
A Critical Analysis of the Effectiveness of Public Private Partnership in Enhancing Good Performance of an Entity

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Chidochashe Joanna Mawire¹, Wadesango Newman²,
Malatji Stephen Khashane³

Abstract:

Purpose: The purpose of the study was to investigate factors that cause ZINARA to adopt PPPs, challenges faced in implementing PPP at ZINARA, and the extent to which the resources support through PPP affect ZINARA's performance in road services delivery.

Design/Methodology/Approach: The study made use of qualitative and quantitative data. Questionnaires and interviews were used to collect data.

Findings: The factors that influenced ZINARA to adopt PPPs were, the need for financial resources, infrastructure development, improving efficiency, reducing poverty, and fueling economic growth. ZINARA was faced with challenges in implementing PPPs with Group Five, and these were: contract renegotiation, performance enforcement, political acceptability, lack of sound regulatory framework, lack of fulfillment of crucial formation requirements, lack of shared vision and win-win relationship, multiple interests of key participants and conflict between public and private sector officials in PPPs.

Practical Implications: PPPs have improved ZINARA's performance in road services delivery through safe travel to road users, improved quality of roads, more facilities in the roads, improved efficiency in road services, clean and attractive roads, improved revenue collection, and improved cost management strategies.

Originality/Value: It considers the fact that the effective production of PPP projects was significantly enhanced when the private sector was engaged at ZINARA.

Keywords: ZINARA, public private partnerships, entity, road service delivery.

JEL Codes: C1, C4, C5.

Paper type: Research article.

¹Midlands State University, Zimbabwe; e-mail: mawirec@msu.ac.zw;

²Prof., University of Limpopo, South Africa; e-mail: newman.wadesango@ul.ac.za;

³Tshwane University of Technology, e-mail: MalatjiKS@tut.ac.za;

1. Introduction

A building firm called Group Five International resides in Johannesburg Gauteng Province, South Africa. Founded in 1974, this company deals in the construction of vast construction deals, such as the Mall of Africa, which turns out to be one of the largest malls in Africa (Onvia, 2015). Group five Costal has seven sectors that have dedicated their operations to them, including oil and gas transportation, industrial real estate mining, and water. Group Five is again registered with the Green Building Council (Barrel, 2015) and is now involved with ZINARA, a road authority responsible for Zimbabwe, the neighboring country of South Africa.

ZINARA is an abbreviation for the National Roads Administration of Zimbabwe and is run by a department that deals with transportation in the government, communicating with citizens, and the development of infrastructure. Founded in 2002 as a board according to the Act of Roads, its objective was to improve transportation. Head of this authority (ZINARA) (Chideme, 2013) is the Chairperson of the board and other executive directors who lead their respective departments such as Finance and Human Resources. They formed their subsidiary, Interpol Zimbabwe, which runs tollgates on the Plumtree – Mutare highway when ZINARA partnered with Group Five. ZINARA has awarded this subsidiary an eight-year contract under the Build, Operate and Transfer Agreement, in partnership with Group Five (Ben, 2017).

2. Literature Review

Zimbabwe, a landlocked republic, has a population of around thirteen million, making national and regional road transport a necessary condition according to the 2012 census. Such highways tend to be managed by ZINARA, who sees it fit to include the private company in the reconstruction project of Mutare – Plumtree highway, under what is called the Public-Private Partnership. They formed Interpol Zimbabwe together, where some of ZINARA's employees were transferred to work there (Mambo, 2014). The project was founded with two hundred and six million united states dollars awarded to Interpol (in the above census year) for rehabilitation purposes over ten years of repayment (R1.4 billion) from SADB. To plan, design, and construct a new road network for Zimbabwe. ZINARA holds 70 percent of Interpol equity, and Group Five holds 30 percent.

The work of reconstructing the road, which began between Zanu and MDC, included fifty percent leveling again, almost thirty percent increase of width, also filling almost 6.9m- 9.9m, twenty-one percent rehabilitating other areas on the road, lastly well-built and beautiful tollgates setup, that amounted to nine percent. Sources close to the Agreement confirmed that, according to Group Five, ZINARA, and DBSA, the arrangement was transparent between the parties if something befalls the private company (Group Five) that could result in liquidating of the company, the public company (ZINARA) would have all the rights to take over the project as they both share the project (Chitukutuku, 2015).

"PPP is a public-private partnership to deliver the duties that the government originally delivers" (Neely *et al.*, 2011). PPP also is the relationship constituted legally among the government or its representatives and companies that are labeled as private, whereby the two come together to provide goods consumed by the public or/and the services also in order that they both gain something spread against a detected time or for a time frame that is not known and its almost forever (Oceans, 2011). They must not be mistaken for privatization, where infrastructure management and ownership are transferred to the private company. They are also defined as public-private collaborations to provide significant construction for everyone or other facilities or services (Anderson, 2015).

After its inception, PPP's attractiveness followed in the wake up during 1980-1989 of the waves of privatization of government institutions by conservative governments in the US and Europe. The idea of the need for involvement by the services of the state in non-government-controlled firms was implemented by IMF together with the Bank of the world, and the idea was sent out to developing countries through the many Structural Adjustment Programmes. Levine (2012) subsequently stated that the European political parties emphasized partnership in PPPs not only for the corporate sector but also for civil society organizations.

3. Research Methodology

Research question: What are the effects of PPPs on the enhancement of an entity 's performance?

Interviews were performed with 10 ZINARA (2), Category Five (2), Intertoll (2), Road Users (2), and Members of the Society (2) respondents. 10 interviews were positive out of 10 interview sessions, achieving a response score of 100 per cent.

4. Results and Discussion

Identify the advantages of public-private collaborations which will further boost the performance of ZINARA.

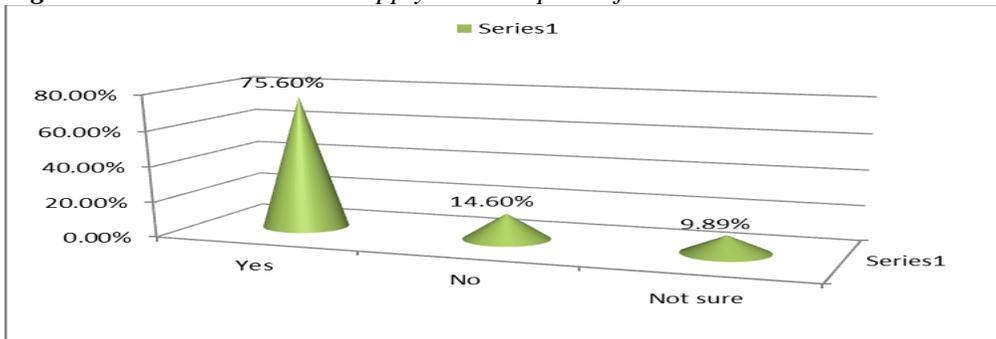
Figure 1. Do you understand that PPPs exist in Zimbabwe?



Source: Own creation.

Figure 1 above aimed to evaluate the existence of PPPs in Zimbabwe. Approximately 86.8 percent were aware of Zimbabwe's presence of PPPs, while 8.5 percent did not know. The remaining 4.9 percent were uncertain. This shows that the respondents were aware of the presence of PPPs in Zimbabwe. This was helpful to the research because most respondents knew the subject matter (PPPs) at issue.

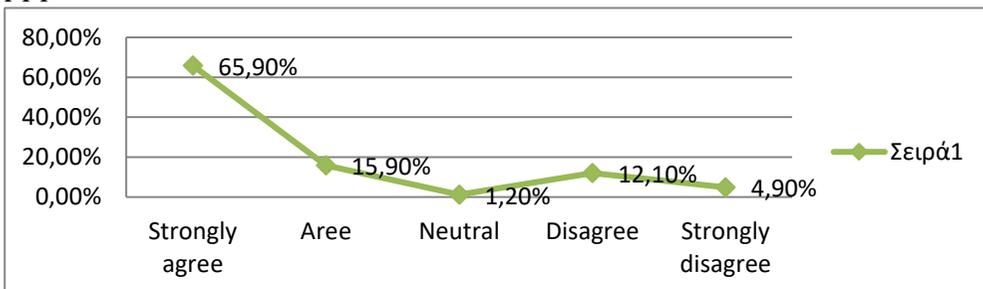
Figure 2. PPPs were used to supply the transport infrastructure assets.



Source: Own creation.

Figure 2 PPPs were used for delivering transport infrastructure assets. The above Figure 2 sought to assess whether PPPs were used for the delivery of transport infrastructure assets. Approximately 75.6 percent said yes, while 14.6 percent said no, and the remaining 9.8 percent were unsure. The data suggest that PPPs were being used to deliver transportation infrastructure assets that the country needed. The government has been having trouble finding these areas, and private companies have chipped in to fill the void.

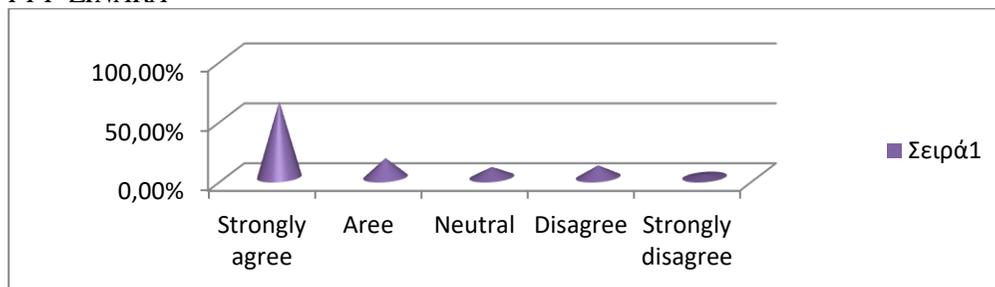
Figure 3. Programs are likely to face weak allocation as one of the disadvantages of PPP



Source: Own creation.

Figure 3 presents poor project allocation by the top authorities which is probably one of the drawbacks of PPP ZINARA. Figure 3 shows that roughly 65.9 percent agreed strongly, and 15.9 percent agreed on the notion that poor project allocation by the top authorities is probably one of the drawbacks of PPP ZINARA. The results suggest that the project allocation is poor, as the respondents indicated.

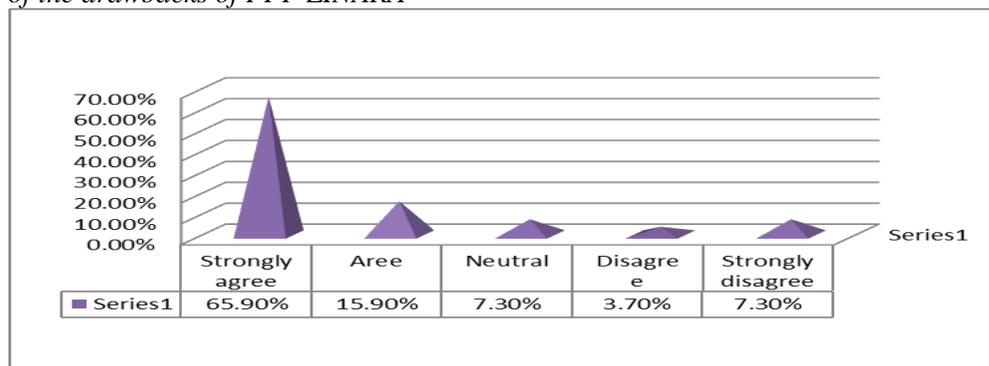
Figure 4. Project officials will likely face corruption as one of the drawbacks of PPP ZINARA



Source: Own creation.

Figure 4 above indicates that approximately 63.4 percent agreed strongly, and 15.9 percent agreed on the notion that project officials would likely face corruption as one of the drawbacks of PPP ZINARA. Approximately 8.5% were neutral, 9.8% disagreed, and 2.4% disagreed strongly with the notion. The results show that corruption is probably one of the most significant drawbacks facing PPP ZINARA.

Figure 5. Political intervention in the administration of projects is likely to face one of the drawbacks of PPP ZINARA



Source: Own creation.

According to figure 5, approximately 65.9 percent agreed strongly, and 15.9 percent agreed on the notion that political intervention in project management is likely to face one of PPP ZINARA 's drawbacks. Approximately 7.3% were neutral, 3.7% disagreed, and 7.3% disagreed strongly. The results suggest that in implementing PPP at ZINARA, the political intervention had an effect.

Which benefits can you get from this PPP? 10/10 (100 percent) respondents indicated that this PPP had benefited them a lot. The respondents were all aware of the use of PPPs as this relationship primarily affects their day-to-day operations; Road Users said the Highway is now user-friendly, so ZINARA is now doing well as it was difficult for them to enjoy their drives due to the potholes that had taken over the

highway among other difficulties they faced regarding the lane. The community leaders interviewed reported that many road users now choose the highway because of the PPP, thereby enhancing their profits as they market their goods along the bridge to road users. The research finds that PPP will also improve ZINARA 's efficiency because it fulfills its goal of making Zimbabwe's roads and transport network a safe place for everyone (Miles, 2013).

How successful are these benefits of PPPs in improving ZINARA 's performance? 60 percent (3/5) of the respondents pointed out that ZINARA 's performance was enhanced by road construction. The respondents argued that ZINARA could not perform well when road users are not satisfied with the roads. These respondents agreed with Rosli *et al.* (2014), who believed that if a ministry beneficiary is not satisfied with the ministry's work, the ministry is not satisfied.

The ministry is not doing well because its purpose is to please its people. 2/5 (40%) respondents believed that the PPP was burdened with paying the tollgate fee as new tollgates were built, such as the tollgate between Kwekwe and Gweru. Gatandi (2014) opposed these respondents by saying that the fee is necessary to boost ZINARA 's finances in other projects that will also benefit its users; he said that this fee is necessary as production cannot be achieved without fees.

Are financial resources required at ZINARA? 10/10 (100 percent) respondents claimed ZINARA wanted financial capital. This was because Zimbabwe lacked adequate funding via ZINARA to carry out the road infrastructure growth. These findings are related to Malik (2010), who claims that the Pakistani government decided to implement PPPs because they did not have the resources to accomplish the tasks themselves. Furthermore, Jamali (2014) pointed out that the government in Lebanon considered PPPs to lack financial resources. This is thus important to infer that the use of PPP in infrastructure projects such as roads has risen primarily because municipalities have inadequate financial capital. After all, municipal authorities, in many cases, assume that only private sector investment will cover the enormous gap between the small existence of public finance and the increasingly growing demand for reliable urban services.

What are the problems of applying PPPs at ZINARA 10/10 (100%) of respondents mentioned the following as the challenges associated with the implementation of PPPs at ZINARA. Multiple Interests of Key Participants said that two people are different as well as their interests are the same as the same companies, so this is undoubtedly a challenge associated with ZINARA 's implementation of PPPs. They also noted that the lack of a sound regulatory framework was a challenge in implementing a PPP agreement.

In connection with this, Jamali (2014) found that the regulation assures the private partner that the regulatory system includes protection against expropriation,

arbitration of commercial disputes, adherence to contractual agreements, and the legitimate recovery of costs and profit proportionate to the risks undertaken.

5. Conclusion

Most respondents were aware of the existence of PPPs, which made the research findings reliable because the respondents were familiar with the subject matter. PPPs were used to deliver transport infrastructure assets through funds brought into partnership by private sectors. PPPs have greatly benefitted from enhancing ZINARA 's performance as more projects have been carried out that have positively affected ZINARA 's performance.

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