



AFRICAN JOURNAL OF SCIENCE, TECHNOLOGY AND SOCIAL SCIENCES

Journal website: https://journals.must.ac.ke



A Publication of Meru University of Science and Technology

# Utilization of Public-Private Partnerships in Schools: Experiences From Tigania West sub-county, Kenya.

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ARTICLE INFO

#### **KEY WORDS**

public-private partnership Annuity Payment Private Finance Initiative

This is a preliminary study on public-private partnerships in public secondary schools in Tigania west Sub-county. The Objective of the study was to Investigate the models of public private partnership available in public secondary schools in Tigania West sub-county. The study was conducted in 46 public secondary schools between September and December 2021. The main data collection instruments comprised observation checklist and Interview schedules .School managers, KEPSA and Ministry of Education officials provided interviews.Key findings include low levels of PPP intake in schools,poor performance in examinations, dilapidated infrastructure, underutilization of certain facilities, lack of initiativeness by school managers and lack of policy guide from MOE on implementation of PPPs in schools. Key PPP models preferred in schools was Annuity payment, followed by PFI. The study recommends decentralization of PPP projects and authority in the education sector to aid school managements benefit from the PPP Act of 2013.

ABSTRACT

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https://doi.org/10.58506/ajstss.v1i2.18

AFRICAN JOURNAL OF SCIENCE, TECHNOLOGY AND SOCIAL SCIENCES ISSN :2958–0560 https://journals.must.ac.ke © 2022 The Authors. Published by Meru University of Science and Technology This is article is published on an open access license as under the CC BY SA 4.0 license

#### Introduction

The International Conference on Financing for Development in 2015 adopted the 17 Sustainable Development Goals (SDGs) and related 169 targets; intended to galvanize policy makers across the world through concrete targets for the 2015–2030.Universal basic Education is one of the key goals (UN, 2015)

The concept Public Private Partnership (PPP) involves engaging private parties in working with public bodies to develop agreed projects or public services (World Bank,2017). PPP is an agreement between the government and a private company to share on the risks and rewards of a business venture involving public services (Kong, 2006). If the venture is successful, parties share profits, and suffer loss if it fails(IFC,2011).

PPP promotes and encourages commercial investment in facilities and services, give better value for money and transfer significant risk and the management of projects and services to the private sector (Nisar,2007).

A private party may provide a public service, where the cost of using the service may be borne by the users of the service and not the taxpayer(NCLR,2015).In 1992, the UK government introduced private finance initiative (PFI) in an endeavour to encourage publicprivate partnership, hence reducing the level of public borrowing(Sparkman,2002)

In Kenya, accredited health care providers, mainly private and faith based hospitals, enter into partnership with the government through National Hospital Insurance Fund(NHIF) to provide quality health care to contributors and their dependants(NHIF Act, 2007).

#### PPP in Education

Public-private partnerships (PPPs) in education involves long-term contractual relationships between a government and a private provider for all or some part of the delivery of education infrastructure and services. Significant progress has been made in attempting to increase access to education from basic to higher education levels. However, challenges are still experienced due to deficiencies in attaining quality education at all levels.

PPPs can help extend the reach and effectiveness of government funds, encourage innovation in education, increase safety, efficiency, and capacity of physical educational infrastructure, and given the right public policy context, extend access to educational services and parity of services received across a population. They allow government to maintain strategic, financial and regulatory control over public education, allowing them step back from the day-to-day delivery and management of the infrastructure and/ or service in situations where their resources are limited(APMG,2016).

The PPPs offer governments a range of innovative mechanisms for expanding access to education, as well as for improving the quality and efficiency of education at all levels.

During the Covid-19 break in 2020, the ministry of education provided desks to public schools through PPP model to many schools as a way of ensuring that learners in public schools continued to access education upon re-opening of schools.

The government of Kenya passed the Public-Private partnership Act in 2013 aimed at regulating the public private partnerships in Kenya (NCLR,2015). This is necessary owing to inability of the government to fully finance essential infrastructure targeted in the annual budget. These include major infrastructures such as railways, roads, ports, hospitals and even adequate schools(IMF,2016).

Although the education sector consumes the lion share of Kenya's annual budget, the public funding channeled towards education is still inadequate. Due to this, public schools experience low transition rate, high congestion and dilapidated infrastructure (IMF, 2016;World Bank,2017).

Despite enhanced funding from CDF grants and the ministry of education bursaries to needy students, and financing of free primary education by government, cost sharing in secondary education and expanded university enrolment, education sector still suffers from high learner wastage and poor quality. Quality has suffered more in public schools compared to private schools.

The change in education curriculum from 8-4-4 to 2-6-6-3 is likely to create a serious shortage of staff and infrastructure in secondary schools. In 2023, it is expected that secondary schools in Kenya will accommodate 6 million children, up from 4 million enrolment in 2021.

The Objective of the study was to Investigate the models of public private partnership available in public secondary schools in Tigania West sub-county. Gibson and Grant(2008) found that the impact of the partnership(ppp) on education is positive. Pupils in the schools under study performed significantly better than those in the average national primary schools. The study indicated that PPP appeared to have a positive impact on attitude, behaviour and attendance.

Investments in public-sector infrastructure are seen as an important means of maintaining economic activity during the crisis, as was highlighted in an European Commission communication on PPPs (Strauch, L., 2009;IFC,2011). Obosi, J. (2017) observed that public institutions that had adopted more private sector participation performed better than those that have not.

In the education sector PPP has been there for a long time, bearing in mind that most public schools were started by faith based organizations. An existing illustration of PPP involving the government and faith based organizations or churches is in a case where religious organizations and churches such as MCK and PCEA, provides infrastructure to set up schools and other learning institutions. The government then provides the teaching staff.

#### **Study Design and Findings**

This study utilized a survey design, carried out in public secondary schools of Tigania West subcounty, Kenya. All public schools depend on government subsidies and some institutions have projects that utilize public-private partnership models and strategies.Tigania West Sub-county has 50 public secondary schools.

The study was conducted in 46 school between September and December 2021 The main data collection instruments comprised observation checklist and Interview schedule, carried out among managers in the target institutions. Interviews with Ministry of Education and the private sector Association provided some insight regarding management of PPP in the education sector in Kenya. Interviews were utilized to capture varied opinions and clarify issues which a questionnaire would not adequately provide.

The checklist and interview guides were utilized. Data was described and summarized using descriptive statistics. The mean and percentages were the main types of descriptive statistics used during this preliminary study.

Private management of public schools is a unique PPP model developed by Methodist Church- Kenya, and Presbyterian Church of East Africa in primary schools. Secondary schools do not have this model.

Despite improved availability of credit facilities by banking institutions, many public schools are not able to seek credit to run infrastructural projects due to the risks involved. Among the schools surveyed in Tigania West, 65% were dayschools,17%boarding while 15% were both day& boarding schools.

In Tigania West,50 public sec schools did KCSE examination in 2021, with 2605 candidates( where 1247 were boys and 1358 were girls), Out of which only 252 attained C+ and above. This is the grade that qualifies one to enroll for a degree programme in Kenya. Only 3 schools were found to be congested. These are county/extra county boarding schools. The rest have space for more students. This shows that despite increases in secondary enrolments in absolute terms, access to secondary schools in Kenya is still low (Kenya NESS, 2019)

A paltry 8 schools had standard principal's offices/ Staff rooms, while Only 15 schools had standard science labs.The rest conducted science practicals in makeshift structures. It was also observed that only 6 schools had standard structures for libraries.Key needs in the schools are water(46%) and Science laboratories for carrying out practicals(28%).

#### School management

School Managers indicated that public secondary Schools depend on government funding/capitation to run. Amounts disbursed to schools depend on the number of students in a particular school.

Majority of schools indicated that they had no partnerships with the private sector and most projects available in these schools were funded by Parents/ guardians contributions & National Government-Constituency Development Funds, which are under the patronage of the local member of parliament. Four schools reported having partnered and received donations from NGOs.

All schools indicated Preference of infrastructure development in case of future partnerships with the private sector.

Most Schools need help to identify partners to aid them and the challenge faced by government is that of establishing an environment conducive for facilitating partnerships between both levels of Government, household and local communities, industry and commerce, private sector providers of educational services, development partners, NGOs, and foundations.

The study observed that the key PPP models preferred in schools was Annuity payment (54%),followed by PFI(39%). Annuity Payment is Where government pays the investor the cost of a project after completion, for public use.

Private Finance initiative (PFI), is where capital investment is provided by the private party after entering into a contract with the government. Government provides the agreed services as well as bearing the cost wholly or in part. Tax payers money is spent to pay the investor/service provider. The government may attract such investors by providing revenue or tax subsidies (APMG,2016;World Bank,2017).

Other Models of PPP that could be considered in Education include: Vouchers for private schools , State subsidies or scholarships for private schools , Education service contracts, Private management of public schools, State-subsidized NGO schools/ learning centers ,State-subsidized community schools and , State-subsidized religious schools.

## Ministry of Education position

The public and private sectors are governed by different value systems—they have fundamentally different perspectives, interests, goals, and practices (Jacobs,1992).

It was noted that MOE engages big players in development of education. such as kepsa,ukAid, and unicef.

The Ministry of Education questions the motive of the private sector in a ppp arrangement. It believes that it is profit making that motivates the private sector. For PPPs to fulfill their potential to improve quality in the education system, they need a thriving ecosystem of private providers willing to operate schools. Also there needs to be a collaborative mindset between the private operators and the government to create pathways for the sharing of innovations developed in the PPP schools.(Kenya NESS,2019)

A Catholic perspective on PPPs: Catholic Social Teaching (CST) encourages openness to business models that serve the common good. CST is also clear that our judgement of business models should be based on whether or not it serves the common good. This guides us to be open to exploring the possibilities of PPPs, while challenging the view that the purpose of business should be always to maximise financial returns(CAFOD,2013)

The government provides to schools; Ministry of Education(MOE) mandate is to protect public institutions against exploitation by anybody. Education is considered as one of the main agenda of development. Government always shows strong commitments towards improving the provision of the services in this sector through increasing the resource allocation (Alam, et al,2010)

MOE pointed out that PPP has been tried in universities; and failures have been recorded. However according to KEPSA, Strengthened partnerships are likely to improve efficiency of public spending to meet the demand for education at all levels. The overall objective is to enhance collaborations and linkages in delivery of education services. An efficient and effective secondary education will require that all stakeholders are aligned towards the goal of safe and equitable learning for girls and boys alike. There is, therefore, the need to have a clear focus, cultivate a collaborative culture, deepen learning and secure accountability in secondary education(Kenya NESS, 2019) charity /donor organizations are encouraged to continue supporting government to develop schools. In devolving PPP to lowest unit levels, individual School managements can write to PS Education to be advised on how to engage private sector for such PPP plans,especially if it involves finances.

## Private sector association position(KEPSA)

The study held an interview with the Kenya Private Sector Alliance(KEPSA).It gathered that the private sector engages government in a large scale cooperation.The private sector Prefers to call their engagement a Private-Public-Dialogue(PPD).

KEPSA has a lot of interest in education matters and has for years engaged government in the following PPP projects:

Participation in design/development of Competency Based curriculum for basic education in Kenya from 2017

National Education Management Information System (NEMIS) aimed at achieving accuracy of data for the entire education continuum.

Development of TVET- CDACC curriculum for CBET system and contributed to the success of tertiary institution graduates transition to universities through credit-transfer system.

iv), Participation in the Kenya's National Qualifications Framework, Leading to establishment of Kenya National Qualifications Authority(KNQA) for equalization of certificates and recognition of prior learning/ experiential learning,

v)Placement of government sponsored students to private universities where Private universities are receiving government sponsored( KUCCPS) Students.

### Conclusion

This is a preliminary study that identified the need for PPP initiatives in schools to improve performance.The study recommends devolution and localization of the PPP policy and Act by the Ministry of education to encourage upgraded standards of school facilities and performance of students in national examinations.In order to promote PPP in education the MOE should consider decentralizing authority of PPP to school management boards.

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