Public Private Partnership for Primary Education in ASEAN

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ABSTRACT

Today, ASEAN moves fast towards the global level in achieving their political, economic and social targets. In 2015, with the AEC (ASEAN Economic Community) it will highlight more as a region than individual countries. In this process, education will be a major issue to uplift the level of the region universally. This paper emphasizes the way that countries can minimize the issues in primary educational development through public private partnership (PPP). The private sector in the region has a vital and strong base to involve and support this. Moreover, it provides benefits for both public and private sectors. Some theories such as Liberal and Conservative ideology, Game Theory and Enforced Cooptation enlighten the major profits of partnering. Scholars, publications of International organization provide more evidence in supporting this argument. Statistics from countries since last ten years strengthen this more. Final results reveal that PPP is a key indicator to minimize the educational gap in the ASEAN region and improves the educational qualities of the low income countries like CLMV (Cambodia, Laos, Myanmar and Vietnam) to accomplish their targets in the education sector.

Keywords: ASEAN, Primary Educational Sector, Public Private Partnership, Regional Development

INTRODUCTION

PPP is the partnership of government and the private sector, which covers the area of government service or private venture, funding and operating by both sectors. It is a model of development, with the combination of the actors from the public sector as well as the private sector. This can be identified clearly in early 1990’s with the provision of infrastructure partnerships that prevalent in projects like ports, road constructions and in building tunnels¹. As a result, the efficiency and expertise could be hired from the private sector and same as public sector achieves financial strength implementing projects with the private sector.

Education in a country can be considered as the privilege of the people as well as the responsibility of the government. However, lack of resources and capacity can slow down the ability of the government to meet their targets to go with the national education system. This was identified by the policy makers since 1980s and believed radical changes should be implemented instead of traditional methods in education to reach the targets. Furthermore, universal achievement in education like Millennium Development Goals (MDG) and six Education For All (EFA) aim to grant access primary education for all in 2015 (UNESCO, 2011).

Improving education in the world has been become the major target in the long term, with the aim of enhancing skills to employers, standard of living and economic development. Many intervention areas in the education system at the national level can be occurred where

competencies in both sectors could be joined. To achieve the targets of universal primary education, government still requires a huge amount of resources and private sector has been become the only potential contributor in this regard. PPP is the promising approach of merging the expertise and the resources of both parties. Furthermore, the government can get the support from the private sector for sensitive political issues like education, spending more on schools with their support than acting alone. Public sector as well benefits with the political stability, economic balance and with educated work force (Khan, 2011).

In ASEAN, they have experienced PPP in the last few decades, but especially with infrastructure projects. It has been a problem for the public sector of these countries to provide adequate public services individually and as a result, they focus mostly the participants of the private sector. Thus, the effectual partnerships can minimize the problems in relation to education. Considering the countries in the region, it shows a significant progress in education. However, still a large difference exists with the CLMV (Cambodia, Laos, Myanmar and Vietnam) and other six countries (Singapore, Thailand, Vietnam, Malaysia, Brunei and Philippines). Many countries now focus their attention on PPP to limit the regional gap and increase the quality and the standard of the education.

This research contributes the importance of PPP for the development of education sector in ASEAN. It uses key ideas of the researches and comparable data and examines the current status that the countries have taken on PPP for the education in the region. The results of this research, show how important the private participation in education to minimize the problems in ASEAN and to achieve the aims in globally as a region.

LITERATURE REVIEW

History of the PPP for the Education in the Region

ASEAN has focused their attention much on education sector. Mainly, they aim to achieve productivity in work force and skilled labors in targeting the economic indicators of the region. Some countries in the region experience the imbalance between the skilled labors they produced through their education system and with the development of the industry sector (Plan, 2013). Improvement of infrastructure, teaching skills and technical skills of the students has become the major problems in education sector. In this connection many government in the region have to focus much on private participation.

In ASEAN, PPP varies in each country because of the public sector capacity, financial markets, capital markets and development stages. Out of the ten countries, Philippines and Malaysia have undertaken more on PPP in all types of schemes. Thailand implemented different types of PPPs since the beginning of 1990s with the responsible of Council of Ministers. Singapore and Indonesia adopted this more since the last decade. Singapore introduced PPP since 2004 under the Ministry of Finance with the best sourcing and framework. Indonesia introduced this under the new regulation giving the responsibility for the Planning, Development Agency, Ministry of Finance. However, Vietnam and Brunei are still newcomers for this system. Brunei just started it in 2010 giving the responsible for the Department of Economic Planning and Development. Vietnam issued the regulation on PPP in 2011 under the Ministry of Planning and Investment. Laos, Cambodia and Myanmar are still trying to improve their PPP system (Shishido, Sugiyama, & Fauziah, 2013).
Theoretical Concept on Partnership Development

Liberal and Conservative Ideology

According to S.H Linder, 1999, PPP can be considered as a management reform. He explained different meanings of PPP with different ideologies. First, it combined the private sector as an innovating tool which caused to change the function of the public sector (liberal conception). Moreover concerning it as conservative ideology. PPP does not consider as a way of changing the management, but as a way of solving many problems. The public sector can strengthen the financial resources and public sector can minimize the tax burdens. Besides, PPP can even be seen as a moral renovation. People are given a mental influence to engage in public service and the ownership for the shares of state. PPP also works as a transfer of the risk. It enables the private sector to support public sector. Additionally, PPP facilitates reconstruction for the public sector and enables to move public servants to the private sector. Furthermore, PPP can serve as sharing of power. It creates an exchange value for the partners sharing knowledge, responsibility and risk (Linder, 1999).

Game Theory

Game theory specifies primarily the mechanism of cooperation and competition. This is a very complex and huge theory and only some parts can be considered with respect to PPP. According to this terminology many social interactions can be seen as non-zero-sum games. The games between players are not either opposite or coherent and the player does not have anything to gain changing their own strategies. In Prisoner’s Dilemma game, it decided not to cooperate by both players. However, it shows that the most effective way is Tit for Tat which gives the principle of co-operate with the partner when he co-operates and defect the partner when he defect (Ho, 2006; Shapley & Shubik, 1971). Persons using this kind of strategy will primarily co-operate and then respond to the opponent’s action.

Enforced Cooperation

In economic development, cooperation affected on the public or funded agency through legislation as well as controlling financial resources by local or central government. There can be a strong incentive for the cooperation when there are similar objectives which improve the welfare of the area. Private agencies mostly concern the commercial pressure making them more selfish. Also, some pressure groups basically concerned the interests of their members than the community. However, self-interest offers an incentive for partnerships, but can be insufficient to boost participation though it increases the overall welfare. The cause for this is, actors will not cooperate if they gain more benefits individually (Osborne, 2000).

The Distribution of Primary Education Spending in Public Sector (Government Expenditure in ASEAN Countries)

Government spending for education shows a significant level in each country in the region. However, it shows that it has decreased in some countries. In other countries, it is difficult to figure out as they did not show much data. A country like Myanmar has spent 50.49% for the primary education in 2011. Normally, a country’s education input can be measured by the education expenditure of the government. Statistics are not available in country Lao. Philippine has a long history for the educational friendly policies though it does not show much improvement in uplifting educational targets (Sjöholm & Tongron, 2005).
Figure 2. The Distribution of Primary Education Spending in Public Sector (Government Expenditure)

Source: UNESCO Statistics, World Bank

**Literacy Rate of Each Country in the Region**

Literacy rate also a major factor which measures the education level in a country. The following graph shows the literacy rate of 15 years and above. Singapore represents the highest in the region while Lao is the least. However, the statistics show that the adult literacy rate is improving in all countries.

Figure 3. Literacy Rate in ASEAN (2012)

Source: The World Bank

**Evidence from Previous Studies**

PPP in education today is achieving the attention of policy makers. It can improve the access in the basic education in the country and tertiary education. Governments can implement national education policies allowing public sector to do the services specially improving the
quality and quantity of the education (Anthony, 2010). The key theme of all PPP projects has become the balance between risks and rewards or costs and risks. In Singapore PPP paid more consideration with the aim of the enhancing effectiveness and efficiency in government services (Lee, 2009).

Kargol & Sokol (2008) argued that PPP is an important element in providing public goods. Through PPP, it contributes benefits like decreasing the costs, efficient resource allocation and expanding the quality of goods. Here, public sector basically should consider the private partnership in education, ensuring quality and equity. Further. The study implies that PPP as a social game and it analyze clearly with the mechanism of game theory (Bloom, Craig, & Mitchell, 2000; Kargol & Sokol, 2008).

Many countries have limited resources in infrastructure and have become a challenge to implement the quality of the education with the limited resources and diverse demand for the educational services in the countries, the participation of the private sector has been important in sharing the responsibility of the government. (Patrinos & Sosale, 2007). Since early 1990 s, partnership became an imperative phrase in educational literature. Educational partnerships have gathered the interest in the government as a way to develop public education with the local involvement and interest. When the complexity and diversity increases in an environment, the number of shareholders involve in partnerships. As a result public and private sector gain the advantage involving with private entities, business agencies and foundations (Sweet-Holp, 2001).

Recent years shows that the private role in the finance and provision of educational services has broaden up in many countries in the world today. The trend shows the reason as the PPP in education. This has increased the education, social and economic objectives of the education (LaRocque, 2008). Wang (1999) & Guislain (1997) argued that PPP should be contrasted with the privatization. Privatization implies transfer of control to private parties. PPP mostly emphasize the quality, efficiency, equity, effectiveness and accountability (Guislain, 1997).

![Figure 4. Possible Partnership between Public and Private sector](image)

Today, greater involvement in partnership is between public private bodies and NGO’s because of the resource limitations and ideological factors. These include belief of the advantages of partnering approach, weak government, resources to deal with the issues in policy areas and the participation of the community. PPP occurred because of the economic structures, world economic patterns and government funding. Thus, the advantages of PPP shown as legitimacy, efficiency, resource availability and effectiveness (Osborne, 2000).
Table 1. Private enrollment as a percentage in Primary Education Sector in 10 countries of ASEAN

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<tbody>
<tr>
<td>Brunei</td>
<td>34.809</td>
<td>35.879</td>
<td>35.943</td>
<td>35.719</td>
<td>36.503</td>
<td>37.292</td>
<td>36.707</td>
<td>36.411</td>
<td>36.612</td>
<td>37.270</td>
<td></td>
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<tr>
<td>Cambodia</td>
<td>0.852</td>
<td>0.891</td>
<td>0.572</td>
<td>0.491</td>
<td>0.921</td>
<td>0.746</td>
<td>1.260</td>
<td>1.176</td>
<td>1.403</td>
<td>1.487</td>
<td>2.381</td>
</tr>
<tr>
<td>Lao</td>
<td>2.024</td>
<td>2.015</td>
<td>2.072</td>
<td>2.360</td>
<td>2.615</td>
<td>2.782</td>
<td>3.004</td>
<td>3.344</td>
<td>3.460</td>
<td>3.804</td>
<td>4.129</td>
</tr>
<tr>
<td>Malaysia</td>
<td>0.933</td>
<td>1.121</td>
<td>0.942</td>
<td>0.831</td>
<td>1.339</td>
<td>1.035</td>
<td>1.265</td>
<td>0.941</td>
<td>0.970</td>
<td></td>
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<tr>
<td>Myanmar</td>
<td>N/A</td>
<td></td>
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<tr>
<td>Singapore</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5.331</td>
<td>6.817</td>
<td>7.586</td>
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<td></td>
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<tr>
<td>Thailand</td>
<td>14.019</td>
<td>15.154</td>
<td>15.806</td>
<td>16.651</td>
<td>17.496</td>
<td>18.006</td>
<td>18.358</td>
<td></td>
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<tr>
<td>Vietnam</td>
<td>0.339</td>
<td>0.338</td>
<td>0.3528</td>
<td>0.370</td>
<td>0.457</td>
<td>0.535</td>
<td>0.576</td>
<td>0.599</td>
<td>0.583</td>
<td>0.526</td>
<td>0.554</td>
</tr>
</tbody>
</table>

Source: The data for private enrollment is from the UN statistics which was referred by the UNESCO data (UNstat., 2002-2012)
Yidan Wang (2000) argued that it should be clearly understood the common features and the common objectives in both sectors. Public sector attempts to provide services, with minimum cost providing equity. Private sector mostly considers concerns in targeting to reach poor. Partnership should use to expand resources and services as well as to expand infrastructure reducing the financial burdens of the governments (Ahmed, 2000). Through PPP it funded schools in low income countries which cannot afford schooling for every student. This is different from high income countries and they can ensure support services from the private sector contracting and financing them (LaRocque, 2008).

FACTS AND FIGURES ON PPP IN EDUCATION

In this research, both qualitative and quantitative methods have been used to analyze the results. Secondary data obtained by analytical views, government data and from different publications. As mentioned earlier, the research studies reveal recent ideas available after 1980s from several scholars. Even World Bank and United Nations Educational, Scientific and Cultural Organization (UNESCO) have published some articles on PPP for education and here it supports more to understand the education system in the region as well as the problems that the countries have face currently.

Quantitative method is used to compare and contrast the results among different countries in the region. The private sector enrollment for the education in ten (10) countries analyzed using the ten (10) years of annual data in each country. It examined the private participation for the primary education in ASEAN countries. Then, the government spending in education of each country in the region examined within five years. The data were from the ASEAN statistics, World Bank, United Nations (UN) and Central Intelligence Agency (CIA) world fact book. Moreover, it supported to identify the difference and the spending gap of the countries for the education.

However, the progress or the level of the education should be considered in concluding the final results. For that, a major factor is the number of teachers and pupil ratio in the countries. It has also found with the data provided in UNCTAD. Further, the literacy rate of each country has taken into consideration to measure the education gap in the region.

DISCUSSION

ASEAN identified education as promoting ASEAN awareness, strengthening the identity of the ASEAN, human resource in education and universal networking (Narine, 2002). In Figure 1, it shows the government expenditure in each country and it seems that countries have decreased the spending for the primary education. Cambodia and Myanmar has allocated more considering other countries among the group. However, primary school dropout rate (Table 2) and teacher pupil ratio (Figure 4) is higher in these countries. Therefore, it should reveal why such countries fail to achieve their targets even spending much input. According to Education Monitoring Indicators report issued by the Ministry or Education Myanmar, malnutrition, urban/rural location, poor health and late entrants have been identified as the primary issues in education (Win, 2012). In UNESCO National Education Support Strategy: Cambodia, it has identified urban/rural disparities, quality of teacher training programs, low financial status of teachers, students’ health and child friendly schools as major concerns in primary education (UNESCO, 2009).

Even the corruption rate is very high in those countries, according to the Corruption Perception Index in 2013, Cambodia has been ranked 160 out of 177 countries, while Myanmar placed 157, Laos 140, Vietnam 116, Indonesia 114, Thailand 102, Philippine 94,
Malaysia 58 and Brunei 38. Only Singapore was able to get 5th rank within the group. Legal, institutional and regulatory environment is an important factor in enabling PPP (Kis-Katos & Schulze, 2013).

Literacy rate in a country reveals the status of the education and it represent as an indicator to measure the quality of life. Mostly it can ensure to overcome the problems in primary education in a country. Moreover, it can have an intense impact on adult literacy. Once they are able to read and write, it causes to uplift their knowledge through reading and writing and then the adult literacy is in a profitable rate. According to Figure 2, the literacy rate of each country shows a significant level. However, it cannot say that those countries are well sufficient in providing education for all. Still, many problems and illiterate people can be seen in those countries (EFA, 2013/14). Statistics show, many drop out the primary level and even not going to school (Table 2).

Lao and Cambodia still remains behind, comparing with other countries. However, study reveals that it is important to enroll to a school to gain literacy and need to complete the full cycle of primary education for that. In developing countries, it has estimated that many are reluctant to complete the primary education with the issues like poverty (Chowdhury, 1995).

Primary education is very important for a country to strengthen the secondary education level as it promotes the incentives for students to continue their education. Also, it strengthens the early child care and development to build knowledge based society. However in ASEAN region, countries face many difficulties in providing a good education due to poverty, low service quality, low access and poor infrastructure (EFA, 2013/14).

ASEAN region differs with the political, economic and social indicators when compare the ten countries. Economic gap is high, especially with the CLMV countries and others. CLMV countries are trying to achieve the targets like school enrollment rate, dropout rate and literacy rate to minimize the internal gap of the region. However, studies revealed that the out of school population remains more than 9 million in primary school age specially in the countries like Indonesia, Thailand, Cambodia and Philippines (UNESCO, 2011). According to the Education for All report (2013/14) Philippine is far from target in achieving primary enrollment target at least from 95% in 2015 (EFA, 2013/14).

Table 2. Student Dropout rate in Primary Education

<table>
<thead>
<tr>
<th>Country</th>
<th>Rate %</th>
<th>Latest Year</th>
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<tr>
<td>Brunei</td>
<td>3.63</td>
<td>2011</td>
</tr>
<tr>
<td>Cambodia</td>
<td>34.05</td>
<td>2011</td>
</tr>
<tr>
<td>Indonesia</td>
<td>12.00</td>
<td>2010</td>
</tr>
<tr>
<td>Lao</td>
<td>30.05</td>
<td>2011</td>
</tr>
<tr>
<td>Malaysia</td>
<td>0.76</td>
<td>2009</td>
</tr>
<tr>
<td>Myanmar</td>
<td>25.21</td>
<td>2009</td>
</tr>
<tr>
<td>Philippines</td>
<td>24.22</td>
<td>2008</td>
</tr>
<tr>
<td>Singapore</td>
<td>1.32</td>
<td>2008</td>
</tr>
<tr>
<td>Thailand</td>
<td>6.40</td>
<td>2000</td>
</tr>
<tr>
<td>Vietnam</td>
<td>2.53</td>
<td>2011</td>
</tr>
</tbody>
</table>

Source: UN Statistics
Quality of education and inequality has become a major challenge in the region. The quality of the education marked with issues of standards of school facilities, teachers’ quality, class size and the availability of teaching and learning materials. According to the Digest report (2010), Lao and Cambodia show more than 20% of over age enrolment in primary education which means the late entrance to the schools due to poverty and low family support. Though the repetition level of primary education is decreasing in the region, still countries like Lao shows 14% in 2010 and in Cambodia, shows the highest in the region, 65% left the primary school before completion and even 3 years older than the proper age (Snyder, 2010). Malaysia shows the least rate in the region like 0.76 (Table 2).

Many childrens are reluctant to complete the primary education as either schooling is expensive for them or have to travel distance to schools as no arrangements to live in hostel or apartments (Singh, 1992). Mainly in countries like CLMV, they face many problems while completing the primary education. Limited buildings, class rooms with facilities are still common, especially in remote schools.

According to UNESCO Teachers and Educational Quality; Monitoring Global Report (2006), shortage of teachers/specialized teachers and low levels of qualifications and knowledge can affect for the quality of education. Thus, the qualities of teachers are very important to upgrade the aims of the education in the country. The common responsibility of the ASEAN as a region has become to ensure that all children are having their learning needs like physical and human resources. The teacher/pupil ratio in primary education is very high in Cambodia as 45.72% and Philippine 31.43%. It means that those countries are not ready to supply academic benefits for the students. Even the countries like Lao and Myanmar shows high teacher – pupil ratio. Brunei is leading the region with the lowest ratio as 10.58 and the gap is very high with Cambodia.

![Teacher – Pupil ratio in Primary Education](image)

**Figure 5.** Teacher – Pupil ratio in Primary Education  
Source: UNESCO Statistics

According to “Education for All Mid-Decade Assessment” process of UNESCO, differences of educational issues in the individual countries are greater than the region. Poverty, location and resources, build a huge gap between urban and remote areas. According to the Vietnam Reading and Mathematics Achievement Study which measures the achievement of education, it shows a large disparity in achievement of learning between urban areas and remote areas (UNESCO, 2011).
In fulfilling the educational accomplishments, the service of the private sector has turned into a major solution to overcome the problems in the region. It is like a win-win situation, gain advantages by both sectors. However, according to the EFA Report (2010) the private enrollment in the secondary education is higher than the primary education in the region.

As shown in Table 1, Brunei represents the highest private enrollment rate comparing the other countries. For the education, they receive more support from the private sector. The public expenditure rate invest in education is 16.88% (figure 1), an average level according to other countries. Also, Brunei is the country which has achieved the lowest teacher pupil ratio which means the number of teachers relative to the number of pupils in the region as 10.58%. Indonesia encourages non state providers like private organizations and firms to encourage the provision for primary education. Philippine encourages the private sector to support education under the supervision of the department of social welfare (UNESCO, 2011). Primary education is the main foundation of the country and it supports to strengthen the secondary education as well as to facilitate social benefits like literacy rate for the people.

Countries like Malaysia still not shown much progress in private enrollment in the education as they spend high government expenditure for the primary education. But PPP is an efficient method for the low income countries which is difficult to achieve the targets by the government itself. PPP promotes for the improvements in the government sector without controlling one over the other. In Indonesia large share of education is controlled by the private sector, but owns for the government (UNESCO, 2011).

PPP can be the optimum tool to minimize the educational gap in the region. Countries like Cambodia and Myanmar shows poor indicators in education and private enrollment rate is very low in these countries. Even government expenditure for the education is 4% to 13% (Figure 1), which shows a very low rate comparing the other countries. The Asian Development Bank (ADB) has proposed the Cambodian government to improve the PPP policies, enabling environment and to maximize the public sector capacity for PPP.

Through PPP, the private sector provides financial support aiming to improve infrastructure (school buildings, sanitary facilities), quality and access to the government schools. Philippine follow this method more than the other countries in the region to uplift their poorest schools in remote areas. The main objective is to maximize the chances of poor students to gain access for the primary education. Moreover, supporting capacity building, administrative support, management and teacher training programs are organized by the private sector. Infrastructure programs like designing, constructing, operating can be handled by the private sector in government schools. Countries like Indonesia, Vietnam and Thailand implement new laws in attracting PPP in last couple of years (Latham, 2009).

CONCLUSION AND POLICY RECOMMENDATIONS

Concluding all, one can say that providing primary education for all is the common target in all countries. Today, the importance of PPP partnership has been understood by every country to minimize and overcome the problems in public sector. In ASEAN, PPP started for the development of infrastructure in countries. PPP is later on considered as the beneficial factor to uplift the social factors like health and education. Some countries are far behind in promoting PPP for the education. Partnering considered as a supportive work, gaining benefits by both sectors, but not controlling each other. The aim is promoting the improvements in finance and services in both sectors. It improves the services of them, emphasizing the quality, effectiveness, efficiency and accountability. In this connection,
many countries can gain advantages like financial support, resource, quality and management support from the private sector.

However, PPP is not succeeding until the government support for the private sector, giving incentives by changing policies and having a proper contract system in partnering. Private sector even gets the indirect benefits with the improvement of the education. It benefits with a well-educated work force, skilled labor and economic growth. Also, it gains advantages in cooperating with expertise, gaining resources, management and services for quality education.

Providing the recommendations, the countries like CLMV should do more projects on PPP for the educational development to minimize the regional gap. Governments should attract both national and international contractors, sponsors and funders to meet the requirements of primary education. In partnerships, there should be a fair equity in return for the risks like whether both sectors can manage operational risks such as people and systems, physical and environmental risks, management and failed internal procedure, also to seek a law to have a central government body for PPP operations. Political issues should be minimized for an emerging PPP market. Countries should be able to minimize the corruption issues in the region to attempt the global educational targets and they should create an appropriate environment, implementing policies as a one region than working individually.

REFERENCES


