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USE OF PUBLIC-PRIVATE PARTNERSHIPS TO DELIVER SOCIAL SERVICES: ADVANTAGES AND DRAWBACKS

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USE OF PUBLIC-PRIVATE PARTNERSHIPS TO DELIVER SOCIAL SERVICES: ADVANTAGES AND DRAWBACKS

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Washington DC, October 2005

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Acronyms

AGETIP (*Agence d'Exécution des Travaux d'Intérêt Publique)*: Contract managing, or "outsourcing" agency in Senegal

CIDA   Canadian International Development Agency

DAEB (*Direction de l'Alphabétisation et de l'Education de Base*): Department for Literacy and Basic Education at the Ministry of Education

EFA   Education For All

FONAFEF

(Le Fonds National pour l'Alphabétisation et l'Education Non Formelle) National Foundation for Literacy and Non-formale Education (in Burkina Faso)

GIE   (*Groupement d'Interêt Economique*): Local for-profit association

GTZ   *(Deutsche Gesellschaft für Technische Zusammenarbeit)* German Technical Cooperation for Development

ICR   Implementation Completion Report (the World Bank's project completion report)

IZZ-DVV (Institut für Internationale Zusammenarbeit des Deutschen Volkshochschul-Verbandes) German Association for Adult Education

IFC   International Finance Corporation

IMF   International Monetary Fund

NGO   Non-governmental Organization

PPP   Public-private Partnership

SAR   (World Bank) Staff Appraisal Report (equivalent to a UN Project Document)

UNESCO United Nations Educational, Scientific and Cultural Organization (www.unesco.org)

WDR   World Development Report (a yearly World Bank publication)

WLP   Women's Literacy Project (World-Bank financed literacy project in Senegal)

1. Introduction

Literacy programs are frequently subdivided into two main types of programs: those focusing on unschooled children and out-of-school youth, and those focusing on adults. The first category frequently strives to provide equivalent education to primary schooling, and may even offer the possibility of reintegrating the learner into formal schooling at the secondary level. The adult literacy classes are mostly designed for people in the 15-40-years age group, although it is more and more recognized that older adults also wish to and need to learn to read and write. Literacy classes can usually be characterized by their short duration and their attempt to teach a maximum of literacy and basic skills in a limited period of time. Adult literacy programs commonly employ one of three main types of implementation strategies, such as:

- Mass literacy campaigns

- Government, IO, or NGO funded and implemented projects

- Government, IO, or NGO funded projects which are implemented by service providers

Mass literacy campaigns are typically implemented as a part of the political agenda of new (and often socialist) movements: "campaign has about it a sense of urgency and combativeness. It is politically 'hot.' It is the most important thing that needs to be done at a particular point in the history of a nation. It is planned expedition or a crusade" (Bhola, 1999, p. 288). As their name suggests, the campaigns are characterized by large-scale interventions, often touching a large part of a country's population. For example, the literacy campaign in Cuba in 1961, over a nine-month period, organized and transported more than 250,000 people all over the island, to teach literacy to the island's large illiterate population. The campaign was not only used for literacy instruction, but was also used as a political tool to bring the revolution to the most remote areas of the country (Carnoy & Samoff, 1990). Some of the politically "loaded" campaigns took place in USSR (1919-1939), Vietnam (1945-1977), China (1950s-1980s), Cuba (1961), Burma (1960s-1980s), Tanzania (1971-1981), and Zimbabwe (1983-). In the 1990s, the two most significant literacy

campaigns may be the Total Literacy-Universal Elementary Education Campaigns of India, and South Africa's Adult Basic Education and training initiative (Bhola, 1999). This latter was largely implemented in cooperation with civil society and largely funded by the European Union. As opposed to earlier mass literacy campaigns, these initiatives were not a part of a revolutionary movement.

Mass literacy campaigns have often proved difficult to implement in regions lacking revolutionary fervor, and has currently lost much of its former popularity. Also, the effectiveness of mass literacy campaigns as a tool for literacy has been questioned. It is increasingly recognized that the mass literacy approach may be of too short duration to make a sustainable effect on the population, and also mass interventions frequently lack post-literacy initiatives that are necessary to ensure functional literacy.

In non-socialist countries, literacy education has traditionally been delivered through state and NGO programs. These programs in most cases have a stated purpose of alleviating poverty through providing a package of basic knowledge to poor and vulnerable population groups. Small-scale literacy projects can also be used as a political tool. The Brazilian educator Paulo Freire (1921 – 1997) contended that literacy education should be conceived as informed action that is not politically neutral. It should be a tool, not only to develop literacy skills, but also to develop consciousness on the possibility of transforming society (Freire, 2001). Therefore, small-scale literacy projects should have a clear political mandate to promote social justice. As opposed to socialist mass-literacy campaigns and Freirian-inspired literacy classes, many of today's literacy projects do not have any explicit (or stated) political agenda. Rather, they have poverty alleviation as their stated agenda, and their ideological agenda (if any) remains implicit.

Nearly all publicly funded literacy programs before the 1970s were implemented through civil servants' direct involvement in the service delivery. Literacy education was also usually characterized by its use of volunteers or low-paid (and often formerly unemployed) literate people to teach classes. Also, in some countries, literacy education was not prioritized by the state, and there were few government-funded literacy and non-formal education programs. Instead, the government counted on civil society associations and especially NGOs to perform this service.

In the late 1970s and early 1980s, Thatcher and Reagan founded their economic policies on individual liberty and the restriction of government. The U.K and U.S model were rapidly exported to the development world. Delivery of literacy, which was already partly using non-governmental means (i.e., few countries had civil servants serving exclusively as literacy teachers) increasingly became a market-based service. Outsourcing and public-private partnerships (PPPs) became a commonly used method for setting up literacy services from the 1980s.

Public-private partnerships can be defined as a risk-sharing relationship that is grounded on a shared objective of the public and the private sectors. Typically, such relationship is based on a contract between a private organization and the state for a publicly funded service (see: Edinvest's *Public-private partnership toolkit*, IFC). Such partnership for literacy delivery may present certain advantages over outsourcing (in which the government usually subcontracts with a provider to perform a pre-defined service), insomuch as the provider organization has, supposedly, the same objectives as the government, and that it is therefore willing to take risks. These risks can be associated with the providers' investment in doing background research for the program proposal, without knowing whether their efforts will result in any funding. Risks can also be associated with financing, e.g., performance-based contracts may lead to financial loss if the service delivery for one reason or another fails (IMF, 2004; Edinvest; Nordtveit, 2005). The government also bears some risks, insomuch as it needs to carry the political risk of delivery failure of the providers (this latter can be due to the providers' embezzlement, or lack of skill).

It should be emphasized that the highest economic risk, however, is ultimately borne by the consumers, since faulty delivery could be expensive in terms of opportunity costs to them (Nordtveit, 2005). Economic and risk evaluation of literacy has a tendency to focus on the public institutions' and providers' risks, without taking sufficiently into account the consumers' opportunity costs. In some cases, the lack of calculating the consumers' risks results in low-quality literacy classes, since it may be found that it is less costly to invest in inexpensive courses than in high-quality and more costly courses, although the latter would prove less risky for the consumer. The following sections outline the debate on public versus private service delivery and

discuss the notion of civil society and its relation to PPP. Furthermore, advantages and drawbacks of PPPs are examined through a country case study.

2. Public delivery of services versus public-private partnerships: the debate

The neo-liberal school of thought (based on neoclassical economics) argues that public-private partnerships in delivery of literacy (and of other social services) are more effective than state-delivered programs. The alleged cost effectiveness of using public-private partnerships is based on several arguments. It is maintained that because private provision uses competitive selection of providers, it is more effective than state provision. Moreover, the providers can be held accountable for their actions, while it is it is difficult for the government to be held accountable for its own actions.

Many governments also set up public-private partnerships because they want to concentrate on certain key sectors. They use private providers to deliver auxiliary services such as adult literacy, areas where they believe that the private sector has a comparative advantage and where risk can be shared (Harper, 2000). Also, in many countries, the state institutions are corrupt, and it can be argued that partnerships are more effective in the fight against corruption, insomuch as it is easier to fight corruption in private companies and NGOs than to fight corruption inside state firms and agencies. Once an activity is privatized or outsourced, the government's control over it weakens, and so do the possibilities for corruption (Shleifer, 1998). There is no certainty, however, that outsourcing service implementation to NGOs will reduce corruption: "It is often stated that privatization or NGOization would reduce corruption but this is seldom rigorously evaluated. Private providers and NGOs can also siphon off or waste funds and perform poorly in terms of service delivery" (Azfar & Zinnes, 2003, p. 16).

One key to success for public-private partnerships, it has been argued by the neoliberal school of thought, is to make providers accountable towards the recipients of services. This is called a "short route of accountability" as opposed to government-implemented services in which the local implementing agent is accountable towards

the policy-making institution, e.g., the Ministry of Education (World Bank/WDR, 2003). The short route of accountability allegedly makes it possible to implement rapid corrections to services, insomuch as the consumers can interact directly with providers to improve the delivery. On the other hand, in the long route of accountability, any service delivery problem needs to be addressed through government intervention, which may take longer time and may be less effective. Some studies on public-private partnerships, however, have pointed out that the short path of accountability does not work unless the consumers have both free access to information and access to a market of providers, and that they therefore have the possibility of changing provider (Nordtveit, 2005).

Critical theorists contend that partnerships may lead to ineffective cost-cutting practices in which the private provider organizations offer low-quality services.[1] Also it is argued that such methods are merely attempting to transfer the responsibility of social services to the poor, and thus also transfer the blame of poverty to the poor. The outcome of PPPs, critical theorist argue, is in many cases to offer poor services to poor people.

Lack of quality can in some cases be addressed through the following measures:

1: Making it possible for the learners to switch suppliers of literacy services.[2] This will prevent the providers from acting in a monopolistic way in the concerned communities.

2: Reputation-building among providers. For example, if the selection is partly based on past achievements, the providers would strive to obtain good results, and to build their reputation as a supplier of high-quality services.

3: Making use of non profit organizations as providers. Commonly, non profit organizations use their surplus to improve lives of the organization's employees, and sometimes when the organization is socially motivated, even to increase quality of the literacy courses (Schleifer, 1998).

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[1] In this context, low quality is understood as the lack of learning outcomes, especially in the field of literacy.

[2] This can be realized, for example, through the government monitoring of the program at the local level. Local authorities can help the community to switch provider in case of unsatisfactory delivery.

Implementation of literacy courses through public-private partnerships could in many cases improve quality by a careful design which integrates the above features. In addition, it is necessary to set up a control and enforcement system that counterbalances asymmetric information situations, in which the government does not know how the provider performs (Schleifer, 1998; Nordtveit, 2005). Programs using public-private partnerships have often needed to set up costly monitoring and evaluation systems to ensure contract compliance. Even heavy monitoring and evaluation structures have in many cases resulted in ineffective and unregulated service implementation, because of public institutions wishing to obtain political support from the providers. In such a case, there is a misappropriation of public-private partnerships, and the system becomes a political tool instead of a means to combat illiteracy (Nordtveit, 2005). For successful implementation of public-private partnerships, it is crucial that the government has a shared interest in obtaining a high-quality service delivery, and that it sets up an enforcement structure that ensures contract compliance by the providers (IMF, 2004; Edinvest). An active collaboration with non-profit organizations and civil society may in some cases help the set-up of a transparent partnership system and an appropriate enforcement structure.

3. Civil society defined

The term "civil society" is often defined as a set of organized activities that are independent of the state and economic interests, as a "sphere of social interaction between economy and state, composed above all of the intimate sphere (especially the family), the sphere of associations (especially voluntary associations), social movements, and forms of public communication" (Cohen & Arato, 1992, p. ix). Many authors, inspired by Tocqueville, argue that civil society is necessary for the proper functioning of a democracy, since it may relieve some of the state's responsibilities, check the state's power, distribute information, and initiate people into public life. Based on research in Italy and the U.S., Putnam furthered this conception of civil society, using the term "social capital" as a measure of connections and trust among individuals. He argued that a society with a high level of social capital functions better than a society without it. The level of "connectivity" of

the society is often measured by the number of people registered in civil society associations and the number of such associations (Putnam, 2000). Social capital, it is argued, has a series of positive externalities insomuch as it lowers crime, stimulates trade, and amplifies mutual trust, thereby leading to economic growth. This has a clear effect on development and also on development strategies, insomuch as investment in building social capital is supposed to lead to economic growth (Krishna, 2002).

From the 1990s, many development agencies were influenced by Putnam and began concentrating their efforts in building social capital (Todaro, 1996). This was often done through capacity building within existing civil society associations, and also through various actions intended at increasing the number of civil society associations. It was argued that the strengthening and creation of civil society would increase the stock of social capital, and that the increased stock of social capital would have both economic and political benefits.

In this conjuncture, partnership with civil society quickly became a new buzzword in the debate on democracy and development. Civil society became an important factor in the preservation of a good state, and was gradually also involved as an alternative delivery agent of social services and welfare. In the 1990s, development programs not only began using civil society organizations for implementation of services, but development efforts increasingly aimed at strengthening, or even creating civil society. In this context, the idea of using civil society to implement social services corresponded both to the idea of building social capital and to Thatcher and Reagan's neoliberal economic policies of restricting the scope of the government. The use of outsourcing and public-private partnerships to civil society associations became increasingly a preferred method for implementing services in the late 1980s. The discourse of "civil society" and partnerships as a means towards "good governance" and service implementation was gradually adapted by the neoliberals. In the early 1990s, this implementation strategy also became a means for implementing social services (including literacy) in developing countries.

In most definitions, civil society is seen as a set of organized activities that are independent of the state and economic interests (Cohen & Arato, 1992). In many

developing countries, however, it can be argued that this definition of civil society does not accurately apply to the local realities. In Africa, for example, women's organizations are often publicly registered as "Economic Interest Groups" and have a clear for-profit mandate. Other women's associations are part of state-administered women's association cluster(s). It can be debated whether these associations belong to civil society.

The current expansion of civil society in Africa is often generated through assistance from government-financed (or donor-financed) programs which try to stimulate the creation of social capital. Many of these new associations aim to capture finances from the state (Thiané, 1996). Generally they are considered as a part of civil society, albeit they are connected to both the political sphere of the country (since they are financed by the state), and to the economic sphere (since they were created as a result of market demand). Civil society in developing countries can therefore in many cases be considered "as a sphere of social interactions that are linked to political and economic interests, and composed above all of the sphere of associations, especially voluntary associations such as traditional grassroots organizations, faith-based groups, and development-related associations" (Nordtveit, 2005, p. 56).

4. Civil society as a service delivery agent: the "faire-faire model" in Senegal

One type of public-private partnership which subcontracted services to small local civil society associations has recently been tested out in francophone West Africa. First used in Senegal, the method became known under the name of *faire-faire* or literally, "to make do." In the Senegalese faire-faire case, about 51% of the literacy provider associations were local for-profit associations, 25% were local non-profit associations of different types (language and cultural associations, religious associations, etc.), and 12% were NGOs (DAEB, 2004). Each year, these associations submitted project proposals to a selection committee which selected the best proposals for financing. The budget of the proposals was based on a fixed unit cost per enrollee. In Senegal, this cost was set at approximately $50 per learner per

program.[3] The classes provided 450 hours of instruction over a 12-18-month period. In using a fixed unit cost, the competition was not based on how to create the least costly project, but on how to create the proposal with highest quality. By adapting this approach, the government hoped to boost the quality of literacy projects. The selected subprojects were financed by various international agencies, such as the World Bank and the Canadian International Development Association (CIDA). The role of these agencies is generally both financial and technical (e.g., they provide some assistance to the set-up of the public-private partnerships approach).

Figure 1: The faire-faire model – selection and implementation procedures of literacy

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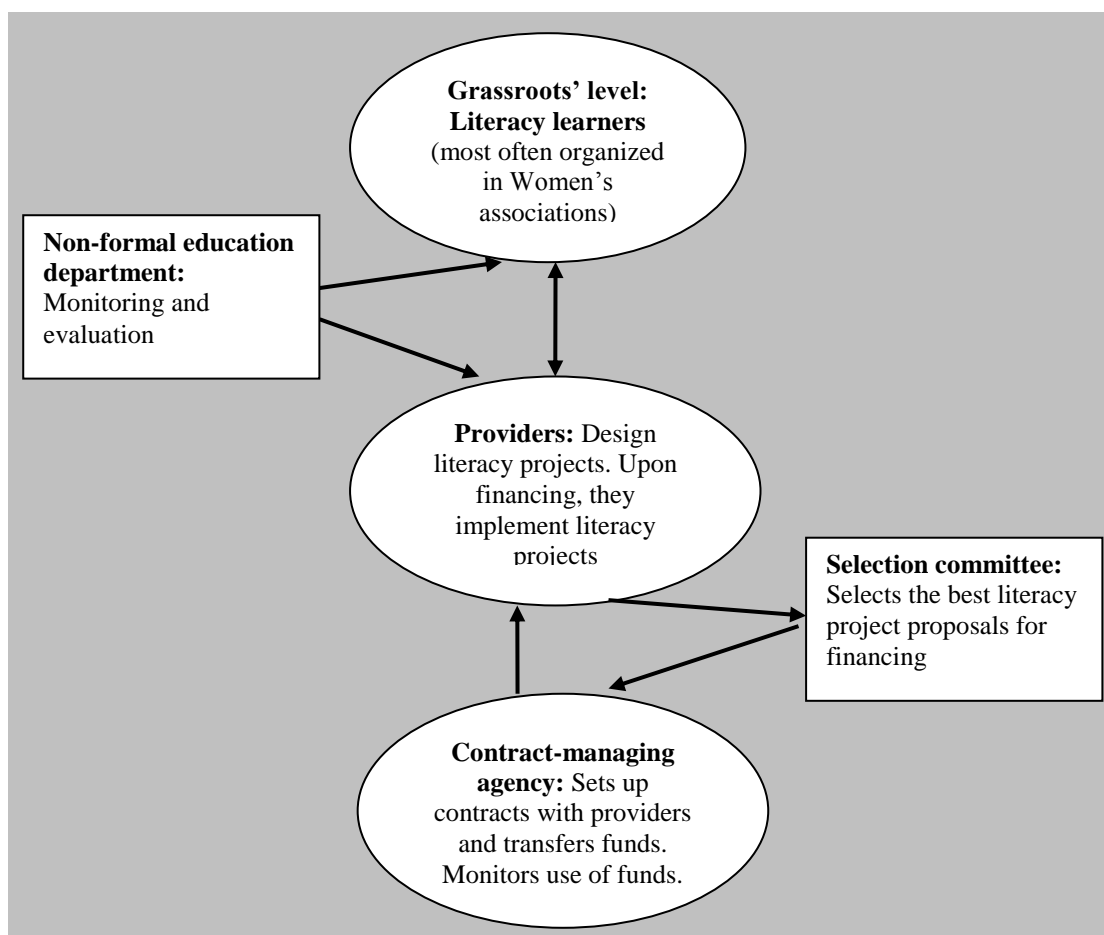
[3] A project with 300 participants would therefore obtain US$50 x 300 = $15,000.

Other countries, such as Burkina Faso, Chad, and Guinea adopted similar models for implementation of literacy courses. All projects were set-up using the Senegalese faire-faire model, and used the same processes for selection of literacy providers. Most public-private partnerships in West Africa used the following steps for selection of providers and implementation (see figure 1 above):

1. A local civil society association contacts prospective learners in different communities and defines the needed literacy services for each community (each literacy course usually serves one village).

2. The civil society association writes a project proposal for implementation of literacy activities in these communities and submits the proposal to a selection committee. In most cases, the project summarizes the literacy need for $8 - 20$ communities (or villages), and proposes to implement as many literacy courses.

3. The selection committee (most often composed by representatives from the state, civil society, and the contract-managing agency) ensures that the information in the proposal is accurate and decides which projects to finance.

4. A private or parastatal contract-managing agency[4] sets up contracts with the civil society association (henceforth the "provider association") and transfers a first installment of funds to the association.

5. The provider association recruits one literacy teacher for each literacy course, trains the literacy teachers, and sets up a monitoring system for the implementation of the project.

6. The literacy teacher goes to his or her assigned village and conducts the literacy classes. Most often, the lessons are divided in two categories; (i) literacy lessons (teaching reading, writing, and arithmetic skills); (ii) basic

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[4] Some examples of contract-managing agencies: In Burkina Faso and Cote d'Ivoire, foundations with representatives from the Government and civil society perform contract managing work. In Senegal, the contract management is realized by AGETIP, a parastatal organization with an NGO status. In Guinea, the German Adult Education association IZZ-DVV (Institut für Internationale Zusammenarbeit des Deutschen Volkshochschul-Verbandes) is being used to perform contract managing work.

skills lessons (teaching about health, hygiene, and sometimes income-generating activities).

7. The government's non-formal education agency follows up on the implementation and ensures that the quality of the courses is adequate.

The Senegalese model varies somewhat from the blueprint above. First, during the selection process, a local control and pre-selection committee checks the accuracy of the project proposal. The control and pre-selection committee then sends the proposals that fulfill a minimum set of requirements to a selection committee, which selects the best proposals. An "approval committee" checks that the selection has been done in an appropriate and transparent manner, and gives a final clearance for contracting and financing of the providers.

During implementation, in addition to providing literacy classes, the provider and the community are in many cases also contracted to build a learning and activities center. The providers are also contracted to train the literacy teachers, and have clear TORs for teachers' training. They need to use state-approved instruction materials, to ensure a certain degree of consistency in terms of literacy provision. The classes are most often taking place in the learning and activities center, and the providers also supply a number of books to the community library situated in the center. Also, the village-based literacy teachers train one or several literate villager(s) to function as a "relais" or relay person(s), who can continue to conduct literacy classes in the learning and activities center after the providers' state financing has ended. These activities are intended to ensure sustainability of the approach, and also to develop a literate and enabling environment in the communities.

5. Exporting the faire-faire model: country cases

The Senegalese model has been exported to several other countries, especially in West Africa. In most cases, these projects are still in the construction or early implementation phase, and there is yet very little information about their performance. The countries having used Senegal's *faire-faire* strategy as a model include Burkina Faso, Chad, Cote d'Ivoire, The Gambia, and Guinea. In most cases, the initiative to

use the faire-faire model has been taken by the Government itself, and/or it has been inspired by the World Bank and other international donor agencies. The reflections below concern Burkina Faso's faire-faire project which started in 1999. The Gambia and Guinea's adaptation of the *faire-faire* model is described as it was formulated in their first procedures manuals. The examples do not reflect any evaluation of the actual implementation of literacy classes in these countries.

Burkina Faso: In 1999 Burkina Faso developed a public-private partnership approach based on the Senegalese faire-faire model. Similarly to Senegal, the approach was built on the action of civil society as implementing agent.

Instead of using a contract-management agency, such as the AGETIP, the Burkina Faso government decided to create a foundation (*Fonds National pour l'Alphabétisation et l'Education NonFormelle* – FONAFEF) for managing contracts with the provider associations. This foundation manages funding from the Government and a variety of national and international sources, establishes contracts and monitors the delivery of the services provided.

The evolution of the civil society sector in Burkina Faso seems to reflect that of Senegal, insomuch as two types of civil society associations have been particularly active; (i) national (often religious) nonprofit organizations and (ii) an increasing number of local "economic interest groups" (GIE) and village associations (Easton, 2004). A survey of provider associations conducted in June 2002 found that the majority of providers were former clients of literacy programs. Most of the providers set up and managed less than 20 centers, and about half of them set up less than 10 centers (Easton, 2004).

The Gambia: The Gambia has used the Senegalese partnership version as a model, and is now in the process of setting up a similar system. However, the Gambian government has recognized that, using the Senegalese system, civil society associations possibly will act as a monopoly in the communities. Since there are few civil society associations in the country, an association may propose its services to communities that do not have another choice other than to accept the proposal (the alternative would be to not obtain any literacy project at all). In order to counter-effect this monopoly tendency, the Gambian government has planned to pre-select the

communities that are in most need of literacy services. Then, civil society associations will set up project proposals and compete on obtaining financing for literacy services in these pre-identified communities. A representative from each community is to participate in the selection process, to ensure that the community's interests are taken into account during selection (Nordtveit, 2004; WB, 2005). In Senegal, many local administration institutions and the non-formal education department have realized that the monopoly problem is decreasing the quality of the services – and solutions to this problem are sought.

Guinea: In Guinea, the main variation from the Senegalese model is linked to the use of several different unit costs. The department of literacy and non-formal education in the country wanted to implement different types of projects, which were intended for different population groups (such as out-of-school children and youth, refugees, street children, adolescent and adult women, etc.). It was recognized that the cost of implementing each type of project would necessitate different means of financing, and that the contracting of providers could not be based on one, fixed fee. Hence, different unit costs were established, one for each type of program (World Bank, 2002).

6. Advantages and drawbacks of the public-private partnership model

Some of the advantages and drawbacks of implementing literacy services through public-private partnerships are connected to the following issues:

1. The fixed transaction costs are low, but partially offset by high variable transaction costs;

2. Asymmetric information in the selection of providers and implementation may easily lead to moral hazard;

3. The use of public-private partnerships may lower the quality of literacy and infringe on necessary standards of equity;

4. The market-based provision of literacy may change the nature of civil society, and decrease its effectiveness in promoting a more just society.

Transaction costs can be defined as the costs of running the partnership system. They consist of fixed transaction costs (e.g., the specific investments that are made when setting up the institutional arrangements), and variable transaction costs (e.g. the expense of running the partnership system). The former include costs of building infrastructure for project management and implementation. Since the public-private partnership projects are mostly using existing infrastructure owned by civil society associations, the projects' expenses in fixed transactions costs may be lower than the fixed transaction costs of a state-run literacy project (for which necessary infrastructure would in many cases need to be rented or built).[5] On the other hand, the variable transactions costs can be particularly heavy when using public-private partnerships, because of the costs of ensuring contract compliance. This has been a major problem in Senegal, where a considerable amount of money has been spent on a monitoring and on an evaluation system which has largely failed to ensure that the literacy activities were of adequate quality (World Bank/ICR, 2004). In addition to supervision and monitoring, the variable transaction costs also include the costs of information, training and selection of providers, as well as the running costs of the contract-managing agency (Furubotn & Richter, 2003). Cost advantages by low fixed transaction costs of public-private partnerships are therefore largely offset by the high variable transaction costs.

A connected drawback is the principal-agent problem, which arises when the providers have better knowledge about the operation than the public institutions on which behalf they act. This is called asymmetric information. Often, the providers take advantage of the asymmetric information situation, and act in their own interests instead of acting in the communities' interest. For example, in Senegal providers frequently try to earn money from the projects by cutting costs. The term "moral hazard" is often used to describe situations where self-interested providers are breaking the required standards of honesty and reliability (as defined by their contract with the government for project implementation), and circumstances allow them to get away with it (Kasper & Streit, 1998). Moral hazard has been a common problem

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[5] This is assuming that civil society infrastructure is excess capacity, or low-cost as compared to state-run infrastructure. In some cases, it should be noted, this assumption does not hold true (and in some few cases, the inverse may be true).

in public-private partnerships, since it has proved difficult to ensure contract compliance.

At a larger scale, the moral hazard problems question the regulatory function of the state. In order to successfully implement a public-private partnership, the state needs to be capable of regulating implementation of literacy services by the private sector and it also needs to be willing to do so (Nordtveit, 2005). It results that partnerships cannot be created without solid government support. Public-private partnerships can therefore rarely be used to compensate for a weak state, or as a way of bypassing the state. On the contrary, public-private partnerships need a strong and consistent leadership from the government.

Also, many public-private partnerships lack guidelines to ensure an equitable distribution of the services. For example, providers usually have a tendency to choose only the areas and ethnic groups that are easily accessible. The market mechanisms of the partnership approach, if not corrected, may exclude certain population groups from service delivery (e.g., nomads, or inhabitants of remote and inaccessible areas). A redesigned unit cost system could create incentives to reach these populations, and to create more equitable distribution systems, even if the delivery of literacy services is market-based. However, the transaction costs of enforcing variable unit costs may prove them to be ineffectual for use in public-private partnerships.

Critical theorists have been very skeptical to private sector implementation of literacy (and also to the privatization of other social services). Critical theory has its origin in a number of schools of thought that critique structures of capitalism, neocolonialism, patriarchy and racism. A main issue for critical theory is the question of how education can contribute to create a more just society, rather than only serving as a means to replicate existing social structures. Theorists belonging to these views criticize the partnership-based literacy activities, stating that the projects have no aim at changing society. Rather, they provide the bare minimum of knowledge to the poor. Such projects, it is contended, will not help the learners to gain social promotion and recognition, but will replicate existing power structures (and injustice) in society. Seen from this perspective, the use of partnerships may be considered as a way of transferring the responsibility of literacy provision from the government to the private

sector. Building on this argument, it can be deduced that public-private partnerships change literacy education from being a human need to being a commercial service offered by private providers to certain populations.

Also, it can be argued that the market based system has a perverse effect on civil society associations since they are transformed from social capital (trust-based networks) into private businesses. Hence, it can be claimed that the very mechanisms that are supposed to create and strengthen civil society (and social capital), corrupt and weaken it (Nordtveit, 2005).

Policy-makers, when setting up a literacy program, need to consider the aforementioned debate for and against private or public service delivery. If one chooses to use private providers for literacy delivery, it is necessary to address market failures. Some of the shortcomings of public-private partnerships can be fixed through building government capacity in correcting market flaws (i.e., to build government regulatory capacity, to set up incentives for working with disadvantaged population groups, etc.). The alternative is to improve public processes and to create a flexible (government) approach that is not market-based. If one opts for government implementation, it is important to learn from the advantages of market-based programs, e.g., using a "short route" of accountability by making implementation agents more responsive to the learners' needs, as well as making flexible programs that are not implemented in a top-down manner.

7. Conclusion

The use of public-private partnerships has both a positive and a negative impact on the content of literacy training. In Senegal for example, one positive result of the public-private partnerships was that they gave small civil society providers access to decent financing to conduct literacy activities. These small associations previously had few means to implement high-quality literacy and development activities and could only set up a few courses which lacked materials. In many cases, the public financing of the literacy classes led to improved service delivery. On the other hand, most providers tried to earn more money for themselves by cutting costs. For

example, in most public-private partnerships programs, the training of literacy teachers is the providers' responsibility. This part of the literacy provision is important, since the quality of the literacy course is greatly dependent on the quality of the teaching. Most providers do not invest sufficiently or do not have the capacity to train the literacy teachers to become good teachers (Nordtveit, 2005). Several other quality-related problems were associated with the providers' cutting back on costs to save money, and the state's inability (and in some cases, unwillingness) to control the sector.

The results of a longitudinal study in Senegal show that in projects using partnerships, lessons on income-generating activities generally obtained better results than lessons on literacy. In most cases the providers were able to adapt basic skills and income-generating courses to the local situation in a way that may have been difficult for the government. As for literacy, the outcome of the courses was reduced to acquisition of knowledge on how to use the telephone and of writing small notes (Nordtveit, 2005). One particular result in Senegal of the use of public-private partnerships is that the providers trained local women in leadership and management. In particular, the providers created local management committees that were supervising the literacy classes. In Senegal, the providers also offered leadership training to the management committee, and sometimes helped them organizing the learners into becoming a legally recognized for-profit association. Such for-profit association sometimes continues collective income-generating activities that were learned during the literacy course, and are therefore a tool to sustain literacy and income-generating activities in the communities. Some of these for-profit associations have also become literacy providers in their own right.

Most countries using the public-private partnerships have targeted the literacy initiatives at women.[6] In Senegal, for example, about 80% of the enrollees are women. The gathering of women for literacy classes has a social impact insomuch as it strengthens the women's solidarity and relationship in the village (Nordtveit, 2005).

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[6] The provision of women-oriented literacy courses is not a specific feature of PPPs, but is general for most literacy programs.

Also, the organization of women in for-profit organizations improves the production of goods and agricultural products in many communities.

Additionally, many courses are reported to have a positive impact on local health, hygiene, and strengthened local income (DAEB, 2003). In most cases, it is unclear to which extent the outcomes of the literacy projects were strengthened or weakened through the use of public-private partnerships. In reviewing the outcomes of the World Bank financed Women's Literacy Project in Senegal, it was noted that public-private partnerships "decreased the quality of learning through the use of cost-cutting practices, but it also strengthened the learning (especially on basic skills and income-generation activities) through offering courses that were more relevant to the local communities" (Nordtveit, 2005, p. 423).

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