Public-Private Partnerships in India: A Case for Reform?

AMRITA DATTA

The public-private partnership model has emerged as the favoured model of project execution in India, especially in infrastructure, health and education. This article traces the theoretical underpinnings of PPP under a neoliberal, market-driven and growth-oriented state. It describes the economic imperatives for public and private resource management and the case for PPP. It critically looks at the ramifications of this paradigm of economic growth and development, which has had limited success with certain projects, but has opened up issues relating to asymmetry of access, equity and efficiency and evidence of further marginalisation of the poor.

This paper was presented at the Development Dialogue, an international conference at the Institute of Social Studies, The Hague, 5-6 June 2008.

Amrita Datta (*datta.amrita@gmail.com*) is a research assistant at Lee Kuan Yew School of Public Policy, National University of Singapore.

As a policy response to the gap in infrastructure, in India, the state has been aggressive in its agenda and has committed to almost doubling infrastructure spending from an estimated 5% of the gross domestic product (GDP) in 2006-07 to almost 9% by the terminal year of the Eleventh Plan (2011-12) (GOI 2007: 12). In terms of resources, it means that an estimated $500 billion would be required by the infrastructure sectors put together over the next five years (ibid: 290).

But first, it does not have the resources, and second, the rules of the game have changed. It is not the state's business anymore to provide power and ports, dams and roads. These activities are best left in the realm of the private sector in the unfettered markets. However, the developing world's experience with privatisation of public services, natural monopolies and natural resources has been dismal, and India is no exception. There is increasing evidence to show that privatisation of public services has led to the exclusion of the poor and has had severe ramifications on issues in equity and access. There is widespread consensus now that the unfettered privatisation agenda of economic reforms is flawed, has not worked, and a greater role of the state is called for. In India, at the turn of this century, this was exhibited in the form of public-private partnerships (PPP). PPP is the new face of development where the state and private actors, who have had a long history of conflict now work in collaboration, and cooperate with each other to further common goals of a market-driven, growth-oriented agenda. State actors "enter into partnerships with organisations in civil society, the market, and with transnational organisations, to effect the governance of globalisation. The fanning out of the state, the spanning out of the state, the privatisation of state and para-state institutions, and the subcontracting of state functions, is what governance is about" (Chandhoke 2003). To the international community, the state affirms the political will to change and promises a healthy investment climate, in coherence with the global governance agenda.

1 Recent Policy Imperatives

The government of India's current policy directives neatly fit in the framework mentioned in the earlier section, albeit with some serious contradictions. The government acknowledges that achieving high volumes of private investment in infrastructure is not easy, though it finds it necessary to develop an environment which is both attractive to investors and also seen to be fair to consumers. Since many infrastructure projects are naturally monopolistic, it calls for regulations when markets are not competitive. The following excerpt from the Eleventh Five-Year Plan coherently summarises the state's agenda for furthering PPP.

> The approach to PPPs must remain firmly grounded in principles which ensure that PPPs are formulated and executed in public interest with a view to achieving additional capacity and delivery of public services at reasonable cost. These partnerships must ensure the supplementing of scarce public resources for investment in infrastructure sectors, while improving efficiencies and reducing costs... Public private partnerships must aim at bringing private resources into public projects, not public resources into private projects (GOI 2007: 256).

There is also the acknowledgement that unless governance issues, such as those related to competition in service provision, collection of user charges, institutional capacity, regulation and dispute resolution, are adequately addressed, financing or mobilisation of sufficient resources for the requisite infrastructure investment may not be possible (Para 12.13, 292, ibid).

The fundamental concern here is that how multiple actors of divergent orientations can attain the goals of efficiency and equity. Reijniers (1994) argues that although combining the strengths of private and public partners is important, such partnerships can also be a source of conflict of interest. Private sector orientation is that of achieving returns on invested funds, daring to take business risks, having to anticipate market and competitive developments and realising a corporate goal, whereas the public sector orientation reflects political opinion and political influence, formulation of legislation, regulations and authorities, democratic decision-making process, the minimisation of risk and realisation of a social goal (ibid 1994: 13).

2 Lessons from Developed Countries

The experience of developed countries with PPPs has been mixed. Rosenau questions the consensus in policy literature which claims that PPP can combine the best of both the public and private sector (Rosenau 2000: 218). She argues if partnerships emphasise cost reduction or profit maximisation at the price of significant quality compromises, vulnerable populations may not be able to respond appropriately and aggressively, and that minimalist forms of policy partnering, in which collaboration between public and private partners are formal and limited have failed (ibid: 224).

It is conceded that much of what is known about PPPs so far has been emerging out of an unstructured process almost as a trial and error; sharing experiences or doing something useful that has not yet been done, which might have the correct ingredient to deliver successful results. It is also recognised that in any risk-bearing commercial activity, there is an uncertainty and some projects do not live up to their expectations. PPPs have been criticised on financial results, let alone about who is fully in control of them or even what degree of motivation "actors" have to commit themselves fully (Montanheiro 2000: 2).

PPPs are a complex relationship. Foster argues that the behaviour and the culture within which the project is delivered have the greatest overall impact on project success, that true partnerships are not created overnight, but are developed over time by people working together cooperatively and building robust, open and trusting institutions. Partnerships are expensive to create and maintain and must have real purpose to justify the additional overhead both parties need to invest (Foster 2005: 2).

There are still considerable debates of the forms that PPP can take. The Commission of PPPs launched in the UK in 1999 considers when and how PPPs should be used in the modernisation of public services and the delivery of key public policy objectives. It observes that there is currently no widely agreed set of principles used to determine the appropriate use of partnerships between the public, private and not-for-profit sectors in the delivery of public services, and emphasises that "outcomes, not ownership matters approach" provides no clear indication between core and ancillary services; what the government should keep, and what it should let go (Kelly 2000).

There is no dearth of acerbic critiques of PPP in the west either. According to Shaol, partnerships are "policies that enrich the few at the expense of the majority and for which no democratic mandate can be secured" (Shaol in Hodge and Greve 2005: 550). Graeme Hodge, argues

> the PPP frenzy seems too like the South Sea Bubble, or the share-market tech-boom, with governments behaving less like smart purchasers of modern services, dupes of merchant bankers ... carrying forward costs to future generations. Critics of PPPs in Britain have called them "public fraud and false accounting, commissioned and directed by the Treasury" (Hodge 2006).

Such evidence should be sobering for developing countries like India which are currently in the mode of gung-ho PPPisation. Mitchell-Weaver and Manning reflect that PPP has been an industrialised country public policy prescription applied in third world settings (Mitchell-Weaver and Manning 1991: 18). They are critical of the ambiguity which surrounds PPP, both in theory and in practice, and clearly do not see PPP as a development strategy. PPPs, they argue, rather than being the centre-piece of a development strategy, are primarily a set of institutional relationships between the government and various actors in the private sector and civil society and the terminology, PPP gives no idea what the actors are to do, how they plan to accomplish it and most importantly, the PPP designation gives us no concrete idea of how the relationship between the actors is different from what they would have been if no "partnership" had been formed. It is emphasised that merely contracting out for private sector service provision in utilities, or selling of a state-owned companies is not the formation of a partnership. Neither is the instance in the case of development projects, where government is only called upon to pay capital start-up costs, through traditional subsidies or tax relief (ibid 1991: 5).

In the backdrop of this international context, which has no recipes for the success of PPPs, the all out embracing of this model of development is clearly premature at best, and a development disaster waiting to unfold at worst.

3 Where Do We Stand?

The concept and implementation of PPP is still very nascent in India. Diverse models are being operationalised by multiple stakeholders in a wide variety of sectors. Government policy regarding regulatory, legal and institutional framework is still evolving.

Given the multiplicities of ministries of the government and the engagement of both the central and state governments in the formulation and implementation of a vast array of projects under a wide range of schemes, it is not surprising that there is no estimate of the amount of public resources diverted to PPPs.[1] Morgan Stanley estimates that more than Rs 1,000 billion ($22.2 billion approximately) worth of PPP projects are under various stages of development in India (GOI and ADB 2006).

However, in the recent past, there have been attempts to consolidate this information, and also provide various incentives to large PPP projects in the infrastructure sector. The PPP cell created by the ministry of finance, government of India, is a recent step in this direction. Key initiatives of the government to foster and strengthen PPPs include the Viability Gap Funding (VGF) scheme (for those infrastructure projects which are economically justifiable, but not commercially viable, the government gives a grant of up to 20% of the project cost to private sector developer who is selected through competitive bidding), India Infrastructure Finance Company Limited (IIFCL, a wholly government-owned company has been established to provide long-term finance to infrastructure projects, to cater to the growing financing gap in long-term financing of infrastructure projects in the public, private, or PPP sector) and intensive capacity building at the state and central level.

This sense of urgency of accelerating the pace of PPPisation is endorsed by international development agencies and

PPP is central to their development strategy in India. Though the infrastructure sector is attracting primary attention, and the bulk of resources are being diverted towards the same, the soft social sectors are also being targeted; the former by international financial organisations and the latter by international donor organisations.

The key strategy of the World Bank lending in India is geared towards expansion of infrastructure, viz, roads, transport, power, water supply and sanitation, irrigation and urban development – to underpin both accelerated growth and improved service delivery.[2] According to the International Monetary Fund (IMF), to help meet India's infrastructure needs, steps should be taken to strengthen implementation capacity and develop strong and independent regulators, as these would bolster investor interest and underpin the authorities' PPP initiative (IMF 2007).[3] The Asian Development Bank sees PPP as an attractive method of financing infrastructure services, and is working on providing catalytic support to central and state governments to strengthen PPP.[4] For poverty reduction, the United Nations Development Project is committed to focus on livelihood models and related service delivery using public-private community partnerships.[5] The United States Agency for International Development (USAID) promotes an aggressive PPP policy in India in many social sector projects and asserts that partnerships are fostered to reach set objectives and realise a longer-term vision.[6]

It is suggested that governments embarking on PPP programmes have often developed new policy, legal and institutional frameworks to provide the required organisational and individual capacities. Creation of new agencies is recommended to bring in financial and contract design skills not present in the government, along with adapting existing processes like planning and budgeting (World Bank 2006: 5).

The gigantic task of creating a new institutional framework and institution-building remains with the state, and there is no clarity of how this will be done.

It is paradoxical that the all international financial institutions (IFIS) and international development organisations (IDOS) find that adoption of the PPP model is urgent because the government has failed to deliver basic services, create institutions that were required for service delivery of health, education, water supply and sanitation and a host of other developmental goals, and yet, they have massive faith in the ability of the same government to create robust institutions for PPPS, and it is assumed that it has the substantial resources required to invest in the same. In fact, these policy organisations criticise the government for viewing PPPS as simply a "source of investment" (ibid: 27).

Even among the optimists who contend that PPPS have created a strong growth story, there is a realisation of its *vulnerability* on several counts*;* lopsided growth, lagging behind of agriculture and the rural economy, lack of its ability to redress percolation effects and the subsequent need for effective, purposeful and selective interventions (Jhaveri 2007).

Hall and Lobina argue that introduction of private operators' interests into the water supply/sanitation and energy sectors conflicts with public interests in socio-economic, environmental and political dimensions. These services are too vital both socially and economically to rely on corporate self-regulation, and countries lack effective capacity to regulate such corporations. Policies relying on corporate activity in these sectors are unnecessarily risky, and that policy development should focus on building strong public sector institutions to provide these services (Hall and Lobina 2004).

From protecting biodiversity to producing biofuels[7] PPP is the latest one-size-fits-all mantra viewed as a magic bullet to solve India's development problems by both interventionists and free-marketers. In less than a decade, the PPPS have penetrated in innumerable sectors. We assess now, the nature and scope of PPPS, especially in the health, education and water sector. The aim is not to provide an exhaustive list of projects under operation, but to analyse the multiplicities of issues involved both in the paradigm shift in the role of the state, while it moves to the PPP model, and the functional bottlenecks in successful operationalisation of PPPS.

3.1 Health

There is a consensus, and rightly so that the Indian State has had a dismal record at providing healthcare to its vast population, especially the poor. At the time of independence, only 8% of the medical services were wholly private (GOI 1946), as against 60% in the early 1990s. There is also evidence that the rich access the public healthcare system more than the poor, both quantitatively and qualitatively. This increasing demand for private healthcare coupled with inequity in access is given as a rationale for encouraging private health services for the poor. Though within India huge disparities exist between the states and a single policy prescription, or "one-size-fits-all" recommendation does not make sense in such a context (World Bank 2005: 46). Yet, it is recommended that strengthening the state's PPP capacity by contracting out the primary health centres, social franchising and demand-led financing is the way forward, and these are promising areas for the private sector in the health industry. It is suggested that the delivery of health insurance should be left to the private sector and that the government should focus its efforts on improving the regulatory and enabling framework (World Bank 2005: 51). How much, such a framework allows for a true partnership between the state and private players remains debatable. It is one thing that private players and companies enter the market and compete with each other to provide basic services, and quite another for the government to aggressively encourage the same.

Had such an analysis and subsequent policy recommendations emerged out of empirical evidence in general, with its applicability to the Indian context in particular, there would have been a substantial case for a changed role of the state. However, it is disturbing that such evidence is scant, and the scope of PPP and its nature of operationalisation in the field is sadly disconnected from the realities of the poor. We examine a "successful" private sector partnership (PSP) in the health sector funded by USAID, the PSP-*One* Project, which aims to improve health in rural India. PSP-*One* targets the "base of the economic pyramid" to address health needs of the poor. It is expected to do so by leveraging resources of the commercial sector and looking for innovative, sustainable solutions, which demonstrate potential to serve dual objectives of improved health outcomes and show a significant return on investment on the Build Operate Transfer model. It has partnered with the corporate giant, Hindustan Unilever Limited (HUL), whose capability, it is claimed is reflected in its sustainable commercial channel for women in rural areas (over 6,34,000 villages with under 2,000 people), in partnership with self-help groups which sell HUL products. HUL has penetrated these rural markets, sold soaps and salt and thus sees itself successful in changing health behaviour in rural areas. Though it is conceded that fulfilling expectations may take time and require creativity and compromise to meet both commercial and public health objectives, the project has ambitious goals which include establishment of a sustainable commercial infrastructure that expands access to oral rehydration salts and birth spacing products to women in rural India. It also aims at development of a scalable model for incorporating health products into the HUL *Shakti* network that can be applied globally and demonstration of the viability of improving health outcomes, while realising a return on investment. While such projects may be commendable for their innovations in healthcare service and its delivery, they are piecemeal and do not address structural issues in access and equity. Multiple objectives of high return on investment and reaching out to the poor are conflicting and there is no evidence that they can be successfully attained.

There are two issues at play here. First, the nature of recommendations by IFIs for reforms in the health sector is more to the tune of outright privatisation rather than PPPs. Neither contracting out government services nor health insurance by market mechanism for the poor are real PPPs. To call them so is a euphemism for privatisation. The second issue is the form in which PPPs emerge, as is reflected in the USAID project. Often, they are shallow, with conflicting objectives and goals. They do not address structural realities and there is no guarantee that they would be successful. In such a context, there is not enough ground for the state to back out. If the government first has to dismantle its existing workforce, destroy the existing institutional structure, bear the costs of creating new institutions and sustain them, it is a double fiscal burden, with the risk/assumption that the proposed PPP would be successful. In most cases PPP simply means that the government takes the risks, and invests, whereas the private sector has no stakes involved.

To ask the government to retreat from a universal coverage system, albeit with problems, and hope that scalable replicable projects will be able to replace the public health system is a hollowed solution. Accountability issues vis-à-vis access, equity and finances remain crucial. Baru and Nundy (2008) argue that the experience of PPPs in health services shows that these partnerships have been built without the organisational and administrative preparedness that is required, which raises questions regarding their role, accountability and effectiveness. While we are grappling to comprehend new institutional realities in the public-private model, its scope and extent seem limited both on theoretical and empirical grounds.

3.2 Education

There are serious issues in the public educational system with respect to quality and efficiency of services provided and its burgeoning claim on the state's finances. The mushrooming of private educational facilities in the recent years reflects the ever-increasing demand for educational service on the one hand, and the state's inability to provide quality education on the other.

PPPs have been very much operational in India before they recently came into vogue. According to Kingdon (2007), the system of government grant-in-aid to privately managed schools at the secondary and higher levels accounts for a very substantial proportion of the education budget. However, elementary education remains the realm of the state and the high public visibility of the non-governmental organisations (NGOs) gives a false impression of the extent of their activities (PROBE 1999).

According to Aggarwal (2000), the elementary education system shows the signs of a dual system where public schools are meant for the poor, who are unable to pay for quality education, characterised widely by teacher absenteeism and private schools cater to the requirements for quality education involving high user costs.

Recent literature on public choice theory makes a strong case for voucher system of financing education for the poor, where education is subsidised by the government by vouchers provided to the poor so that they can exercise choice in accessing between public and private schools and competitive pressure from private schools raise the quality of teaching in public school. However, empirical evidence in favour of this model is not very convincing. It is also unrealistic to assume that this voucher system can be replicated to a scalable model.

Krishna Kumar argues that teacher education and training has been a sadly neglected area, and it is not surprising that PPPs in their current form, are not forthcoming in the same. It lends strength to the view that PPP is not an idea with a considerable inheritance, but rather an ideology which promotes privatisation as a means of reducing the government's responsibility to increase the number of schools (Kumar 2008).

There is widespread recognition of government failure in the delivery of education and PPPs are broadly seen as a solution to the problem. At the World Economic Forum, 2004, 54 participants, involved in PPPs in basic education from various parts of the world reported the key obstacles of partnerships between public and private sectors as "capacity to negotiate with non-traditional partners", "political will and public support", "agreeing key performance targets" and "transparency and accountability between PPP partners". These issues remain crucial in the Indian case as well, and PPP is not a panacea to solve the country's complex problems in the educational sector.

3.3 Water and Sanitation

In the water sector, privatisation failed miserably in the 1980s and 1990s in the developing world leading to disastrous results which were at best a surreptitious exit of private companies, and at worst, water riots and violence. Even the World Bank (2004) acknowledges that on its part, there has been an irrational exuberance on the potential benefits of privatisation. The post-privatisation (debacle) consensus in the international arena has emerged in India in the guise of PPPs. The PPP projects, however, exhibit the same issues of inequity in access and marginalisation of the poor. While the state and private players remain determined to preach the benefits of PPPs, and distance themselves from echoes of privatisation, there is increasing evidence to show that PPPs seem to be a manifestation of a perverse form of privatisation where "all the risks are borne by the government, while the companies do not invest a penny" (Bhaduri and Kejriwal 2005).

Bhaduri and Kejriwal dissect the PPP project of Delhi Jal Board (DJB), the public utility responsible for supplying water to the city of Delhi. Using information obtained through a recently enacted law on the right to information by Parivartan (a civil society organisation), they reveal that the government of Delhi over the last decade has spent millions of rupees on consultations with IFIs, which resulted in the policy recommendation that management of water distribution be handed over to private multinational companies through a "management model", where the finances for day to day operations (with no upper limit) would be provided by the DJB. The companies would acquire, in effect, total control over the management and finances of DJB, without investing any money, and would have no incentive to show fiscal prudence. They also disclose that for each one of the 21 zones, four employees were to be hired at the cost of \$25,000 per month per employee. This alone accounts to Rs 105 crore (\$23.33 million approximately) per annum. To add to that, Rs 525 crore (\$116.67 million approximately) would be required to run the 21 zones; as against Rs 163 crore (\$36.22 million approximately) spent by the DJB in 2003-04. This more than threefold increase in DJBs expenses was to be recovered through raising tariffs (Bhaduri and Kejriwal 2005). Though the bank has refuted these "charges" and any allegations of privatisation, the government of Delhi, under intense public scrutiny has shelved the project.

Another project deserving special mention in the water sector is the New Tirupur Area Development Corporation Limited (NTADCL). It is hailed as a model PPP in Tirupur, the bastion of India's textile exports, in the southern Indian state of Tamil Nadu. By the 1990s, it became evident that the export-led industrialisation project had caused massive exploitation and contamination of groundwater in Tirupur,[8] which needed to be addressed to sustain the textile industry. In this pressing context, in 1995, NTADCL came into existence as a special purpose vehicle (SPV), mandated by the Tirupur Area Development Project (TADP), promoted by the government of Tamil Nadu. The first PPP in the water sector in India, NTADCL prided itself to be commercially viable to develop, construct, operate and maintain a 185 million litre per day (mlpd) capacity water supply project and sewerage facility on Build-Own-Operate-Transfer (BOOT) basis. Financed with minimal commitments from either the government of India or the government of Tamil Nadu, through a composition of debt and equity, the project costs of Rs 1,023 crore (\$223.33 million approximately) was met predominantly by IFIs[9] and development financial institutions (DFIs).[10] Tariffs were structured in a way that there was a clear cross-subsidisation from industrial to domestic users. Water supply for the project commenced in April 2005, with 115 mlpd allocated for the industry, 33.7 mlpd for domestic consumption and 36.3 mlpd for wayside villages.

The project received a distinction at the Global Water Awards, 2006, where it was hailed as a "breakthrough for water services in India" where, it was claimed that never before had such a large water project been financed by local private investors. Never before had local residents been able to benefit directly from industry's need for reliable water services, and it was confidently asserted that other projects would surely follow.[11]

In March 2006, the US ambassador to India, David Mulford, in a press release praised the project,

> The Tirupur project is a great example of how private sector involvement in public service delivery can dramatically improve access to water and sanitation… The Tirupur project illustrates convincingly that private sector participation can provide the necessary complement to government investments, to make it happen. It also demonstrates that the private sector can provide important services to the poor – and at costs lower than those paid by so-called beneficiaries of government subsidies. With a focus on the poor from the outset, the public-private partnership in Tirupur covered the water and sanitation needs of the entire city population, including close to 80,000 slum residents…In India, virtually all water and waste water systems are currently managed by the public sector, and most fail to meet the needs of the citizens or businesses they serve. Enlisting the private sector in the water sector brings finance, reduces waste and lowers costs when supported by effective governance and transparency.

At the time this paper was written, the DFI partner for the project claimed the following four point impact of the NTADCL.

– A world-class asset has been created, which, upon completion of the concession, would return to government of Tamil Nadu free of cost.
– Availability of quality water would enable Tirupur exporters to move up the value chain, expand production and generate significant opportunities for investment and employment for the state.
– Industry can henceforth focus on their core competency, i e, manufacture good quality products without worrying about water, an important ingredient.
– Households in Tirupur and wayside villages, apart from the industry, would get quality water at affordable prices, without any need for substantial investment by government of Tamil Nadu.[12]

These claims are highly contentious and disconnected from not just from the realities of the lives of the residents of Tirupur, but the needs and aspirations of the industry as well. Evidence shows that the industry is disgruntled about having committed to NTADCL and feels that it is paying high tariffs, when supply of water from tankers in nearby villages is considerably cheaper. In essence, due to the higher rates paid by the industrial users, the viability of the project depends singularly on the industrial offtake of water, and the management can prudentially afford to neglect domestic users. At the same time, it estimated that about one half to one-third of Tirupur's residents live in "unapproved" parts. After the project, the government is clear that it will not undertake any public water works projects, and thus a vast majority of Tirupur's residents are systematically marginalised in accessing water. It is also reported that the quality of water is poor, and residents claim that the unchlorinated water that is used as a raw material for bleaching is being supplied to them. The price that the residents of Tirupur pay is almost double of what is paid by their counterparts in adjoining municipalities. The village panchayats under the scheme complain that they receive water only once in 15 days, unlike earlier state-sponsored schemes, where water supply, though inadequate, was indeed, more regular than NTADCL. Pumping charges have increased phenomenally in the past few years and the majority of the village panchayats' budgets are diverted to electricity bills for pumping. Two public water schemes which existed before the NTADCL came into existence are being phased out, with no further investment planned in this region (Kumar 2006; Madhav 2008).

Many other claims have been made about NTADCL. The biggest is that it is a successful PPP. Having already dwelled on the various facets of the "success" of the project, the public nature of this project can be strongly contested. It is a project where the concession agreement grants NTADCL the exclusive rights to extract raw water, develop, finance, design, construct, own, operate and maintain the water treatment facility, pipelines and waterworks in order to provide water treatment and supply services within the service area (Madhav 2008). Not only did the state transfer the public monopoly to a private player, it legally abdicated itself from the role of provision of a precious resource like water and commodified it. The underlying tensions are manifested in occasional agitations and protests in Tirupur. Perhaps they reflect the larger tensions which are a ramification of the nature of interaction in the realms of the public and the private.

4 Conclusions

This paper has presented an overview of the PPP model of development in India. It has traced the evolution of PPPs in the West, and contextualised the nuances of the same with reference to developing countries in general and India in particular. We have examined the paradoxical ramifications of PPP as a development strategy, and the issues in privatisation being repackaged as PPPs. Apart from a multifaceted critique of PPP, across various sectors, we have observed that there has been an asymmetry in the flow of funds, and an overarching emphasis on infrastructure in the hard sectors. Wherever PPP has been implemented in the soft sectors: health, education and water resources, old issues remain and new concerns have emerged. At a cursory glance, PPP may be interpreted as an apolitical model, indicating the blurring of the private and the public, but PPP, as a marriage of the best of the private and the best of the public, seems shaky. The time is right to debate the sudden arrival and pertinence of PPPs in India's development strategy and explore real alternatives for social change.

NOTES

1 This should not come as much of a surprise. In the 1990s, the British government was in a similar position in the 1990s (Hodge and Greave 2007: 549).

2 http://siteresources.worldbank.org/INTINDIA/Resources/CountryStrategyforIndia_fullversion.pdf

3 http://www.imf.org/external/np/sec/pn/2007/pn0709.htm

4 http://www.adb.org/Documents/News/INRM/inrm200701.asp

5 http://data.undp.org.in/prodoc/CP_IND_2008-2012.pdf

6 http://www.usaid.gov/in/our_work/ppp/ppp_puppet. htm

7 The Biofuel programme in India is being developed on Public-Private Partnerships to promote biofuel plantations on government, community and private lands. Though a National Policy on Biofuels is still under preparation, 100% foreign direct investment in new and renewable energy is allowed. Source: mnes.nic.in/press-releases/press-release-06072007.pdf

8 It has been said – and not entirely frivolously – that the colour of the region's water varies with the mood of Paris fashions. (source: http://www.water-technology.net/projects/tirupur/)

9 USAID was the primary IFI in the project.

10 IL&FS was the primary DFI in the project. IL&FS Group Companies: New Tirupur Area Development Corporation Limited, http://www.ilfsindia.com/group_co.asp?gmchild=7, accessed on 27 July 2009.

11 http://www.globalwaterawards.com/2006/awards-forweb.pdf

12 http://www.ilfsindia.com/group_co.asp?gmchild=7

REFERENCES

ADB (2007): "ADB Partners Modernisation of India's Infrastructure", *Asian Development Bank News Release, 2007,* http://www.adb.org/Documents/News/INRM/inrm200701.asp

Aggarwal, Y (2000): "Public and Private Partnership in Primary Education in India: A Study of Unrecognised Schools in Haryana", National Institute of Educational Planning and Administration. http://www.dpepmis.org/downloads/pub_pri.pdf

Baru, R V and M Nundy (2008): "Blurring of Boundaries: Public-Private Partnerships in Health Services in India", *Economic & Political Weekly*, 26 January.

Bhaduri, A and A Kejriwal (2005): "Urban Water Reforms – Reforming the Reformers", *Economic & Political Weekly,* 31 December.

Chandhoke, N (2003): "Governance and the Pluralisation of the State: Implications for Democratic Citizenship", *Economic & Political Weekly*, 12 July.

Foster, D (2005): "Practical Partnering: Making the Most Complex Relationships", *PPP Bulletin,* August/September, Issue 2.

GoI (1946): Report of the Health Survey and Development Committee (chairman Bhore), Manager of Publications, Government of India, New Delhi.

– (2007): "Public-Private Partnerships in India", Ministry of Finance, Government of India, (http://www.pppinindia.com/index.asp)

GoI and ADB (2006): "Facilitating Public-Private Partnership for Accelerated Infrastructure Development in India", Regional Workshops of Chief Secretaries on Public-Private Partnership, Workshop Report.

Hall, D and E Lobina (2004): "Private and Public Interests in Water and Energy", *United Nations Natural Resources Forum (28) 2004 268-277,* Blackwell Publishing.

Hodge, G and C Greve (2005): *The Challenge of Public-Private Partnerships: Learning from International Experience* (Cheltenham, UK: Edward Elgar Publishing).

– (2007): "Public-Private Partnership: An International Performance Review", *Public Administration Review,* May/June, Blackwell Publishing.

Hodge, G A (2006): "Private Deals, Public Pays", *The Age,* 6 April. http://www.theage.com.au/news/opinion/private-deals-public-/pays/2006/04/05/1143916587268.html

IMF (2007): "IMF Executive Board Concludes 2006 Article IV Consultation with India", International Monetary Fund, http://www.imf.org/external/np/sec/pn/2007/pn0709.htm

Jhaveri, N J (2007): "Budget 2007-2008: An Eventful Non-Event", *Economic & Political Weekly, 24* March.

Kelly, G (2000): *The New Partnership Agenda* (London: Institute for Public Policy Research).

Kingdon, G G (2007): "The Progress of School Education in India", *Oxford Review of Economic Policy,* 23 (2): 168-195.

Kumar, A (2006): "Private Water, Public Misery", *Frontline*, Volume 23, Issue 07, 8-21 April (http://www.flonnet.com/fline/fl2307/stories/)

Kumar, K (2008): "Partners in Education", *Economic & Political Weekly, 19* January.

Madhav, R (2008): "Tirupur Water Supply and Sanitation Project: An Impediment To Sustainable Water Management?", Working Paper, International Environment and Law Research Centre http://www.ielrc.org/content/w0801.pdf

Mitchell-Weaver, C and B Manning (1991): "Public-Private Partnership in Third World Development', *Geographical Papers,* Department of Geography, University of Reading, The 20th Norma Wilkinson Memorial Lecture.

Montanheiro (2000): "Editorial Note", *International Journal of Public Private Partnerships,* Vol 3, Issue 1, September, p 2.

Muttemwar, V (2007): "India's Biofuel Programme To Be Developed on Public-Private Partnerships", Address at the International Bio Fuels Conference at Brussels, July 2007, http://mnes.nic.in/press-releases/press-release-06072007.pdf.

PROBE (1999): "Public Report on Basic Education in India", The PROBE Team, in association with the Centre for Development Economics (New Delhi: Oxford University Press).

Reijniers, J J A M (1994): "Organisation of Public-Private Partnership Projects : The Timely Prevention of Pitfalls" *International Journal of Project Management,* Vol 12, Number 3.

Rosenau, P V (2000): *Public-Private Partnerships* (Cambridge, Massachusetts.; London: MIT Press).

UNDP (2007): "UNDP Country Programme for India (2008-2012)", http://data.undp.org.in/prodoc/CP_IND_2008-2012.pdf

Water Technology – 'Tirupur Water and Wastewater Treatment Project, India, http://www.water-technology.net/projects/tirupur/

World Bank (2004): "Reforming Infrastructure: Privatisation, Regulation, and Competition", World Bank, June.

– (2005): "India: Private Health Services for the Poor", World Bank, May.

– (2006): "India Building Capacities for Public Private Partnerships", *Energy and Infrastructure Unit and Finance and Private Sector Development Unit South Asia,* June.