

Q. In the realm of public management and governance, a notable trend involves growing collaboration b/w 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.

Introduction

The economic systems of the world have transitioned toward complex system of management to enhance diversification in market and encourage participation. The public-private collaboration in Pakistan was also adopted to improve public management and ensure good governance. The necessity of such collaboration appeared to improve Pakistan's economy, build large infrastructure projects effectively and operate large public sector enterprises (PSEs) with efficiency. Public-private partnership (PPP) is a system in which public sector enterprises (PSEs) are transferred to private firms where the

latter finance, build, operate and manage the projects for concessional period of time. The benefits of such partnership include effective public service delivery, better governance, and improved living standards of public. With transfer of innovation, technology and skills from private to public projects, this collaboration proves ~~benefit~~ beneficial for both public and private sector.

However, hurdles associated with such collaboration challenges ^{the} government. The lack of transparency, accountability, difficulties in ~~allocat~~ risk management between private and public sector involved in the project to ensure its success and sustainability. Private sector is concerned with profit-based results which may compromise quality standards of the project.

Necessity Of Public Private

Partnership in the context of Pakistan

The government projects in Pakistan such as infrastructure development, roads, highways, hospitals, motorways, railway stations are large and complex. These projects require innovation, technology, expertise to accomplish them effectively. To ensure better governance and public service delivery, Pakistan involved in public-private partnership. This collaboration can help accomplish major projects on time and within budgets.

① Access to resources

Public-private collaboration allows public sector access to private resources, their technology, innovation and expertise which significantly lack in public departments. The skillful professionals of private sector can help address infrastructure deficits and

better public service delivery.

② Better living standards

Public-private partnership contribute to build, finance and operate projects effectively. It promotes better healthcare facilities, high standards of education such as Indus hospital Karachi, provide better healthcare support to underprivileged communities.

③ Economic benefits

The partnership attract foreign investors to invest in large public projects which improve country's domestic capital. Alongwith foreign direct investment, it increase opportunities for diverse participation, opens economy to the market for competition and remove barriers to private investment.

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Achievement of sustainable goals

This partnership was necessary in Pakistan to achieve the United Nations sustainable ^{development} goals (SDGs) regarding poverty, health, education.

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Ease fiscal pressure

Widened fiscal deficit and dwindling exports necessitated Pakistan to integrate in private partnership. It allows medium and long-term opportunities for private investors. The investment ease fiscal pressure on the government.

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Private sector led growth

Public private collaboration promote private sector led growth, which is one of the pillars of "Vision-2025" development strategy.

Advantages associated with Public Private Partnership

- ① Economic diversification and growth
- ② Improved socio-economic status
- ③ Accomplishment of major projects
- ④ Ensuring sustainability
- ⑤ Infrastructure development
- ⑥ Efficient service delivery
- ⑦ Job creation
- ⑧ Innovation and technology transfer

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① Economic diversification and growth

Public-private partnership attract foreign investors, they finance, build and operate major projects. The partnership encourage participation and financial investment in public sector to ensure prosperous economy.

② Improved socio-economic status

The projects such as China-Pakistan economic corridor (CPEC), Indus, hospital Kazachi, Punjab education Funding (PEF) highlight the significance and advantages of the partnership. It helps improve healthcare and education standards with overall better socio-economic status of the public.

③ Accomplishment of major projects

The public private collaboration allows completion of major projects on time and within budget. Examples include Lahore ring road, Kasachi-Lahore motorway, Flyover over railway station at defence road Lahore, Public vehicle inspection certification system (VICS) and Gujranwala road etc.

④ Infrastructure development

The partnership has financed and operated major infrastructure projects such as highways, motorways, hospitals, airports and roads.

⑤ Efficient service delivery

With innovative expertise of private sector and better incentives of public sector, it ensures better governance and efficient service delivery. The government ensures compliance of private sector with the objectives and private firms construct and operate efficiently.

⑥ Job creation

The major projects creates opportunities and avenues for youth to engage in large or medium private firms. Hence, the public-private partnership create job opportunities as well.

⑦ Innovation and technology transfer

The government has the authority over land and private sector transfers. The technology, innovation, technical and expertise skills for efficient management of public projects. Therefore, it improves public management and skillful development.

Hurdles associated with public private partnership



① Accountability and Transparency

The partnership poses difficulty in ensuring open and honest operation and

holding accountable the parties involved and responsible for their actions.

② Risk allocation

There is a challenge to distribute and manage financial risks between public and private sector to ensure its success and sustainability.

③ Financial viability

There remains doubts regarding profitability and sustainability of the projects for public and private stakeholders. Pakistan, already a poor state faces challenges in financing.

④ Legal framework authority

The public private collaboration outlines rules, regulation and guidelines governing the partnerships to ensure the accountability, transparency and viability. Pakistan lacks robust legal framework that poses challenge in the public-private collaboration.

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Lack of capacity

It refers to the lack of skilful professional and efficient resource either in one or both parties. Pakistan's administrative system lacks system of capacity building. It presents as a hindrance in the effective public private partnership.

Conclusion

For the public management and governance, Pakistan started collaboration of public and private sector to improve economy, bridge infrastructure gaps and enhance inclusivity. It proved advantageous such as improved public service delivery, quick accomplishment of projects with transparency and efficiency. However, the partnership has faced major hindrances such as lack of legal framework authority, doubts in risk allocation, and financial viability and sustainability of project. But pragmatic reforms, capacity development and more integrated collaboration can help achieve robust economic growth for both public and private sector.