

Governance and design in infrastructure public private partnerships: The Indian experience with the Bangalore International Airport

ABSTRACT.

Motivation

In the 1980s there was a resurgence of interest in infrastructure along with the ideas of the New Public Management. This brought in ideas of private sector provisioning of public goods which had traditionally been the exclusive domain of state activity. There was an outcrop of alternative service delivery mechanisms like contracting, outsourcing and PPPs. In India PPPs were attempted by the union and state governments in varied sectors. But we confront problems in practice: the investment climate is poor, there is lack of an enabling policy framework leading to high risks for the private promoter and the public partner, there is insufficient capacity in the bureaucracy and polity to handle complex projects, and scandals have eroded public confidence. So there is a need to draw lessons from our experience so far to enhance our preparedness for implementing future PPPs. I draw my motivation from the fact that this is a significant public policy question.

Research Agenda and Statement of Purpose

The objective of the research is to address a critical research gap in PPP scholarship: the inadequacy of research on the detailed process of decisionmaking in a real life scenario. I use the case study of the Bangalore international airport to explore the micro managerial challenges in the formation of an infrastructure public private partnership in India. It involves a multilayered analysis at three levels: the national context of India, the local context of Karnataka state and Bangalore city and the project level of BIAL; and covers three themes: process, partnership and governance. Borrowing concepts from public policy, economics, organization theory and finance/law, as well as a practical understanding of policy processes and political realities, I prepare an integrative framework drawn from PPP scholarship and apply it to study the case. As a researcher, I aim towards an independent research position which recognises the special characteristics of PPPs and how they impact on the practice of partnerships.

Critique of PPP literature and Research Gap

I categorize PPP literature into conceptual, empirical (scholarly sources) policy and journalistic (nonscholarly sources) literature. The evolution of PPP literature was influenced by three factors: PPPs are a nascent phenomenon; this is an area where theory is yet to catch up with practice; PPPs have evoked interest in several disciplines. As PPP literature developed separately along conceptual and empirical traditions, with little cross fertilization between the two, research became less grounded and more speculative ignoring operational issues. Extant literature largely relates to developed x economies, though PPP implications for developing economies are critical. Scholars have called for research which marries the theoretical concept of PPPs to the practice and process on the field, with a developing country focus and an integrative cross disciplinary framework. This is the gap I propose to fill.

Research Questions and Propositions

My conceptual framework is built upon the idea that process, partnership and governance are three critical areas where the implementation of PPPs requires a shift from conventional ways of working. A comprehensive review of PPP scholarship leads to an understanding of the PPP as a distinctive organizational entity with distinguishing characteristics; which requires a distinctive way of working, a shift in the "way we do things". The shift is required in three key areas: process, partnership and governance which underlie the three propositions that I use to address the research questions:

❓❓What should public policymakers learn to expect when they implement PPPs in the India?

❓❓How do we enhance preparedness to implement future PPPs and to execute PPPs in India?

❓❓What governance and design strategies can we use to achieve public interest and private efficiency in a PPP in the Indian context?

Research Design and Methodology.

PPPs are varied and kaleidoscopic; they entail correspondingly varied, customized, and at times unorthodox design choices. My approach was pragmatic; rather than fidelity to any one methodological tool, I experimented with different techniques depending on the need and appropriateness to the material at hand. Significant elements of my design toolkit were: a qualitative paradigm, embedded case study design, varied and triangulated data sources, archival and personal (interviews) evidence, thematic slicing, concentric and clustered respondent groups, unconventional data sources (blogs, journalism), an assortment of narrative techniques and construction of coherent decision stories out of a mass of raw, disparate and voluminous data.

The Decision Stories

The case analyses study three decision stories related to BIAL: site selection, tendering and selection of the private partner and land assembly and acquisition. In view of the span they cover and the available data, they helped me to best analyze my propositions. The decisions had far reaching ramifications for BIAL; they demonstrate the repercussions of public decisionmaking that may be felt years, or even decades later. Each decision has a core managerial challenge but also encapsulates xi sub-decisions which demonstrate the executive challenges, and political manoeuvres adopted to tackle those challenges, even as they unfold. Thus they enable a shift of research focus from conceptual level discourses that dominate PPP scholarship to the dynamic interplay of actor, event, institution, circumstance and chance that characterise the formation of a PPP.

Findings and Recommendations

The BIAL experience validates the guiding propositions but also reveals their limitations in the formative stages of the PPP process. Proposition 1 is found valid in that elements of good process are important for task completion. But controversy and delay may occur due to extraneous factors or poor planning even where good process is attempted. Domain factors may overtake processual factors. Proposition 2 on partnership is found valid but neglected aspects of employee or intraagency relations are more critical in the formative stage rather than dyadic public private engagement. Proposition 3 on domain governance is valid throughout the formative stages and this underlines an active vigilant role for the state. The case also shows that lacunae in any of these aspects may not result in project failure but has consequences for equity, transparency and accountability, time and cost. These findings confirm the assertions made in the research propositions, but also force us to go beyond them.

In such a scenario, I conclude that the PPP practitioner must learn to expect and prepare for change, controversy, complexity, conflict and delay. The PPP policy regime must incorporate public participation, planning, equity, accountability, capacity and authority and responsiveness in order to be effective in the Indian context. PPP research should step beyond narrow disciplinary or theoretical lenses; it should cultivate a catholic, eclectic and integrative perspective and open itself to the realities of operational practice so as to develop as an independent research stream.

Potential Contribution

I hope to provide insights into the operational practice of PPPs useful for policymakers; and address issues of process and design useful for implementers; thereby enhancing our preparedness for implementing future PPPs. For the researcher, I aspire to provide an integrative cross disciplinary perspective on PPPs, and bring theory closer to praxis in an India oriented study.