

Public-Private Partnership in Ethiopian Higher Education: Situational Analysis

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Abstract

Public-Private partnerships (PPPs) in education are presented as capable of resolving several issues of education provision, financing, management, access and quality. This paper aimed at analyzing the current situation of PPPs in some higher education institutions in Ethiopia. Open-ended questionnaire was used to gather data that was subsequently critically reviewed and analyzed. The findings indicated that the situation of PPPs in Ethiopian higher education system seems to be at its infancy stage where the picture appears to be very blurred as the case in the sample institutions revealed. The author concluded that currently PPP is not well established in the higher education sector. This is because the institutions under consideration seem to lack a significant, institution-wide, long-term, multi-dimensional and sustainable partnership with their counterparts, in private or in public higher education institutions. Currently, what exists is just a limited and insignificant amount of partnership that can only be considered to be at the inception stage. This single use of partnership does not count to the very meaning of PPP, which is normally characterized by continuity and sustainability. Collaboration at the local level, government incentives, affiliation with public institutions, networking, long-term collaborative schemes are among the ways that can help to combine the best capabilities of the public and private sectors for mutual benefit. When it is based on good practices, PPP offers a win-win benefit to both the public and private sectors in the delivery of infrastructure, goods and services. Thus, institutional leaders need to explore partnership as a viable option to support, sustain and promote their vision, mission and goals.

Key words: Public-Private partnership; Ethiopian higher education

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Introduction

Public-Private Partnership (PPP) has become a fashionable term in recent times. It can be seen as an innovative idea to tap private resources and use them for the development of a country. Earlier, the concept of PPP was used for infrastructure, but today this is no longer the case. It is being increasingly extended to other sectors like health and education. In this paper, an attempt was made to discuss the concept of PPP, briefly touch on PPP in higher education, examine the need for PPP in Ethiopian higher education and discuss the current situation, challenges and opportunities for PPP in Ethiopian higher education.

The analysis is based on the following objectives:

1. To study the concept of PPP particularly with reference to higher education;
2. To examine the existence of PPP in Ethiopian higher education;
3. To identify the opportunities and challenges of PPP in Ethiopian higher education and thereby see what augurs for the future.

Definition and Concepts of PPP

There is no one widely accepted definition of PPP. For example, Hodge and Greve (2011) defined it as:

The concept of PPP has been defined differently in different contexts, and there is no broad international consensus on what constitutes a PPP. Generally, it refers to a collaborative arrangement between government or the public sector, and a private entity for better provision of public infrastructure and services. The classical definition of PPP describes it as a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies. In the context of the United Nations, PPP is defined as a voluntary and collaborative relationship between various parties, both state and non-state, in which all participants agree to work together to achieve a common purpose or specific task, and share risks and responsibilities, resources, and benefits.

Also, the PPP Knowledge Lab defines PPP as “a long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance.” PPPs typically do not include service contracts or turnkey construction contracts, which are categorized as public procurement projects or the privatization of utilities where there is a limited ongoing role for the public sector. An increasing number of countries are enshrining a definition of PPPs in their laws, each tailoring the definition to their institutional and legal particularities (World Bank Group, 2015). OECD (2007) describes PPP as an arrangements whereby the private sector provides infrastructure assets and services that traditionally have been provided by government, such as hospitals, schools, prisons, roads, bridges, tunnels, railways, and water and sanitation plants.

In the most simplistic terms a PPP is “a cooperative venture between the state and private business” (Lindher cited in Coll, 2015)

While the Commission on UK PPPs (cited in Coll, 2015) defines it as “risk sharing relationship based upon an agreed aspiration between the public and private sectors to bring about a desired public policy outcome.” (p. 35)

Whereas, the Canadian Council for PPPs (cited in Coll, 2015) defines it as “cooperative venture between the public and private sectors, built on the expertise of each partner that best meets clearly defined public needs through the appropriate allocation of resources, risks, and rewards.” (p. 35)

The overall idea of the definitions is that PPPs are partnerships between the public and the private sectors for the purposes of designing, planning, financing, constructing and/or operating projects which would be regarded traditionally as falling within the remit of the public sector. PPP takes a variety of forms, with varying degrees of public and private sector involvement and varying levels of public and private sector risk. In fact, risk transfer from the public to the private sector is a critical element of all PPPs. The goal is to combine the best capabilities of the public and private sectors for mutual benefit (Farlam, 2005).

In the context of Ethiopia, PPP can be defined as an engagement and a relationship between the public (including development partners) and private sectors as well as civil society (including community beneficiaries, the poor and vulnerable groups), where the private sector brings board efficiency, local innovation and cutting edge technology to complement

public sector regulatory authority, asset ownership, budget support, public education, powers and capacity development support to achieve commonly identified objectives, outputs and activities. At the same time, civil society's mobilization, monitoring and oversight role is harnessed and combined with PPP guiding principles and citizens'/beneficiaries' responsibilities to ensure positive synergy in the delivery of public goods and services. It is worthy to note here that GIZ has tested and applied its definition of PPPs in the construction and agriculture sectors in Ethiopia (Asubonteng, 2011).

It should be noted that the term partnership is a derivative of the retreat from the more conservative viewpoint of privatization and has served a strategic purpose in today's ever-changing political climate. A partnership, no matter the size or reason, should be regarded as a pivotal act, and careful attention should be placed on the alignment of mission and financial expectations to ensure mutual understanding and collaboration between parties (Oblinger, 2012). Urio (2010) explains the importance of integrating PPPs into the development policy of developing countries. He further elaborates that the major goal of integrating PPPs in the development strategy is to build a society that improves the attainment of the four values; namely, efficiency, equity, sustainability and security.

Benefits of PPP

When it is based on good practices, PPP offers a win-win benefit to both the public and the private sectors in the delivery of public infrastructure, goods and services. The major benefits for the government are speed, efficiency and effectiveness associated with private business practices to public service delivery in order to ensure value for money. The involvement of the private sector in public service delivery also forces the procurement process to be transparent and competitive. As a result, the long-term costs of the service delivery can be assessed more realistically under a PPP framework which in turn promotes more efficient use of resources. In addition, PPP helps to improve service delivery and management of facilities through innovation, customer's care and ultimately increasing cash flows. Another major benefit of PPP is that it enables governments to tap into private capital for the provision of public services. By using PPP as a strategic service and infrastructure delivery mechanism, the government is able to pool private capital to complement public budget resources to speed up economic and social development. For the private sector, PPP results in new experience to work in tandem with government for sustainable development as well as economic gains because the government is a major player in the market (as is the case in Ethiopia). By engaging with government and investing in public service delivery, the private sector is able to inject improved technologies, apply innovative business practices and create efficiency to boost profits. Beyond this, the private sector benefits from capacity development interventions which are deliberately embedded in PPP arrangements to develop and empower individual private partners, private institutions and societies to become skillful and knowledgeable to achieve local and national development goals (Asubonteng, 2011).

Models of PPP

The PPP can take on very different models. There are various options of PPP models including service contracts, management contracts, lease agreement, franchise, joint venture, concession, BOT (Build, operate, own & transfers) and BOO (Build, operate and own) (UNDP Ethiopia, 2015). The brief description of each model follows (Jutting cited in, Khanom, 2012).

Service contracts are models where the government contracts the private sector to conduct specific tasks such as revenue collection for 1-2 years. Management contracts give the responsibility for operation and maintenance of publicly owned business to the private sector. Lease agreement is a process where the private sector leases assets from government, provides services, and maintains assets for 8-15 years. The Franchise is a model where the private sector invests in operation and maintenance equipment, and maintains built assets. This includes the collection of user charges, and the payment of a surcharge (% of user charge) to government. Joint venture is when both the government and private sector jointly own a utility either through sales of some of the shares in an existing utility or through the creation of a new utility. Concession is a model where the private sector operates and maintains public assets and investments, but ownership remains with the government. The BOT model is one where the private sector builds and operates a public service company such as a waste treatment plant for 20-30 years, after which ownership reverts to the government. The Build-own-operate-and-transfer scheme (BOOT) is a model where the private sector company finances, constructs, owns and operates the infrastructure for a fixed term. In this model, the ownership company is allowed to make any decisions it sees fit during the ownership tenure, with minimal or no government interference. The Rehabilitate-operate and transfer (ROT) is a model that involves rehabilitation of existing infrastructure where the infrastructure is handed over to the private sector player for refurbishing, maintenance and reconditioning. In this model, the private player is allowed to operate the infrastructure for a period and recoup investment costs at reasonable return before handing over to the government.

Country Experiences in PPPs

PPP arrangements can play a vital role in driving economic growth by providing well-planned, well-funded, and well-maintained infrastructure and public services. This is significant for trade facilitation and raising the living standards of the people. Many governments in developing countries have ventured into PPP arrangements as alternative means for mobilizing resources to fund the much needed infrastructure and to deliver on quality public services. These arrangements have significantly contributed to the GDP growth of countries like Nigeria, Ghana, South Africa, Mozambique and Kenya (CDPR Report, 2011).

In the context of Mozambique and South Africa, an example of successful PPP arrangement is the road connecting the two countries. They partnered with the Trans African Concessions (TRAC) a private consortium to design, upgrade, construct, operate and maintain the road. A 30 year agreement was signed in 1996, estimated to be worth \$660 million at the time. Another successful Mozambican PPP arrangement is the Port of Maputo. The government of Mozambique formed a joint venture with a private consortium for a 15 year concession to finance, rehabilitate, operate and upgrade the Port of Maputo. The partnership was a huge success with the private consortium investing \$70 million to rehabilitate and develop the port, including the construction of transport links (road and rail) to neighboring countries (CDPR Report, 2011).

In 2001, the government of Tanzania formed a public-private partnership with the Abbott Fund. The aim of the PPP arrangement was to strengthen the country's health care system and address critical areas of need. In this partnership, more than 10-year partnership effort,

Abbot Fund has invested more than \$100 million and given \$5 million in corporate donations. Overall, the PPP arrangement was a success and led to comprehensive modernization of the Muhimbili National Hospital in terms of use of technology and capacity development (GoT & Abbot Fund, 2013). It is important to note; however, that not all PPP arrangements are successful.

PPP in Education

According to the World Bank Group, PPP Knowledge Lab, PPPs in education are long-term contractual relationships between the government and a private provider for all or some part of the delivery of education infrastructure and services. They have been used to provide the framing structure through which to bring the public and private sectors together to complement each other's strengths in the financing and provision of education services. 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.

The early generation of PPPs, in the United Kingdom and Europe, were focused on supply-side interventions such as improving the construction and maintenance of school infrastructure at the primary and secondary levels. The same concepts were then applied to demand-side constraints to respond to the quality of education management and pedagogy, through concessions for the delivery of education services (school management and teaching), to strengthen equity in access through demand-side financing schemes such as school vouchers, and blended models to address both infrastructure and services such as Charter Schools in the United States or the Academies of the United Kingdom. More recently, PPPs have extended into early childhood education and technical and vocational education and training (TVET), as opportunities for PPPs in these areas are seen as viable and necessary by governments to achieve education for all throughout the education life cycle.

The following are arguments in favor of PPP and against PPP in education (Patrinos and others, 2009).

The theoretical literature on the topic suggests four positive outcomes of the private provision of public services:

1. PPPs can create competition in the education market.
2. PPP contracts can be more flexible than most public sector arrangements.
3. Governments can choose private providers in PPP contracts by means of an open bidding process in which the government defines specific requirements for the quality of education that it demands from the contractor.
4. PPP contracts can achieve an increased level of risk-sharing between the government and the private sector.

There is a body of literature that argues that there are negative outcomes associated with the private provision of public service

- PPPs will lead to the privatization of education and thus will reduce the government's control over a public service.
- Increasing the educational choices available to students and their families may increase socioeconomic segregation if better prepared students end up self-selecting into high-quality schools, thus further improving their outcomes.
- PPPs will lead to poorer students being left behind in the deteriorating public schools that lose the support of more educated parents

Many forms of contracting are currently used in education around the world. A range of different services can be procured from the private sector. Some governments buy the services involved in producing education (inputs), such as teacher training, management, curriculum design, or the use of a school facility from private organizations (Savas 2000). Other governments contract with private organizations to provide the process of education, for example, by managing and operating public schools. Some other governments contract with private organizations to provide education to specific students (thus, buying outputs). The challenges and potential benefits of contracting for services that are inputs, processes, or outputs are very different and are thus discussed separately.

Needs for Public Private Partnership in Higher Education

Until very recently, most of the investment in higher education sector especially in third world countries came from the central and state governments, as restrictions were imposed on opening up of educational institutions and state controlled directly or indirectly most of the educational institutions. The general feeling among the prominent thinkers on education policy is that, the resource gap that exists as regards the growing demand for higher education can only be met by using PPP. This popular view resulted in governments making provisions for PPP in higher and technical education. Most study reports pointed out that PPP in higher and technical education would bring benefits of saving resources and time, help in improving the efficiency and performance of the system so as to guarantee good quality education. The reports identified four possible models of public private partnership to be made available to higher education. The first is Basic infrastructure Model, where physical infrastructure and services would be provided by the private sector. The second is Outsourcing Model, where private sector would invest in infrastructure and carry out the operation and management. The third is Hybrid Model, where the education sector would be developed using funds raised through government and private financial institutions as equity. The fourth one is Reverse Outsourcing Model, which is characterized by government investment in infrastructure and also management of operations with the private sector Gupte (2015).

It is now a well-known fact that, governments cannot handle higher education sector by themselves, more so when one views the high demand for it and the number of students joining the sector. This puts pressure on both quantity and quality of education imparted. The basic problem arises because the aims and ideals of the government and public sector are different. The point to be remembered in this context is that, PPP brings benefits which can take the form of access, quality assurance, saving of resources and provision of greater autonomy. According to Gupte (2015), the rationales for having PPP in higher education are:

- Resource Crunch
- Cater to increased demand
- Increasing global competition

- Ensure availability of adequate infrastructure:
- Equity and Accessibility:

Reasons for Partnership in Ethiopian Higher Education

Yalokwu (2003) identified the following points as the reasons for PPP in Ethiopian higher education.

- a) Growing demand for customer-driven quality education;
- b) Unprecedented high taste by industries and other employers for highly competent professionals;
- c) Pervasive influence of globalization and its emphasis on democratic governance and private sector participation in development efforts;
- d) Impact of the industrialized economies on developing countries;
- e) Capital intensive nature of higher education and calls for joint venture for optimum financing;
- f) The need for higher education as indispensable for economies on fast-track growth; and
- g) Existence of keen competition in the private sector

Ashcroft (2007) hinted that if Private Higher Education is strengthened through PPP, students, the country, government and public and private HEIs will accrue the following benefits:

- The best private HEIs have good standards, facilities and instructors and more students (especially female students) can study close to their home. It is likely that private HEIs can be more flexible in their curriculum, respond to employer and other needs more quickly.
- There are some aspects of higher education offered by private sector HEIs that are valuable to the country over and above adding to the numbers of educated professionals, particularly the education of women.
- Private higher education institutions give students choice: choice brings many into the higher education sector who would not otherwise study at that level. In the public sector, students in Ethiopia are sent to a particular HEI (they cannot exercise consumer choice).
- Another advantage of a healthy private sector is that it is less bound by tradition and bureaucracy and tends to have a leaner and more efficient administration.
- The government has an interest in a healthy private sector since it provides the professionals the country needs at no or very little cost to the state. It also helps to meet government targets for progression from secondary school and the higher education of disadvantaged groups. They will accept students with lower school leaving scores than the public sector institutions, thereby allowing opportunities to many who otherwise would be denied them.
- The government is likely to find that it is in its interest to support Private Higher Education financially and in other ways to prevent fees in private sector institutions from rising too steeply and to support quality.
- Once a quality higher education is offered in private colleges and certified as such by HERQA, Government will need to support its continuation by employing its graduates without discrimination.
- The private higher education sector should also benefit from public private partnership. Most quality private higher education is to some extent idealistic. There

is a strong ethos within many institutions of care for students and the desire to serve the interests of the county. PPP should help these missions to be realized.

- On the other hand, the private sector must be clear that there will be costs as well: government support is bound to result in some loss of autonomy and sharing of resources with public HEIs. It will take management time and result in some inconveniences as well as benefits.

Parallel to the benefits described theoretically, there are also various practical benefits which different stakeholders may realize if PPP is applied in Ethiopian higher education. Private and public higher education institutions (HEIs), the government and the general public are the major stakeholders that would benefit most from PPP in higher education. According to Ayenachew (2010), the important benefits are condensed as follows:

- Sharing experience, expertise and resources
- Undertaking joint research and activities
- Innovative research results
- Opening new programs
- Enhancing contribution
- Shared burden
- Reduction of budget
- Ensure high quality and standard
- Collaborative effort
- Better quality of education and wider opportunity for education
- Practical research and development
- Well educated citizens

Higher Education in Ethiopia

For the past twenty five years, higher education in Ethiopia has undergone a major quantitative change, especially the public universities (owned by Ministry of Education) from only two, some years ago (1991), to more than thirty three in 2016. Just to show the progression of enrollment, the total enrollment in higher education in 2005/06 reached 180,286 (MOE, 2006). In the year 2007 E.C. (2014/15), the total undergraduate enrolment (government and non-government) regular, evening, summer and distance programs is 729,028 of which 253,057 are females and which accounts for 35% of the total enrolment. The majority of enrolments are in government institutions, with 85% of students attending classes in these institutions (MOE, 2016).

During the Derg, Private Higher Education was banned. However, since FDRE come into power, the private HE sector has developed rapidly. HERQA (2016) pointed that the total number of private higher education institutions operating in various parts of the country has reached 110. The recent annual abstract hinted that non-government HEIs took 15.2% of the total enrollment in undergraduate program (MOE, 2016).

Some other developing countries with thriving Private Higher Education sectors include Philippines (where 80% of higher education is private), Korea (75%), Indonesia (70%), Brazil (65%), Jordan (40%), and Chile (35%). These are supported in various ways: direct government funding to the private sector, tax and other concessions to students for their study

needs or to the HEIs themselves, student bursaries or part payment of student fees. In many countries, the private sector is eligible for donor funding. In others, private colleges can access government funds for staff training and postgraduate education or ‘soft loans’ for equipment purchase and/or building construction. In some Asian countries, support includes long term loans for capital and estates improvement, assistance in payment of salaries, staff secondments, subsidies for the development of research facilities, opportunities for private HEI staff to compete for post graduate bursaries, tax exemptions on expenditure or donations to the HEI and participation in cultural linkages projects. In most developed countries, in awarding contracts for any service including training, public sector organizations must consider which organization provides ‘best value’ whether or not it is in the public sector. In Ethiopia, Private Higher Education is influenced by land tenure to establish institutions (Ashcroft, 2007).

Ethiopian Universities Experiences in PPPs

An open ended questionnaire, to be filled by a senior member of top management or head of the unit responsible for PPP, was used to examine the situation of PPP in Ethiopian higher education institutions and the opportunities and challenges and thereby what augurs for the future. The first intention was to address the public and private universities in Addis Ababa; namely, Addis Ababa University, Addis Ababa Science Technology University, St Mary’s University and Unity University

Nevertheless, the people in public universities were not accessible. This forced the author to resort to the following institutions which were highly cooperative.

The questionnaire entailed eleven questions related with whether the institution ventured into PPP, if so since when, the areas of PPPs, about the initiation, the prime goals, modality of the PPPs, about potential benefits, major challenges, whether there is government guidelines and lessons that have been learned. Operational definitions were provided.

Hawassa University

According to the vice president for Research and Technology Transfer, who has been on the position for four years, Hawassa University has been ventured into PPP arrangement since 2010. Thus, currently, it has two large scale PPPs namely with:

- Guts Agro industry-A manufacturing industry engaged in packaging and marketing of food products. The School of Food Science and Technology at the University develops recipes of different food products and the industry manufacturing it in large scale.
- ETAB Soap Factory-this factory produces different soaps and lotions. The University researchers provide support to improve productivity and quality of the products.

In addition, the University has arrangement with various small-scale enterprises, mainly in areas of service provision to students like supply of Injera, breads, vegetables and other food items.

It was indicated that the two large scale PPPs were initiated by the University whereby later both parties have become active. As far as the reasons for the partnership are concerned, the following were reported.

- Increasing productivity of the manufacturing industry,

- Scaling out of different products and services so that technologies generated by the university reach many people
- Improving the visibility of the University and in the long run to generate income from patents.

No specific model/type of the partnership adopted has been mentioned. Nevertheless, the University hinted the following potential benefits the University wants to realize from the engagement in the PPP.

- Improving capabilities of the staff in technology development and innovation,
- Increasing practical skill of students through internships,
- Income generation to the staff and university,
- Enhancing the visibility of the University through these contribution,
- Facilitation of resource sharing between the partners.

The vice president cited the Science and Technology Innovation (STI) policy that encourages PPP. However, he articulated the following as the major challenges encountered in implementing the PPPs in the University.

- Reluctance of industries to cover some costs involved in the partnerships
- Low technical/innovative skill of the University staff and low motivation
- lack incentive package for the staff engaged in the venture

Finally, the vice president indicated the lessons that have been learned from success and failures of the PPPs so far. The two parties (partners) should fully agree and realize their responsibilities and rights in the partnership arrangement and efforts should be made to change the mind so that: (a) the industries realize that dependency on local capacity is cheaper and most effective than relying on foreign sources, (b) the university staff should develop their technical skills and confidence to engage in these partnerships and benefit economically from it.

Unity University

The Deputy President, Strategic Planning and Development, who has been on the position for one year indicated that Unity University has been ventured into PPP arrangement for the last eight years and has partnership with two to three institutions. The areas of the PPPs arrangement focus on:

- Teaching and learning,
- Staff exchange,
- Library literature loan,
- Internship,
- Participation in conference, seminars and workshops,&
- Participation in curriculum review external examination during thesis defense.

These engagements were initiated by both parties. According to the Deputy President, there is no specific model Unity University has adopted in regard to the PPPs but looking forward to move from traditional practice to joint research and community level establishment. Pertaining to the potential benefits Unity University wants to realize from the engagement in the PPP, the respondent articulated the following:

There are a lot of arguments for the existence of working PPPs. Unfortunately, they are not functioning properly as stipulated in the MOU. I wish UU and other

universities get out of the traditional PPP to one that functions properly. For instance, I wish PPPs focus on joint research, entrepreneur activities and support each other in terms of creating wealth and boosting quality education provision.

As regards to the major challenges encountered in implementing the PPP, he indicated lack of follow up and implementation, serious engagement, commitment from both sides and designated personnel and office as factors that influenced the arrangement endeavors.

Finally, the Deputy President pointed out that it is not simply a government policy that encourages workable PPP rather universities have to be serious to partner with each other and be committed to put it in action. As a result, currently, Unity University is working on specific modern development that works properly.

Mekelle University

The Dean of Social Science and Languages, who has been on the position for the last four years, pointed out that Mekelle has been ventured into PPP arrangement for the last ten years. As far as his knowledge is concerned, there is only one such agreement signed between the University and one of the private University College in town. The agreement was meant to assist the technology faculty of the private institution through teaching and research. The private college approached the University to initiate the partnership. As per the respondent the prime reason for the partnership is to provide teaching and research support. According to him, there is no clarity on the modality of the partnership that has been adopted and simply a type of collaboration where the private college is on the receiving end of the relationship and Mekelle University exercising its public responsibility to provide professional support to the needy. He also hinted that lack of serious follow up, monitoring and evaluation of the outcome of the collaboration as a major challenge in implementing the collaboration. Finally, he concluded that he is not sure whether there is any government policy/guideline that encourages PPP and believes that there should be a guideline that dictates the need for such kind of collaboration and the responsibilities of each party.

St Mary's University

The Vice President who holds the position for more than ten years indicated that St. Mary's University has ventured into PPP arrangement for the last twelve or so years where the involvement has been limited in scope; mainly related to school buildings for evening and weekend totaling three schools. Another is providing post graduate programs partnering with a foreign-based public entity.

The arrangement with the schools is due to the limited classes that the University has for its extension and distance learners and to create favorable environment for performance enhancement scheme for teacher trainees to get hands on experience. Regarding the graduate program to enable the Ethiopian beneficiaries get access to the program without leaving the country and saving foreign currency to significant extent. The University has initiated both the partnerships. The prime reason for the partnership, according to the Vice President is:

St. Mary's would get space for its extension and distance students and the partner schools earn financial gains and have their school building broken things repaired. In another instance, it was meant for enabling the University's teacher trainees get practicum-driven skills; so that they would become

effective teachers when they graduate. In return the mentoring schools would get scholarship opportunities at the University teacher education programs, which have long been phased out.

No specific model of PPP has been specified despite the above stated case.

The potential benefits St Mary's University wants to realize from the engagement in the PPP are:

- Enabling the trainees get the requisite skills,
- Creating access to graduate program, &
- By leasing additional rooms, the University was able to have a relaxing atmosphere for adult learners.

The following were listed as the major challenges encountered in implementing the PPP:

- Schools became more demanding toward renovating their infrastructure, which was in bad shape;
- Lack of awareness on establishing win-win relationship in the case of the public entities locally.

Finally, the Vice President hinted that there is no ideas whether there is any government policy that encourages PPP except that there have been workshops that encourage partnership. The most important thing is the fact that the government and the private sector have to do more to bring both parties on board toward strengthening PPP.

Conclusions and Some Possible Suggestions

Higher education is increasingly seen as important contributor to economic growth and development. The 21st century is characterized as knowledge economy. As a result, there is an increased diversification of higher education provisions. Private sector is an important part of higher education canvas which is significant in many Asian and Latin American countries also considerable growth in private higher education in developing countries and emerging markets.

There is no fixed definition of PPPs. Definitions differ in terms of scope and formality of arrangements. However, PPPs bring together strengths of public and private sectors. Potential benefits from PPPs in education among other things include:

- increased financial resources committed to higher education,
- increased participation in higher education,
- increased relevance of higher education programs and research,
- secure new and innovative skills that may not exist in the higher education sector,
- sustainability of outcome, etc.

The benefits are not guaranteed unless otherwise if there is a well-designed policy framework and institutional governance to implement effectively.

PPPs in higher education cover a wide range of activities with a range of objectives. Hence, there are many ways of classifying higher education PPPs. The common classification is as follows:

- University-industry linkages
- Infrastructure PPPs,
- Financing initiatives,
- Higher education support services,

- Service delivery PPPs.

The situation of PPPs in Ethiopian higher education system seems at its infancy stage where the picture appears to be very blurred as the case maybe in the sample institutions. The author concluded that PPPs are not that much effective in the higher education sector. This is because the institutions under consideration seem do not have a significant, institution-wide, long-term, multi-dimensional and sustainable partnership with their other counterparts be it private or public. What currently exists is just a limited and insignificant amount of partnership that can only be considered a start. Institutions should not look for partnership when they face a certain problem that will help them out. This single use of partnership does not count to the very meaning of PPP, which is normally characterized by continuity and sustainability.

The complex nature of PPPs is best understood by understanding system theory, which describes the relationship between various entities and their interconnected parts which are organized in such a way that they achieve a specific function for a particular reason (von Bertalanffy, 1976). Therefore, it is imperative to view a PPP as a holistic and interrelated subsystem of the institutional community with a potential of directly impacting the student experience, and therefore it should not be seen as a single linear relationship or opportunity to reduce cost. From this theoretical perspective we can then operationalize “partnership” as an active participation from each sector (public/private) requiring each to adopt characteristics and viewpoints which once defined the counterparts identity (Linder, 1999). It should be noted that the term partnership is a derivative of the retreat from the more conservative viewpoint of privatization and has served a strategic purpose in today’s ever-changing political climate. A partnership, no matter the size or reason, should be regarded as a pivotal act and careful attention should be placed on the alignment of mission and financial expectations to ensure mutual understanding and collaboration between parties (Oblinger, 2012).

The implementation of sound and robust PPP projects depends on the existence of appropriate legal framework as well as political certainty which is a prerequisite for long term projects. Uptake of PPP projects in Ethiopia is constrained by several institutional, operational and legal impediments: (i) Kwame A. Asubonteng (2011), in his study on the potential of PPPs in Ethiopia, noted the existence of a policy provision for PPPs in Ethiopia. He also noted that this has been the basis for the attempts made by development partners such as UNDP, UNCDF, GIZ and others to pilot PPPs in different sectors. Despite the existence of the policy provision, the challenge is that regulations with regard to options and modalities for PPPs are not clearly defined. There exists a further challenge in the form of a lack of capacity to analyze PPP modalities and implement different contractual arrangements. Regarding institutional challenges, Asubonteng pointed out insufficient awareness of PPPs as a concept, as well as the fact that existing institutional frameworks are skewed towards privatization. At the operational level, the challenges in the formulation and implementation of PPPs are lack of access to land, lack of access to capital, and lack of adequate technical skills relating to the adaption to new technologies; management; strategic advisory; and contract negotiations (Asubonteng 2011).

Education, as we all know plays an important role in the economic development of a country. Investment in human capital leads an economy towards prosperity and growth. Public Private

Partnerships have a lot to offer, to the national economy in general and higher education in particular. There are several constraints confronting the Ethiopian system of higher education and the government by itself cannot cope with the ever increasing demand. Under the current global scenario, with institutions competing with each other to attract the best talents, Public Private Partnership can help in finding solutions to the impending problems confronting our system of education. What are required are self-discipline and a correct policy mix which will pave the way for a better tomorrow.

Based on the above simple situational analysis, the author of this paper would like to forward the following possible means to support and improve the PPPs in Ethiopian higher education.

- Greater collaboration between public and private sectors at the local level.
- Government incentives and access to donor support for the private higher education.
- Aggressive promotion and implementation of PPP options for Ethiopian higher education institutions
- Create international/national twinning (linkage).
- To allow private institutions to affiliate with public institutions.
- Promoting networking between higher education institutions, public research organizations and industry through small research grants.
- Promotion of long-term collaborative research and development schemes.
- Institutional leaders explore a partnership as a viable option to support, sustain and promote their vision, mission & goals.

In general, to ensure the successful implementation of PPP projects, Ethiopia should create a PPP Unit within the MOE in order to provide a key point of contact and facilitate the coordination of PPP projects and to develop appropriate legislation and regulatory frameworks, so that the public interest can be safeguarded.

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