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主 論 文 の 要 旨

論文題目

THE DILEMMA OF PUBLIC-PRIVATE PARTNERSHIPS:
BRIDGING THE INFRASTRUCTURE GAP IN
LOWER-MIDDLE INCOME DEVELOPING COUNTRIES

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論 文 内 容 の 要 旨

This dissertation examines the implications of a recent declining trend in the use of Public-private Partnerships (PPPs) in lower-middle income developing countries. PPPs are a type of policy instruments developed primarily to enable the collaboration of public and the private sectors for infrastructure development and delivery of public services. Since the conceptualization of PPPs driven by New Public Management reforms in the 1990s, countries in the West have relatively benefited from this policy instrument. Such potential has also instigated the Sustainable Development Goals promulgated by the United Nations to give prominence to using partnerships in addressing the expanding infrastructure gaps around the world. In the West, however, PPPs are enabled under relatively resilient institutional, legal, and policy frameworks with grounded good governance principles. Whether lower-middle income developing countries have enabled equally resilient PPP frameworks remains inadequately investigated.

This dissertation focuses on the institutional, legal, and policy implications of the current PPP frameworks in three selected lower-middle income developing countries: Sri

Lanka, Bangladesh, and the Philippines. The purpose is to encourage these countries to reconsider and reform the existing conditions of their PPP frameworks to harness the full potential of PPPs and create a ‘win-win-win’ situation for the governments, private sector, and the people.

While the debate on how to cater efficiently using PPPs for the ever-expanding public service and infrastructure demands of the people is ongoing, studies are mostly concentrated in the economics and business management disciplines. For example, one of the very few studies focusing on PPPs with evidence from Sri Lanka, by Appuhami and Perera (2016); published in a journal of accounting and organizational change, is useful in terms of identifying the types of risks and levels of management controls used in different phases of PPP projects from a private sector business management perspective. However, the role that the public sector plays, representing the government, which is entrusted with public trust is more crucial and impactful. Public administrators in the governments are fundamentally vested with the responsibility of meeting the growing demands of the people. However, an analytical study by Wang et al. (2018) reveals that research on PPPs in certain developing countries is left untouched by scholars, particularly in the public administration discipline. In that sense, this research becomes useful to gain an insight into public policy and administrative perspectives, and how governance issues are constraining the process of PPPs in developing countries with lower-middle income status.

The primary research questions this dissertation explore includes: what conditions led to the introduction of PPPs in each country, what policy, institutional, and legal frameworks are currently in place, what are the actual PPP project outcomes, how the deduced governance issues are constraining the existing PPP processes, and what remedial measures should be taken to address the situation in the contexts of the examined

lower-middle income developing countries.

In order to address the research questions formed, this study examined fourteen PPP projects covering a range of infrastructure and public service projects such as electricity supply, port constructions, expressways, hospitals and prisons implemented in Sri Lanka, Bangladesh and the Philippines. The data analyzed was mainly acquired from archival documents such as procurement guidelines, reports by international aid organizations, former PPP related research studies, newspaper articles, and PPP related websites. In the case of Sri Lanka, meetings and informal interviews with public sector bureaucrats and PPP agency officials helped in collecting data, which would otherwise be inaccessible.

The study revealed that PPPs are introduced to these developing countries through policy diffusion accompanied by financial assistance from international aid organizations. Therefore, the limited understanding of the ideologies underlying the concept of PPPs, have made it difficult for these countries to lend themselves readily, to western analytical perspectives inculcated in the origins of PPPs.

Furthermore, the case analysis revealed the presence of a range of ailing governance issues, which include: lack of government commitment to enable and improve the capacities of PPP related institutions; lack of transparency in the decision-making process; difficulties in ensuring accountability; and susceptibility of the PPP frameworks to political instabilities and administration changes. Among the three countries analyzed, Sri Lanka represents the most problematic case because, all the above-mentioned governance issues exist within its PPP framework, and continue to distress the potential of PPPs to contribute for infrastructure development. In the case of Bangladesh, the projects reflect mixed positive outcomes in using PPPs, with most of its issues resulted due to a lack of government efficiency and commitment. Despite the longest involvement with PPPs in Asia, the present

administration of Philippines is now more reluctant to use this policy instrument, mainly because of the lack of efficiencies in the public sector has made the infrastructure development a more time-consuming process.

The prevailing governance issues highlighted the importance and need for regulators in these countries to revisit and deepen the understanding of the underlying ‘tensions’ of PPPs, which are inclined to affect PPP project outcomes negatively. The theoretical analysis of the PPP concept, and implications inductively derived from the case studies of this dissertation revealed three inherent tensions underlying PPPs. First, the hybrid consortium built by combining the public and private dimensions is prone to clash due to the rooted suspicion that the profit-motivated private sector can neither provide public services equitably without raising prices and sacrificing service quality, nor can it be as accountable to the general public as governments were traditionally required to be. Second, the uncertainty of events that may occur during the long-term project period causes difficulties in balancing a stable but flexible contractual relationship, between the public and the private sectors. Third, tensions are created through the conflict of interests across PPP stakeholders such as users, tax-payers and aggrieved parties in terms of efficient and equitable resource allocation with regard to a piece of infrastructure or a public service delivered.

While the underlying conceptual tensions of PPPs and the identified governance issues have largely contributed to the declining trend in the use of PPPs in lower-middle income developing countries, this dissertation stresses that with a more resilient framework inculcating good governance principles, PPPs still offer a better option when compared to the difficult past experienced by privatization or traditional procurement practices, and the achievements made in the West with resilient PPP frameworks, in terms of infrastructure development and delivery of public services.

Therefore, by looking at the weaknesses in the institutional, legal and policy frameworks of these three countries, how their PPP projects are implemented, and relevance of the underlying inherent tensions of PPPs, this dissertation proposes four remedial measures to mitigate the adversities contextually unique to lower-middle income developing countries. First, the clear identification of PPP regulatory space is recommended; to help set the boundaries within which the relevant stakeholders function in terms of the project goals, and to identify the techniques used to regulate these actors. Second, the incorporation of an adaptive management system aims to; help identify the possible future problems that may occur in a PPP project in advance, through strategic planning, monitoring, and sharing of the learned experience from past projects. The third remedy of involving the general public in the decision-making process aims to help guarantee inclusiveness, transparency, and accountability within PPP procedures. As the fourth remedial measure, this dissertation recommends a novel perspective on inculcating ethics of care among those who operate within PPP frameworks through capacity development programs. The rationale behind this recommendation is that irrespective of the public or the private sector, it is of utmost importance, to guide and direct the conduct and mindsets of those who operate PPPs. The aim is to help them understand the underlying objectives and principles behind these policy instruments; and the gravity of their actions and behaviors, which are inclined to adversities, unless executed with ethics and care.

Through the overall analysis, this dissertation makes three original contributions to the existing PPP literature. First, this study presents an examination of institutional, legal, and policy frameworks in three lower-middle income developing countries: Sri Lanka, Bangladesh, and the Philippines. The contexts of PPPs in these countries remain largely uninvestigated because PPPs are a distant topic diffused from the West, and not adequately

understood by these countries. Second, this study explores the practical and underlying conceptual constraints that have led the examined countries to deviate from implementing PPPs for developing infrastructure or delivering public services. Third, the proposed set of recommendations will be of some use for regulators to reform their existing PPP frameworks, and combat the identified governance issues, in a manner that harnesses the potential of PPPs. Moreover, the recommended remedial measures will be useful for developing countries affected by financial constraints, and interested in a ‘third way’ beyond privatization and traditional procurements, in pursuit of delivering for the growing demands of people.