

**Q2.** In the realm of public management and governance, a notable trend involves growing collaboration between the public and private sectors. Evaluate the necessity of such collaborations within the context of Pakistan, while also exploring the potential advantages and hurdles associated with these partnerships.

Q 2

## I) INTRODUCTION: DEFINING PRIVATE - PUBLIC PARTNERSHIPS

Public - private partnerships are the "Long-term agreements between the government and a private partner whereby the private partner delivers and funds public services using a capital asset, sharing the associated risks."

- The Organization for Economic Cooperation and Development (OECD)

Public - private partnerships may deliver public services both with regards to infrastructure assets, such as bridges and roads, and social assets, such as hospitals and utilities.

## II) OVERVIEW OF THE COLLABORATIONS BETWEEN PUBLIC AND PRIVATE SECTORS IN PAKISTAN

In Pakistan, the public-private

collaborations take place at the federal level, as well as the provincial level. The federal Public-private partnership (PPP) units deal with projects of a national strategic nature, such as, M-2 and M-9 motorways. The provincial PPPs <sup>units</sup> work in the areas of governance, health, education, among others.

The PPPs in Pakistan not only consists of infrastructural and purely projects targeting economic growth, but also social projects contributing to the development of the country.

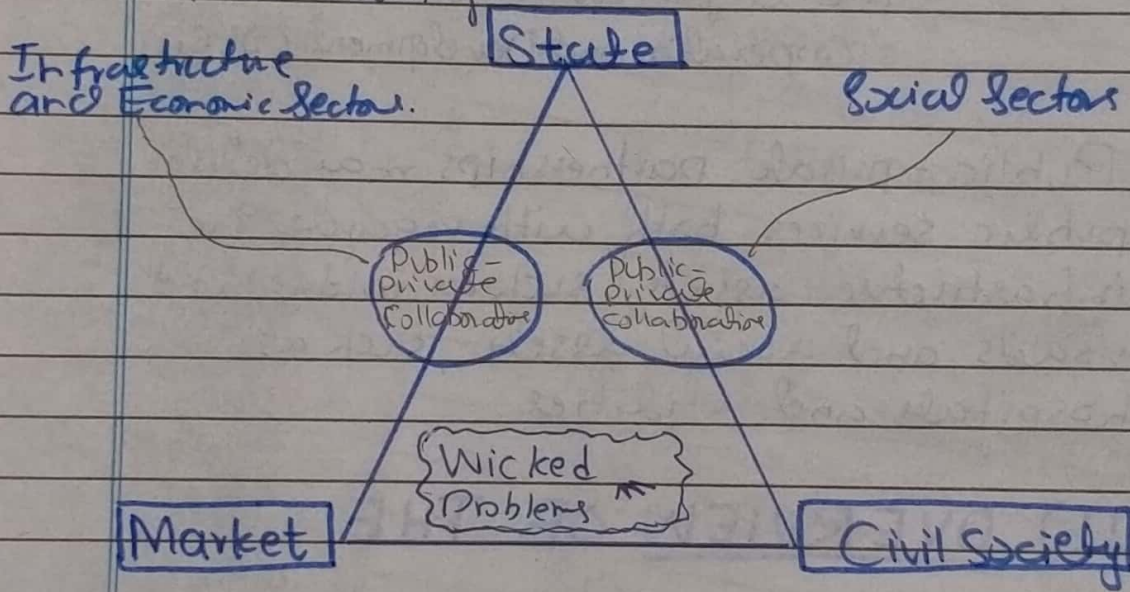


Figure 3 The types of public and private collaborations in Pakistan.

### III) POTENTIAL ADVANTAGES OF THE COLLABORATIONS BETWEEN PUBLIC AND PRIVATE SECTORS IN PAKISTAN.

D) The collaborations between public and private sector of Pakistan: A panacea for educational crisis

The expenditure of the education sector of Pakistan is only 1.5% of its Gross Domestic Product (GDP) as per Pakistan Economic Survey (2023-24). In contrast, according to World Bank, it should be 4-6% of GDP in order for countries to progress.

Public private collaborations is a highly efficient way to pull Pakistan out of the educational crisis. ~~because there~~ The government lacks financial resources to build new schools, and even struggling to operate the existing ones.

Contracting-out the management of public schools to NGOs such as The Citizens Foundation and Akhuwat has been done by previous governments. The

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endeavours like The Foundation Assisted Schools ~~are~~ hold great potential for integrating maximum number of children in schools, for a country with 26 million out-of-school children <sup>(UNICEF)</sup> and meager resources.

## 2) Public-private collaborations as a solution for Pakistan's housing crisis

Housing is one of the basic necessities of life. Its shortage certainly reflects a crucial development crisis for any country. As per State Bank of Pakistan, Pakistan's housing shortage had only been increasing since late 1990s, and stood at approximately 10 million in 2017.

Naya Pakistan Housing Project, Chiniot, is one example of public and private partnership done to resolve the crisis. However, the sector still holds more potential; through more collaborations and faster implementation, the crisis can be alleviated.

## 3) The collaborations between public and private sector: A remedy for gender disparity

In Pakistan, there are only ~~Pakistan~~ was ranked ~~142~~ out of

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10% female entrepreneurs as compared to 21% male entrepreneurs. (The Competition Commission of Pakistan Report, 2024). The National Incubation Centers, through public-private collaboration, are providing mentorship, training, and funding to numerous entrepreneurs across the nation.

However, the statistics by the Competition Commission of Pakistan, clearly stresses the need of enhancing the scope of existing incubation centers; but more importantly, there should be women-centered incubation centers to reduce the gender gap ~~into~~ the potential of country's almost half the population. (World Bank)

#### 4) Public-private collaborations as a solution to Climate Change Vulnerability of Pakistan

Pakistan is ranked as the fifth most vulnerable country to climate change, according to the Global Climate Risk Index. This indicates that the country will experience increasingly severe extreme weather events, such as catastrophic floods in 2022 that submerged one third of the country.

It is imperative to foster public-private collaborations in this area, as government clearly lacks fiscal space to tackle this issue on its own. Clean Green Pakistan Movement is one significant example of how government collaborated with NGOs, such as WaterAid, to tackle the crisis of climate change.

### 5) The significance of public-private collaborations in building a knowledge-intensive economy of Pakistan

In the Global Knowledge Index (2022), Pakistan ranks 110 out of 132 countries. The country is trailing behind its neighbours, Bangladesh and India, that have been ranked better than Pakistan. One major reason behind this is the country's extremely low spending on Research and Development. It is only 0.16% of GDP (World Bank, 2021).

To bolster ~~the~~ Research and Development in Pakistan, the government can collaborate with private institutions to build Innovation and Technology Parks (ITPs). The government can support by providing initial funding, land and policy incentives. Private companies





2) The bundling of risks faced by private investors has not been matched by an integrated and coordinated response by public authorities

The public sector of Pakistan is mired with fragmentation among policy makers, legal authorities, finance providers, provincial and local governments, and utility companies.

The problems, such as red tapism, the overlapping mandate of legal authorities, NOCs, among others, makes it time-consuming, cost-escalating, and frustrating for those putting their own money on the hook.

3) Public and private collaborations in Pakistan are faced with technical and legal issues

Many organizations, from line ministries to central government's bodies, responsible for procurement of public private partnerships, are still struggling to develop a standardized policy and standard

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operating procedures for public-private partnerships.

There are complexities in Build-Operate-Transfer contracts due to long-term contractual obligations and involvement of many parties in a project. An example of judiciary malfunction is Rika Diq Case, that damaged investor confidence.

4) The incapability of public-private collaborations to generate enough revenue thwarts their purpose

Owing to the slow pace of development and rampant inflation in the country, many revenue-generating endeavouring public-private partnership projects do not necessarily yield sufficient revenue.

This results in higher costs, and hence, the concessionaires - ~~the private sector~~ often seek to obtain a longer term of operations to make up for their expenditures.

5) The political instability is a huge impediment in fostering public-private collaborations

The policy commitment and continuity

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of policies is integral to the success of public-private collaborations in the country. During the 1990s, the National Accountability Bureau's predecessor, Ehtesab Bureau opened the inquiries into the Independent Power Producers (IPPs) that were awarded under the erstwhile PPP government.

The aforementioned acts that are motivated by political victimization of the opposition political parties only add to the troubles of the country. This trend has not diminished even today; it is only posing a threat to the fostering of public-private collaborations.

## V) CRITICAL ANALYSIS :

### EVALUATING THE NECESSITY

### OF PUBLIC-PRIVATE COLLABORA-

### -TIONS IN PAKISTAN

Considering the aforementioned potential advantages that the public-private collaborations hold for Pakistan, their importance for socio-economic development cannot be emphasized more.

Resurgence from Pakistan is a lower-middle income country; if it

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wishes to jump to middle-income and high-income countries, it needs to prioritize education sector, reduce the gender gap as well as build a knowledge-intensive economy. Until the government of Pakistan does not pull people out of absolute poverty, where they are not deprived of as basic necessities as a shelter, it is impossible to make them productive members of society. Since, ~~they cannot~~ their circumstances does not allow them to think beyond meeting their ends. ~~need~~.

## VI) CONCLUSION

The public-private collaborations in Pakistan hold immense potential for solving a number of socio-economic problems of the country. This include education crisis, gender disparity, and climate change, among others. There are a number of such collaborations taking place at the federal and provincial level. However, they can be <sup>further</sup> extended in ~~so~~ scope. ~~Although~~ There are stumbling blocks limiting the success of such collaboration, such as political instability and security challenge. However, the necessity of such collaborations entails overcoming these hurdles.