistical measure used in the context of sampling analysis for comparing a variance to a theoretical Variance. As a non-parametric test, it "Can be used to determine if categorical data shows dependency or the two classifications are independent. It can also be used to make comparisons between theoretical populations and actual data when categories are used". Thus, the chi-square test is applicable in large number of Problems. The test is, in fact, a technique through the use of which it is possible for all researchers to.

1. Test the goodness to fit
2. Test the significance of association between two attributes
3. Test the homogeneity or the significance of population Variance.

Finally data has been presented in the tabulated form as well as by using graphs.

3.7 SCOPE AND LIMITATIONS OF THE STUDY

This research gives a general overview and analysis of the Public-Private Partnerships in Education. Given the increasingly broad use of the

term, the research does not elaborate on private education or outsourcing in the education system. Moreover, issues on privatization of education are beyond the scope of the study although the analyses of PPPs sometimes refer to the trend of privatization of education.

In particular, the research sought to shed light on the following issues:

- Definitions of PPPs;
- An evaluation of international agency and civil society programs and activities involving PPPs;
- An analysis of current trends in public-private interactions now affecting or likely to affect education at all levels;
- The experiences and views of EI member organizations; and a proposals for action by EI and member organizations.

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