# THF Discussion Paper

Discussion Paper Series No. 3/2016

# PUBLIC PRIVATE PARTNERSHIP IN EDUCATION

**Jandhyala B G Tilak**
*National University of Educational Planning and Administration, New Delhi*
*jtilak@nuepa.org*

The HEAD Foundation

**Abstract**
Public-Private Partnership has been the buzzword in policy debates on development strategies. There are many questions that need to be critically examined in this context. What is public-private partnership? How does it work in the case of the education sector? Is it a new model? What are the earlier practices that come close to present models? What are the strengths and weaknesses of the PPP as a development strategy? While examining the implications for educational development, the author presents a critical review of some of the somewhat familiar and some not so familiar arguments. He examines some of the baffling questions, highlighting the possible ramifications of PPP for education development in India, partly drawing from the limited experience of the emerging and prevailing diverse models of PPP in India and abroad.

**Introduction**
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. Though the practice of PPP is not altogether a new phenomenon, it has become popular in the neo-liberal era, assuming high magnitude on the one hand, entering sectors that have had hitherto been reserved for public monopoly, and on the other hand, taking different forms which were until recently unknown. 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. 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. But it is no longer confined to these sectors. It also has entered the sectors which had been areas of public monopoly for several decades, if not centuries. Education is one sector which had been confined to the exclusive jurisdiction of the state for long. But 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.

Recent experience has shown that the role of the private sector[1] in sectors such as education and health has been producing mixed effects, more often negative effects on quality, equity and other dimensions of education, jeopardizing the well established goals of human development. Instead of direct provision by private sector, PPP is depicted as if it is different from privatisation, and as a viable strategy

**This paper is a revised version of the Tenth Moonis Raza Memorial Lecture, delivered at the Centre for Study on Regional Development, Jawaharlal Nehru University, New Delhi, 6 November 2015. An earlier version was also presented as a public lecture in the 39th Social Science Congress of the Indian Academy of Social Sciences 2015 held at the University of Mangalore.*

[1] In this lecture, by private sector, I refer essentially to commercially motivated, profit seeking, non-philanthropic private sector, and by PPP to partnership between public (state) and such a private sector, unless otherwise mentioned.

in this regard that would minimise the adverse effects of private sector movement and strengthen the desirable effects of the role of public sector.

While many claims are made about the potential benefits of the PPP, going by the available empirical evidence, which is not abundant, these seemed to have produced not an unmixed bag of outcomes. But often the negative effects are overlooked and meagre potential -- not necessarily realised -- benefits are exaggerated, and it is being advocated for many more areas of public domain. While some project PPP as a major innovative strategy of development, some (e.g., Robertson and Verger 2012) question the legitimacy of PPP as a tool of governance, and some other critics (e.g., Mark Ginsburg 2012) position PPP as a tool of neoliberal globalisation, which undermines democratic forms of politics.

There are many questions that need to be critically examined in this context. What is public-private partnership? How does it work in the case of the education sector? Is it a new model? What are the earlier practices that come close to this kind of models? What are the strengths and weaknesses of the PPP as a development strategy?

While examining the implications for educational development, it is also necessary to underline at the very outset that the education system in India is more privatised than in many other advanced countries of the world, and the rate of growth of the private sector in education is increasing at an alarming rate. In this lecture, I wish to review some of the somewhat familiar and some not so familiar arguments and ponder over some of the baffling questions, highlighting the possible ramifications of PPP for education development in India, partly drawing from the limited experience from the emerging and prevailing diverse models of PPP in India and abroad.

**What is PPP?**

It seems there is no proper and clear definition of PPP; but various interpretations are available. While there is no clarity on the scope, nature and definition of PPP, based on several modes in practice, PPP can be defined as a contractual relationship between government and private sector for a specific project, with simultaneous involvement of government and private sectors in education, with an understanding to share the costs and benefits and risks and rewards. Under PPP, public sector agencies (central, state, or local) join with private sector entities (companies, foundations, non-governmental organisations, academic institutions or citizens) and enter into a ‘business’ relationship to attain a commonly shared goal that also achieves objectives of the individual partners. Both parties agree to work together in implementing a program, and that each party has a clear role and say in how that implementation happens (Blagescu and Young, 2005).

**How does PPP work?**

There are several models of PPP in vogue in different contexts. Though many have common features, there are also differences between them. According to the widely prevalent models, government may take the initiative and invite the private sector to join the government in its efforts towards education development through a specific project; or private sector may take such an initiative and convince or compel the government to accept a new method of operation in which the private sector and the government jointly deliver a service/activity. In either case, state and private sectors come together on a specific task. Generally various models of PPP involve a formal contract between the government and the private sector to carry on some specific pre-defined activities in education, such as to set up new institutions, and/or to run the institutions, or carry on a particular activity in education – all financed by the state and/or through self-generated resources.

A typical model of PPP implies the private sector providing infrastructure and service delivery; it may also be responsible for designing, financing, building and 'operating'; and it recovers its investment through lump-sum/annualised payments from the governments, and through user charges. Under the typical model, it shares risk with the state.

There are also other models, wherein government invests in infrastructure (or government and private sector share investment costs) and the private sector operates, with government paying recurring costs to the private partner on per student basis; or the private sector provides infrastructure and government runs the institutions, government paying annualised/lump-sum payments to the private sector for capital investment; or private actors build infrastructure and run the institution, government paying for all costs, or government paying for the government-sponsored students only and the private players recovering other costs from other students.

Areas that come under PPP might include almost every aspect of education, including policy making, formulation of plans, evaluation and implementation, ownership, management, funding, running of institutions, academic aspects, special education programmes, like bridge courses, teacher training services, extra academic aspects, examinations, including entrance examinations, support services, hostels, healthcare, transport, maintenance, security, and so on, though policy formulation is normally considered as an exclusive prerogative of the state.

In recent years several hybrid partnerships have also evolved, involving new combinations and permutations of state and non-state sectors engaged in a range of activities in education. Different forms of PPP include public institutions with private financing, private institutions with public funding, public institutions under private management, government setting up institutions and outsourcing their running to private bodies, and private sector setting up institutions and government taking over their management and funding. Most partnerships of the recent period are based on market-oriented logic, while many models prevalent during earlier periods were not so, and they were also not described as PPP models. There is a main difference between the earlier models and the recent ones. The government was interested in PPP, when it proposed, say for example, university-industry collaborations, essentially for academic reasons, to improve the relevance of curriculum, increase employability of graduates etc. Nowadays, the main objective of proposing PPP is to raise private funds and save public resources. The current widespread discourse on university-industry linkages is also found to be rooted in the same neo-liberal ideology (Evans and Packham 2003, p. 7).[2] The private sector was also interested during the earlier periods for philanthropic reasons, purposes of charity and to provide education to the people for national development. On the other hand, private

[2] See also Tasker and Packham (1994).

sector is interested in PPP nowadays essentially to make quick profits, treating education as a business. 'For profit' sector began to enter into education in a big way either formally as 'for-profit' entities or in the garb of trusts and foundations. Philanthropy has almost vanished in many societies.

Among the earlier models, the government-aided private school system, for instance, in India can be described as a model of PPP. This model involved setting up of a school/college by a private non-profit seeking organisation – trust or voluntary organisation and in a few cases business entity, with its own funds and running the school by the same body for a minimum number of years before it becomes eligible for government aid for recurring expenditure -- essentially, but not exclusively salary expenditure of the staff. These institutions are subject to government regulation; they are to follow most of the government rules and regulations in terms of admissions, fees, scholarships, other incentives and subsidies, recruitment of staff, salary structure, etc. In effect, they are considered as no different from public institutions, but for the management of the institution by the private sector. These schools were often funded by the government up to 95 per cent of the recurring and sometimes also a part of non-recurring expenditure. Because of some of the malpractices indulged in by school management, many of them were taken over by the government, or the staff directly paid its salaries by the government. But this has been a very prominent model in many countries both at school level and in higher education. For example, private non-profit schools in Netherlands where government pays all costs of these private schools, or charter schools in USA, which are private schools, operate under contract with government and are publicly funded on per student basis, come close to the aided schools in India. While the charter schools and the non-profit schools in Netherlands are described as belonging to PPP models, the aided schools in India and in many other countries are not.

In fact, other private schools may also come under this category of PPP, as these schools, which do not receive direct financial support from the state, do nevertheless receive indirect subsidies in the form of land at concessional prices and tax concessions on other activities. They are also, of course, not described as models of PPP.

One of the popular schemes that is described as a typical PPP model refers to the voucher system, according to which the state issues vouchers to the students which are used by the students to pay for fees and other items in private (or in government) schools. Some experiments of this kind are already being made in some states in India. For example, with the help of the Centre for Civil Society, New Delhi, a scheme of school vouchers has been implemented in Uttarakhand, Rajasthan, Uttar Pradesh and Delhi.[3] Fee reimbursement schemes introduced in higher education in a few states like Andhra Pradesh, and Maharashtra in recent past also belong to the same category. Vouchers and similar ones are vehemently argued in favour on the grounds of serving the poor and increasing competition and thereby efficiency (Kartik Muralidharan, 2006).

Human capital contracts under which the education of selected students is financed by corporate sector under a contract that once graduated, they work for the

---

[3] The Centre for Civil Society has also launched a 'school choice campaign,' which uses vouchers as an instrument to bring reforms in school education. See www. CCS.in.

given corporate sector, and many models of mixed financing of education would qualify to be regarded as various models of PPP.

**Why PPP?**

The advocates of PPP advance three kinds of arguments. One, as the government does not have money, it is necessary to opt for PPP. It is claimed that PPP will ease financial constraints, as the private sector makes huge investments on its own under PPP. As the private and public sectors complement each other, it is claimed, the total resource base will increase. The PPP is projected as a major strategy to tap untapped private financial and human resources, including specialized skills that may not be available in government and to encourage active participation of the private sector in national development. With the increased resource base, there will be improved access to education and improvement in quality of education. In the absence of PPP, with limited public resources, education system might severely suffer. Under such circumstances, PPP is viewed as a major, if the not the only, option for education development. As Pritha Gopalan (2013) observed, paradoxically, public education, which is an essential service, to remain public "needs partners outside the government to keep it up-to-date, efficient, transparent and engaging."

Secondly, PPP is advocated to overcome the weaknesses of the public system: it is claimed that the public system is inefficient; it is rigid and inflexible; it does not respond to market needs; it is not autonomous and so on. On the other hand, it is argued that PPP will provide flexibility in relaxing restrictions associated with the public sector, such as in the salary structure, recruitment policies, fees and resource mobilization and management and development rules (e.g., civil works). It promptly responds to changing market signals in academic and other aspects; it even promotes innovativeness; and increases transparency. It is considered as a model that embraces market-based 'efficient' solutions and logics with state sector, and is free of the rigidities associated with state sector.

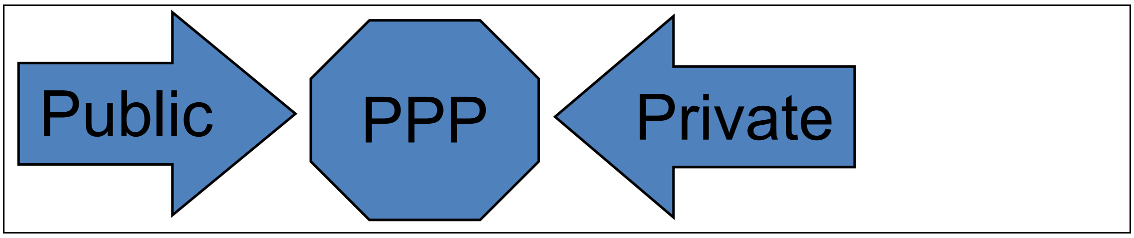
Thirdly, it is argued that PPP increases competition, brings in efficiency associated with the private sector, improves accountability, reduces costs, improves cost-effectiveness, and thereby reduces prices or fees in education. For example, the Planning Commission (2008) argued that private finance initiative and public private partnership in "designing, developing, financing and operation is critical not only for meeting wide resource gaps but also for bringing about internal and external resource-use efficiency, improvement in quality service delivery and promotion of excellence."

Further, the proponents of PPP assume that under PPP private partners will be philanthropic, with no commercial motives; or even if they are profit-motivated, it is ok. What is wrong with profit? -- they would ask. Secondly, public bodies will be able to effectively regulate the private actors to play a positive role in the development of education for national progress; or both public and private players will be self-regulatory and that there is no need for regulation at all by any outside body or the government. Thirdly, it is assumed that PPP will improve, at least will not worsen, inequalities in education. Fourthly, it is argued that PPP will allow allocation of scarce public resources exclusively for the benefit of the poor, and the private efforts will take care of the interests of the rich; and thus under PPP both the rich and the poor will be taken care. Lastly, it is also assumed that the government will be able to protect and nurture the public good nature of education and/or the private players themselves will be interested in ensuring the public good character of education.

It is also assured by the government, to silence the critics that the major responsibility of providing education finally rests with the government, that the government continues to remain accountable to the people for educating its citizens. Governments further assure the people that PPP does not mean lesser provisioning of government resources; it does not mean abdication of government responsibility; it is not a transfer of responsibility; it is certainly not privatization of the sector; but is a tool for augmenting the public resource base (Venkatraman and Bjorkman 2004).

PPP is projected as a model which imbibes in it the best features of both – the state and the private sector models and each controlling for the weaknesses of the other. It is considered as the best middle path. (Figure 1). Under PPP government will be free from certain functions and can focus on functions where it has a comparative advantage, and so will the private actors.

**Figure 1. PPP as a Middle Path**




Thus it is argued that the PPP provides for a middle path, and that the middle path is not only necessary but also desirable.

**Are the claims and assumptions right?**

*Can PPP be an unmixed bag of advantages?*

First, will the resource base increase under PPP? It is argued that public and private sources will complement each other, enriching the total resource base of education. But it is quite likely that instead of their being mutually complementary, they may substitute each other and the total resource base may shrink, as public funds may decline. After all, the government resorts to PPP due to lack of resources; and the private players under PPP or otherwise primarily aim at cornering the public resources and maximize returns from the limited investments they make. With public resources not increasing and with limited private resources, the total resources available for education might decline, thereby reducing overall access to education.

Second, will PPP be bereft of the weaknesses of public and private systems? While some of the weaknesses associated with public systems may get eliminated, it is quite possible that the weaknesses associated with the private sector will prevail. For example, in the name of reducing rigidity and increasing flexibility, many of the well-established and widely cherished social obligations may be sacrificed, whether it is, for instance, reservations in admissions or recruitments, or scholarships etc., or the nature and type of academic programmes to be offered. Business culture may invade the universities and significantly alter the structure, function and values of higher education. Further, it is widely noted that private involvement in higher education has caused serious distortions in research priorities and research findings, raising questions on integrity and credibility of researchers, as in case of many universities in USA (Derek Bok, 2004). In the universities the nature of research and knowledge generation undergoes dramatic changes. The system may become less accountable to public authorities and other democratic institutions and more to corporate bodies. In order to improve managerial and financial efficiency, which are important considerations of private players, core academic aspects may be forced to go into oblivion.

Thirdly, it is claimed that PPP will increase competition between public and private actors and improve efficiency. But as many have found, public-private partnership in general and in education in particular, is an incompatible partnership, as the two players are not only unequal in power -- all PPP models are 'corporate contracts' or "business deals" between the weak state and the strong private sector (Katarina Tomasveski 2006). The strong partner often overpowering the weaker partner, but also the objectives and interests of state and private players widely differ, as described in Table 1. While there are several aspects on which they significantly diverge, most importantly, the state perceives education as a public good with a social purpose, while private players look at it as an instrument for individual gain.

**Table 1. PPP an Incompatible Partnership: Conflicting Interests of the Public and Private Players in Education**

| | *State/Public* | *Market/Private* |
|---|---|---|
| Nature & purpose of education | Social good | Individual gain |
| Motivation | Service | Profit |
| Main Concern | Knowledge | Skills |
| Area of interests | Generic | Specific |
| Duration of interest | Long term | Short term |
| Team effort | Rarely | Always |
| Research | Publish/public good | Strict confidential/private good |
| Time Schedule | Flexible | Rigid |
| Nature of Universities | Diversity | Uniformity |
| Relevance | Society | Market |

Source: drawn from Tilak (2006).

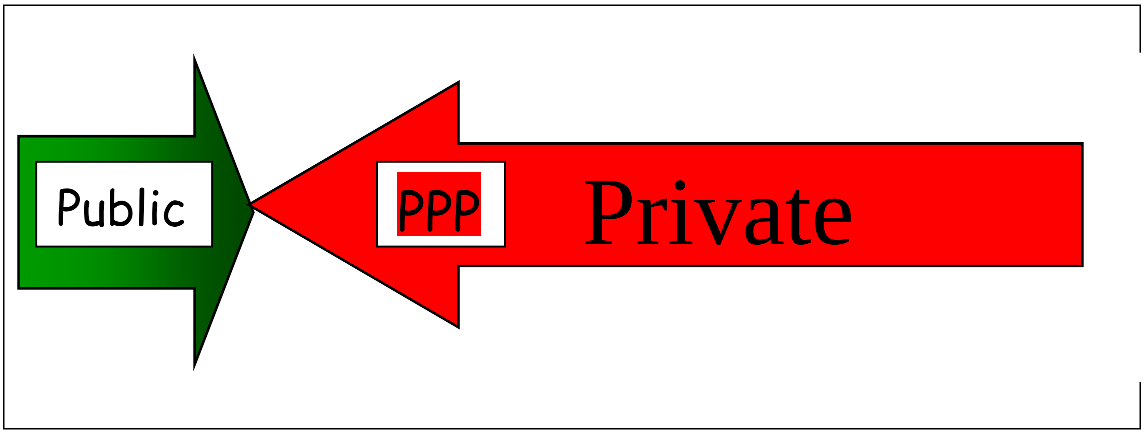
Fourth, a major criticism of the involvement of the private sector in any form, including in the form of PPP is that it might widen inequalities in education between different strata of the society. In particular the involvement of non-philanthropic private players is found to have increased inequalities in education in many societies. This is more so in developing countries like India where regulatory mechanisms are weak, if not altogether absent.

PPP envisages a drastic change in the role of the government -- from that of a policymaker, planner, provider, and financier to that of an enabler/facilitator, so that the market can flourish. The very understanding of the role of the state undergoes a drastic change and the traditional role of the state is contested. As Gerrard (2015, p. 857) noted, "neoliberalism has dramatically changed the practice and understanding of the public, as markets and private interests are brought in partnership with the state in the provision of education." The state's overall responsibility gets transformed into divisible, specific bits of tasks, many, if not all, of which can be transferred to the private partners or outsourced. Overall, confusion prevails on the roles of different players. Often in public private partnerships it is unclear as to whom the partnerships are accountable to, according to what criteria and who sets the priorities. The issue of long-term sustainability is also often ignored in PPPs.

Most importantly, the PPP models do not feel the need to view education, a complex social good, a public good and a social merit want, as distinct from production of normal commercial goods and infrastructure. It is widely felt that as a result, PPP adversely influences the publicness of education and the social and political goals of a society.

PPP then may lead to gradual or rapid shrinking of the state sector and an expansion of private sector which may grow at such a level that the 'middle path' may not remain as a middle path, but as a path dominated by private sector, a sector which may eventually emerge as the sole player in education displacing public sector altogether, as shown in Figure 2.

**Figure2: Where will be Public and PPP?**




In other words, public-private partnerships often end in favour of privatisation of education, contributing to privatisation of education and diminution of the role of the government. In fact, no sustainable middle path exists. It is widely argued that privatization and commercialization of education takes place, with a difference under PPP, the difference being privatisation and commercialisation with public funds. It is also argued that governments use the term PPP as a 'language game' to conceal their questionable strategies of privatisation.

Basically for a sound PPP model to work, the pre-requisites are: a *relative sense of equality* between the two partners; *mutual commitment to agreed objectives*; and *mutual benefit* for the stakeholders involved in the partnership (Venkatraman and Bjorkman 2004). In the power relationships, both partners need to be equally strong, so that they are able to eliminate the negative influence of each other and share a common vision and purpose of development. As the governments and private sector are quite unequal in their power structures, PPP can lead, as Alexandra Draxler (2012) shows, to distortion in national priorities, increase in costs, promotion of unhealthy competition, and privatisation of public goods. In this sense, PPP is not simply a 'governance arrangement' as some scholars tend to argue. It is not simply a value-neutral method of development, but as Krishna Kumar (2008) observed, it is "not an idea, but rather an ideology which promotes privatisation" as a means of reducing the government's responsibility to education.

Now, a quick look at a few experiments and proposals.

**Experiments in Other Countries**

There are quite a few experiments being conducted under the broad umbrella of PPP in several countries (see World Bank 2009), starting with the *charter schools* in USA, which are publicly funded (on per student basis – below pubic average unit cost) private schools. Capital costs are not financed by the state. These schools, governed by a group or organization under contract with government, are also exempted from government regulations; and they are open to all students. *Contract schools* in some Latin America countries belong to another category. They are public schools but are privately managed. They are also funded by the state on a per student basis (below pubic average unit cost), but private management enjoys freedom in running the schools including hiring (and firing) teachers. There are also *concession schools* in Latin America, which are owned by non-government organizations, who also hire, train and supervise teachers. Government pays salaries and maintenance expenditure to the schools but costs of land, construction and maintenance are paid by community, foundations or private sector. Similarly in Netherlands, some private schools exist, run by private non-profit bodes, whose all costs are borne by the government. In Canada there are a few schools, built by the government, and are leased to private sector for 10-20 years to run the institutions. There is yet another category of schools in Canada which are financed, built and maintained by private sector; they are taken by government on lease on rent for 20 years with an option to buy at predetermined prices. In some Australian schools, core activities are the responsibility of the state, while construction, maintenance, cleaning, repairs, etc., are the responsibility of the private sector but financed by the government. Like the 25 per cent seats in private schools in India under the *Right to Education Act*, in Philippines government purchases student places in private schools for poor children. 'Alternative' education provided by private providers in New Zealand is fully financed by the government. There are also schools in UK which are 'sponsored' by individuals, public or private business organizations, or religious bodies or NGOs, which provide 10 per cent of the capital costs. The government provides the remaining 90 per cent, in addition to the operating costs. These schools enjoy considerable freedom in hiring teachers, fixing pay and working conditions etc. But quality and performance of these schools is monitored by the government. In yet another model in UK, schools are designed, built, and maintained by the private sector but all expenses are paid by the government, under a 30-year contract with the government, while teaching activities remain under the public sector. The voucher scheme in Chile is one famous model of PPP often quoted, according to which families choose a school – public or private, and the chosen school receives government payment, based on per-student subsidy (multiplied by number of pupils attending – average monthly attendance). Schools do not charge any tuition. Schools also hire teachers with tenure or under contracts through competitive, public recruitment system with wage floors. The fee reimbursement scheme in some states in India is somewhat similar.

***PPP in Education in India***

PPP was proposed as an important strategy in the eleventh five-year plan for the development of Indian education. A clear distinct model was worked out in the case of secondary education. Among many, the eleventh plan proposed the setting up of 6,000 new *model* schools in secondary education, affiliated to the Central Board of Secondary Education, of which 2,500 schools were to be set up under the PPP model.[4] The stated intention is to set up these schools in the backward regions and remote areas where no good schooling facilities exist, so that good quality education is accessible in the backward regions as well. According to the model finalised by the Planning Commission, in consultation with private sector, these schools, which will have the best infrastructure available in the best private schools in the country, will have a capacity to educate 65 lakh students, of whom 25 lakh will be from the deprived strata of the society. Each school will have about 2,500 students, 1,000 of whom will be from deprived sections of the society, who will be charged a token fee. Fifty per cent of these 1,000 students will be from the socially backward sections of society -- the scheduled castes, scheduled tribes and other backward castes. These students will be required to pay a monthly fee of Rs. 25 per head. The remaining 50 per cent of the children, who will be from other deprived sections of the society – non-income tax paying families, will be required to pay a fee of Rs. 50 per month per head. The remaining costs of these students, estimated to be Rs. 1,000-1,200 per head per month will be reimbursed by the union government to the schools. It is estimated that the government will have to pay Rs. 10,500 crore until 2017, which is most likely to go up with escalating prices in general and increasing costs of education, in particular. Over and above this, the schools get access to relevant funds from of the union and state governments under different schemes and projects. The schools would be free to admit any one for the remaining 1,500 admissions and

---

[4] Corporate companies with a net a worth of Rs. 25 lakh were declared eligible to set up the schools under this model and each entity has to deposit Rs. 50 lakh with the government for the first school it proposes to set up and Rs. 25 lakh per additional school. Each one can set up as many as 25 schools. Non-profit companies with prior experience in education need to deposit Rs. 25 lakh for each school.

charge any amount of fee. However, the scheme did not take off, as it was not found to be attractive to the private sectors.

There was another earlier proposal with respect to higher technical education, though it was not formally described as a model of PPP. A committee constituted by the All-India Council for Technical Education (AICTE 1994) proposed the setting up an Educational Development Bank of India to float loans to students and private institutions. The Bank was to be setup in what can be called a PPP mode, with a corpus fund of Rs. 3,000 crore, with contributions from the central and state governments and private sector. While many other suggestions were implemented, this could not progress, as the private sector was not ready to make the required contribution to the corpus fund (see Tilak 1999)

More recently, a similar proposal was made in the case of skill development. The National Skill Development Corporation (NSDC) was formed in 2008. The goal of the skill development initiative is to skill 500 million youth by 2022. To accomplish this, it is envisaged to set up 150 new Industrial Training Institutes and 5,000 new skill development centres. The NSDC is to be funded by a specially created National Skill Development Fund (NSDF). The NSDF was meant to provide finances to private sector partners, to set up infrastructure and run the skill development programmes. The Fund was meant to be a repository of funds pooled from the government 's budgetary grants, international agencies and quite importantly the private sector. But the private sector, which welcomed the formation of the Fund as an ideal model of public-private partnership, has contributed practically nothing to the Fund, despite having much control over the NSDC. According to the reports of the Comptroller and Auditor General (CAG), as high as 99.78 per cent of the funds of the Fund have come during 2008-14 from the tax payers' money only.[5] Though the Government was the single largest shareholder in NSDC and was the sole contributor in NSDC's finances, its role in decision-making had been limited due to its minority representation on the board of directors of NSDC. Further, 83 per cent of the partners have defaulted on loan repayment. The NSDC, which was originally constituted as a public limited company under Section 25 of the Company Act 1956, has been changed to a private limited company in 2011. A typical PPP which is financed by the state, but the state has no say at all, and which benefits exclusively or disproportionately the private partners!

### What do we learn from these experiments?

A few points emerge clearly from the several experiments being conducted in other countries. First, they are of a very limited scale, i.e., only a tiny small part of the school system belongs to PPP model; a sizeable part of the system continues to be public.[6] Second, in almost all cases government meets nearly the whole costs – capital and maintenance as well, either as lump sum payments or deferred over a period. So under various models of PPP a massive transfer of resources from the public exchequer to private schools takes place. There is little or no savings to the

[5] http://www.saiindia.gov.in/english/home/public/In%20_Media/ 45of2015.pdf.

[6] In contrast, in India we expected 88 per cent of resource gap in higher education in the eleventh plan to be filled with PPP.

public exchequer.  Third, the private sector's own financial contribution is extremely limited. But in a good number of cases they enjoy a high degree of autonomy, and are free from government regulations. Consequently questionable practices may creep in, and the systems of checks are slowly withdrawn. Fourth, many of these models allow the so-called non-profit institutions to make profits; they promote profit seeking in education. Fifth, there is very limited robust evidence on the effectiveness of these various models. In some cases, plenty of evidence on negative effects is available. At best some limited gains can be expected from PPP. In contrast, there is robust evidence on significant positive effects of strong public education systems.

As I summarized in a short article in the *Hindu* (Tilak 2010), some of these above aspects emerge clearly from the proposed model of PPP in secondary schools in India too: (a) the model involves a massive transfer of resources from the government exchequer to private schools; (b) the schools have unlimited freedom in all aspects of governance, including specifically fees to be charged from the 1,500 students. With no control on fees at least for the 1,500 students, the model allows the so-called non-profit institutions to work for and actually make profits; and (c) the government has little control over these schools except for insisting on admission of 1,000 students from deprived sections and the fee they will be charged. As a result of the above, the model, which claims to be not meaning privatization, and not allowing the phenomenon of profit to enter into education, actually means the opposite: it means privatization and in practice a high degree of commercialisation of education.

Further, the experience of India also shows that PPP does not work in education. None of the three proposals that are described above could either be implemented, or worked in any satisfactory way.

To conclude, traditionally, education has been the state monopoly, as it is considered as a public good, producing a huge set of externalities, and a social merit good. One of its most important functions is to promote equity in the society and contribute to nation building. In addition, market imperfections, and information asymmetry justify it to be under state monopoly. Education is also considered not for profit and not a business. State legislations in many countries still maintain such a position, though the profit seeking private sector is emerging in education in a big way. Private education or PPP will go against the traditional and well-cherished understanding on the nature and responsibilities of education. In my view, the most serious loss associated with private education that is not based up on philanthropic considerations or PPP involving a partnership with non-philanthropic, commercially motivated private players in education. Rather, it is the gradual to speedy loss of public education, and public good nature of education, which will be detrimental to the development of a humane society. After all, "public education is the foundation of the prosperity of the nation" (Antonio Garcia Cubes, 1893).

**Note**

Foundation. No part of the article may be cited without permission from the author(s).

***References***

AICTE (All India Council for Technical Education). 1994. *Report of the High-Power Committee for Mobilisation of Additional Resources for Technical Education* (Swaminadhan Committee Report). All-India Council for Technical Education, New Delhi.

Blagescu, Monica and John Young. 2005. Partnerships and Accountability: Current Thinking and Approaches among Agencies Supporting Civil Society Organisations. London: Overseas Development Institute.

Bok, Derek. 2004. *Universities in the Market Place: The Commercialization of Higher Education.* Princeton University Press.

Cubes, Antonio Garcia. 1893. *Mexico: Its Trade, Industries and Resources. (quoted in* Fuller, Bruce et al. 1986. When Does Education Boost Economic Growth? School Expansion and School Quality in Mexico, *Sociology of Education 59 (3) (July): 167-81.*

Draxler, Alexandra. 2012. International PPPs in Education: New Potential or Privatizing Pubic Good. In *Public Private Partnerships in Education (S.L. Robertson et., eds.),* Cheltenham: Edward Elgar, pp. 43-62

Evans, G.R., and D. E. Packham. 2003. Ethical Issues at the University-Industry Interface: A Way Forward? *Science and Engineering Ethics* 9 (1) (January): 3-16.

Gerrard, Jessica. 2015. Public Education in Neoliberal Times: Memory and Desire*, Journal of Education Policy* 30 (6): 855-68.

Ginsburg, Mark. 2012. Public Private Partnerships, Neoliberal Globalisation and Democratization. In *Public Private Partnerships in Education (S.L. Robertson et., eds.),* Cheltenham: Edward Elgar, pp. 63-78

Gopalan, Pritha. 2013. *PPP Paradox.* New Delhi: Sage.

Kumar, Krishna. 2008. Partners in Education, *Economic and Political Weekly* 43 (3) *(*January 19): 8-11

Muralidharan, Kartik. 2006. Public-Private Partnerships for Universal Quality Education, *Seminar.* No. 565 (September): 15 Available from: http://www.india-seminar.com/2006/565/565_karthik_muralidharan. htm

Planning Commission. 2008. Draft Consultation Paper on Public-Private Partnership (PPP) in Higher & Technical Education. New Delhi: Planning Commission.

Robertson, S.L., and Antoni Verger 2012. Governing Education through Public Private Partnerships. In *Public Private Partnerships in Education (S.L. Robertson et., eds.),* Cheltenham: Edward Elgar, pp. 21-42

Robertson, Susan L., Karen Mundy, Antoni Verger and Francine Menashy, eds. 2012. *Public Private Partnerships in Education*. Cheltenham: Edward Elgar.

Takser, Mary and David Packham. 1994. Changing Cultures: Government Interventions in Higher Education 1987-93, *British Journal of Educational Studies* 42(2): 150-62.

Tilak, Jandhyala B G. 1999. Financing Technical Higher Education in India, in *Institutional Building* (eds. S. Misra & P.G.V. Chand). New Delhi: McGraw Hill, pp. 101-31.

Tilak, Jandhyala B G. 2006. Higher Education between the State and the Market. In *Knowledge, Power and Dissent: Critical Perspectives on Higher Education and Research in Knowledge Society* (ed.: Guy Neave), Paris: UNESCO, 2006, pp. 235-54.

Tilak, Jandhyala BG. 2010. Public-Private Partnership in Education, *The Hindu,* (May 25). Available online at: ww.thehindu.com/2010/05/25/stories/2010052551031200.htm

Tomasveski, Katarina. 2006. *The State of the Right to Education Worldwide Free or Fee: 2006 Global Report*. Copenhagen.

Venkatraman, A., and James Warner Björkman. 2004. Public-Private Partnerships in the Provision of Health Care Services to the Poor. Indo-Dutch Programme for Alternatives in Development, Research Report. Delhi: Faculty of Management Studies, University of Delhi.

World Bank. 2009. *The Role and Impact of Public-Private Partnerships in Education*. Washington DC.