

## **A Review of Public Private Infrastructure Development in Punjab**

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**Abstract:** The research focused on the exploration of the diverse streams of literature associated with PPP projects in context of developing economy like India. The “stakeholders” have been recognized as one core aspect, “user’s convenience” and “employee’ sense of satisfaction” as other relative aspects. The paper explores the literature on the three aspects of PPP experiment in India and culminates with a note for future research.

**Key Words:** PPP, Infrastructure, Punjab, India, Stakeholders

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### **1. Introduction**

The “academic discourses” on “public and private” partnerships in “infrastructure development” often involve the issues of “stakeholder’s concerns”, user’s perceptions and “employee satisfaction” as two different ideologies work together. Multi party (private builders, developers, employees and users) work arrangements in infrastructure development owe a history of conflict and anxieties across the existing literature. The essence of private sector involvement rises as there is evident lack of public capacity to undertake leadership in building and provision of effective and efficient infrastructure is evident in India. Developing economies are reportedly facing the challenge of economic and civilian infrastructure for meeting the needs of growing economy. The current research hence explores the literature on the three distinct aspects: stakeholders, consumers or users and employee’s perspectives in PPP projects in perspective of Punjab. The paper is divided into seven sections. The first section is related with the introduction of the topic. The second section comprises of need for PPP, followed by third section comprises

of PPP in education. The fourth section describes the role of PPP in transport. The fifth and sixth sections highlight the employee perspective of PPP and stakeholder perspective of PPP respectively. The seventh section of the paper is related with the conclusion of the study.

## **2. Need for PPP**

Connectivity, education, transportation, healthcare and social sectors poses grave problems in terms of insufficiency of infrastructure and shrinking abilities of governments and public budgets to meet the ever burgeoning needs of economy and society. The “infrastructure” essentially acts as the basis on which economic flows and activities are conducted. The core infrastructure sectors like the power, telecom, roads and energy as well as social infrastructure goods like education and healthcare act as the basis for growth and survival of economy. The public private partnership approach to infrastructure development (UNESCAP, 2011) is not a novel concept yet leverages the strengths of two different types of approaches to infrastructure development. Developing economies are reportedly facing the challenge of economic and civilian infrastructure for meeting the needs of growing economy. The evident lack of competence and expertise of government bodies (AHMAD, Bhattacharya, 2014) with regard to timely construction and operationalization of economic and social infrastructure in India is emerging more as a problem. Public private partnerships have traditionally been viewed as involving the arrangements (MINASSIAN, 2004) where the private sector supplies the infrastructure assets, capacities, services and abilities that are usually made available by the government bodies. As per IMF studies, the public private partnership essentially involves the dual working for provision of essential economic goods and services. As per a research study published in RBI Occasional Papers (LAKSHMANAN, 2008), PPP were interpreted as an arrangement that seems to exist amidst the state authority and the private entity that is aimed at designing, constructing and operating and financing a select provision of public good with private participation.

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The existing research (PATIBANDHA, 2018) on PPP phenomenon in civil infrastructure design and development emphasizes the convergence of multiple theoretical frameworks: transaction cost economics, information asymmetry, contractual laws; in explaining the derived economic efficiency with leverage of public private partnerships. A cluster of global research (AHMAD, Bhattacharya, 2014) on public private partnerships in infrastructure development; underlines the

evolving role of perceptions of transaction cost derived economics, uneven access to information and resource dependencies as guiding the decision making amongst the stakeholders. A recent research(ANGELIS, 2014) explored the relationship between improvements in quality vis a vis introduction of public private arrangements and observed the incidence of substantial improvements(MURALIDHARAN, 2006) in coverage, affiliations as well as acceptance along with marked improvement in skill levels of the incumbent students.

### **3. PPP in education**

Another research (LUTHRA, Mahajan, 2013) explored the role and prospects for betterment of education delivery in pre and post PPP phase. Another World Bank report (PATRINOS, 2009) highlights the different funding models that are being adopted across developed and developing economies (THIPPERUDRAPPA, 2017) for fostering public and private institutional relationships. A host of studies (MINASSIAN, 2004) underline the role of public private partnerships as instrumental to the delivery of education and knowledge services in distributed economy. The studies (LUTHRA, Mahajan, 2013) further point toward the role of partial or phased “outsourcing”; as a way out to secure private sector participation in achievement of millennium development goals. The public private participation in education (RASHID, 2010) has been observed as instrumental in shaping the education parameters and enhancement of vocational skills development. The public private partnerships (FICCI, 2019) have been observed as skilling India not a killing the spirit of education and education based reach. As per the report of working group on private sector participation, the Indian higher education sector involves multiple dimensions that need to be addressed effectively to encourage tangible gains. The higher education in India (SHILJI, 2014) is reported to be in a pathetic state and public funding alone is insufficient to bring sea change in delivery, quality and coverage. A study (GUPTA, Singh, 2018) reviewed the problem as involving the aspects of coordination among multiple stakeholders and diversity of influences that have to be managed and woven into seamless fashion. A recent research (ANGELIS, 2014) explored the relationship between improvements in quality vis a vis introduction of public private arrangements and observed the incidence of substantial improvements in coverage, affiliations as well as acceptance along with marked improvement in skill levels of the incumbent students. Another World Bank

report(PATRINOS, 2009) highlights the different funding models that are being adopted across developed and developing economies for fostering public and private institutional relationships.

#### **4. PPP in transport**

The public private partnership approach to transport sector infrastructure development (UNESCAP, 2011) is not a new concept yet explores the intricacies of the existing loopholes. The research has time and again examined the weakness and the strengths of two different types of approaches to infrastructure development in transport, physical connectivity and bus terminals as well as road infrastructure development. The case (PATIBANDHA, 2018) of developing economies as consistently facing the challenge of economic infrastructure insufficiency; figures prominently across India centric studies. The studies point that time is ripe for meeting the needs of growing economy by encouraging private partnerships in transportation. The World Bank (MINASSIAN, 2004) research further identified a host of functional areas where the PPP arrangements and contracts have been observed to be satisfactory in performance and outcomes. The study by World Bank (UNESCAP, 2011) further illustrated the management, professional and tertiary support as vital towards sustenance and survival of education quality and acceptance. The research is eminent in pre and post challenges with regard to private sector involvement in the infrastructure development in India. The perspective of “information asymmetry” entails the lack of efficient access to vital decision making information across the participating stakeholders in the process. Developing economies are reportedly facing the challenge of economic and civilian infrastructure for meeting the needs of growing economy.

#### **5. Employee perspective of PPP**

PPP arrangements have been observed to bring together contrasting mindsets across public and private sectors. Employee based perceptions of job satisfaction (GUPTA, Singh, 2018) have been observed to suffer in case of such private public partnerships. The employee based notions of satisfaction has been dismal and have been observed to be subject to values that are being promoted across the organizational cultures. A study on differences in work motivations(BUELENS, Broeck, 2007) in public and private organizations revealed that mindset based differences eventually prevail and the private sector employees were observed to be more satisfied than the ones in public sector enterprises. In similar prospect, a contrast study across

public and private sector employees (PETERS, 2010) revealed the incidence of contrasting differences as guiding sense making and overall perceptions of work place. The research literature often underlines the differences in motivational bases (PERRY, Wise, 2015) across public and private sector employees. The focus of management (MOYNIHAN, 2006) for results in public and private employers is strikingly different (WAL, 2008).

## **6. Stakeholder perspective of PPP**

A study on managerial choices across stakeholder (KLINJN, 2008) observed that the stakeholders in PPP based projects are especially concerned about the strategic completion orientation, interaction with involved parties, skillfulness of the associated coordinators, process dynamics (GUPTA, Singh, 2018) and management style. The study (Klinjn, 2008) across Netherlands based managers revealed the prevalence of stringent stakeholder concerns with regard to timely completion of the project and financing aspects. Another research on the stakeholder's perspectives (KYEI, Chan, 2017) explored the critical success factors that could identify the successful completion and resource lag management. The sustainability of process (GAN, Xiong, 2015) has always been doubted by the stakeholders. The stakeholders (CHOI, Chung, 2010) seem to be most worried with regard to risk perception assessment and risk mitigation. Despite the plethora of research on success indicators (MASEKO, 2014), the applicability of same across Indian perspective has always remained under doubt. The public private participation in education (RASHID, 2010) has been observed as instrumental in shaping the legal conceptual frameworks and enhancement of coordination amongst multiple stakeholders.

## **7. Conclusion**

The research concludes that the PPP projects face numerous challenges in terms of financing and execution as well as coordination. The PPP faces challenges on account of coordination among the multiple stakeholders, commuter's convenience as well as employee based satisfaction issues and problems. The coordination mechanisms are negligible and non-operational and cross stakeholder problem will always remain vis a vis PPP experiment in Punjab.

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