

JOURNAL OF SECURITY AND SUSTAINABILITY ISSUES

ISSN 2029-7017 print/ISSN 2029-7025 online

2015 June Volume 4 Number 4

[http://dx.doi.org/10.9770/jssi.2015.4.4\(3\)](http://dx.doi.org/10.9770/jssi.2015.4.4(3))

MANAGEMENT OF PUBLIC PRIVATE PARTNERSHIP IN EDUCATION: ASPECTS OF PUBLIC SECTOR TRAINING SUSTAINABILITY ISSUES

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Received 25 February 2015; accepted 30 March 2015

Abstract. The internationalization practice of private public cooperation has been intensively studied since the 1960s. Due to increase in public capital flows, direct investments and competition in private services at that time active development of public and private cooperation has begun. This publication emphasizes the importance of a military training system quality and ways how to gain the better performance for the sustainable improvement. However diminishing long term allocations for training suppose new perception for different kind of qualification anticipated in the National Defense System (NDS). There are several good experience countries in the world which changed their army training system qualification assessments and purchased training service from private companies. Market research data showed that public-private partnership in military training is a new kind of military sustainable support possibility. There was a novel model laid in this paper for better military training system and private partnership evaluation.

Keywords: public-private partnership, quality management, public administration, finance, competence, cooperation

Reference to this paper should be made as follows: Dubauskas, G.; Balius, R. 2015. Management of public private partnership in education: aspects of public sector training sustainability issues, *Journal of Security and Sustainability Issues* 4(4): 345–352.
DOI: [http://dx.doi.org/10.9770/jssi.2015.4.4\(3\)](http://dx.doi.org/10.9770/jssi.2015.4.4(3))

JEL Classifications: M53

1. Introduction

The worldwide growing needs of expertise in various areas of service provision rise requirements for the quality of services provided. A demand for public sector quality services provision is not the exception also. The growing expectations and new requirements for the public sector public servants requires continuous improvement of the staff competence. In order to meet rationally and efficiently growing needs of the public sector it is forced to find new ways of services improvement (Čepėnaitė, Kavaliūnaitė 2013; Šimelytė, Antanavičienė 2013; Baikovs, Zariņš 2013; Giriūnienė 2013; Bileišis 2014; Garškaitė-Milvydienė 2014; Figurska 2014; Lankauskienė 2014; Vasiliūnaitė 2014). Therefore public sector have to implement permanent reforms (Osborne 2008). During the global ongoing management reforms public institutions need to adopt a new planning, decision-making, implementation coordination, all kinds of resource management challenges. The continuing changes that are focusing on contemporary modern public administration requires revision of traditional normative orientations to overcome constantly emerging obstacles. Therefore public private partnerships become unavoidable to develop a wide range of good quality services.

A research problem is the challenging economic situation in the Central Eastern European Countries and *par-*

ticularly in the Republic of Lithuania concerning expenditures on the defense requires to seek rational solutions; the distribution of public resources within the system, not only to maintain a high level of preparedness of the staff but to achieve better staff training results in the context of other NATO member countries.

This paper aims to analyze the organization of Lithuanian military training courses system. Moreover it evaluates purchasing some services from the private sector. This is related to an implementation of comparative analysis of the private sector services in organizing public sector courses at the national level. In addition, this work is important for the analysis of an experience from other countries in implementing the military and private sector partnerships.

Unspecific goals of this publication is to overview the public and private sector cooperation possible theoretical models, to analyze the literature and legislation dealing with public and private partnerships. Moreover an objective is to define the public and private sector partnership types and their application possibilities in military training especially in the case of Lithuania. To assess a quantitative research the NDS (National Defense System) soldiers deployed in military training courses were interviewed. That courses were organized by the private sector in the management environment of organizing similar courses in public sector.

Target-oriented research and practical development model in a hypothesis: the public and private sector partnership in the Lithuanian military training to improve the quality of education and training and enable more efficient use of human and financial resources for military training, as part of military training courses to organize the transfer to the private sector. The public-private partnership in the army training could improve the quality of education and training and enable more efficient use of human and financial resources for military training, as part of military training courses to organize the transfer to the private sector.

2. The Prospect of the Public Private Partnership

The public-private sector partnership probably have begun in the nineteen century. However it was evaluated very critically. Nevertheless this soon began to yield positive results in the public policy objectives. The rapidly growing partnership between the public and the private sector has attracted more and more researchers. Besides that public-private partnerships can have only short-term advantages and irresponsible development partnership for a long period of time can lead to negative consequences according to some scientific papers (Domarkas 2005).

Furthermore an interest in public-private partnership prospects was especially active during the last global economic recession in the first decade of the twenty first century. Despite many different opinions concerning usefulness of the public and private sectors cooperation the general trend shows that the search for new forms of partnership is growing (Zarco-Jasso 2005).

When exploring public-private partnerships it was noticed that the incorrect assessment of the conditions of partnership can change the course of implementation of the agreement. Therefore some benefits of the deal could be an extra responsibility without the planned profits. The public sector has a wide range of services that can be transferred to private companies. In addition it can improve the quality of services provided. Besides some studies have shown that not all areas of the public sector can become a successful partnership with the private business (Flinders 2005). It is argued that public-private partnerships can improve the public finance risk management in transferring responsibility of the private business to the public sector.

From a theoretical perspective it could be indisputable that private sector under pressure of market competition (sometimes with the assistance of various governmental incentives for businesses support) is managing risk with a smaller budget. However the same cannot be said with regard to the urgent or strategically sensitive services that require significant investment, provision, and economic returns may not be operational. Meanwhile that situation is well known in public transportation or medical services. Moreover it was observed that the involvement of the public sector not only creates a very complex organizational management structures but also

complicates the public and private sector negotiations.

However the private supply of public support services could influence the sustainable development of cross-sectoral partnerships. In addition political cycles in changing the national and municipal government quite often changing attitudes concerning the need for services provided by private partners. Moreover the newly elected government often is critical on the previous government decisions regardless of whether it is national or local government change. Usually the public sector is restricted by the service quality and the cost-effectiveness framework that makes to look for solutions to the problem in democratic countries. National governments are solving the question whether the state capable to delivery good quality and efficient public services. There is an assumption that state functions partly can be transferred to the private sector thus ensuring competitive quality services to the public (Trafford and Proctor 2006). Therefore public and private sector cooperation is increasingly becoming an object of the research in democratic countries. Meanwhile scientists are looking for new improvements of public-private partnership opportunities. Eventually it is agreed that the optimal results of that cooperation are possible only when the objectives can be achieved with the lowest operational costs (Masiulis 2004).

3. An Approach of the Public and Private Sector Partnership

However public-private partnership concept is not a new definition in scientific publications but the concept of the term shows that consensus on this definition is not broadly accepted. Probably the partnership can be described as a voluntary cooperation of two or more entities in order to get an agreement for mutual benefits (Akintoye *et al.* 2003). As it was discussed the public-private partnerships also could be defined as a form of cooperation. The private sector using technological achievements and special knowledge is taking the risk of business services. In the cooperation paradigm the public sector functions – that should be provided by the public sector itself – could be purchased in some degree from the private sector. According to some researchers the public-private partnership - is a collaboration between the public and private sector partnership comprising a plurality of forms and structures (Sardan 2004).

In order to define a public-private partnership concept it could be divided into some concepts (Hodge and Greve 2007):

- Public-private partnerships are cooperation between the public and private sectors, where they generally creating a product or service in proportion of the risks' share;
- Public-private partnerships are long-term infrastructure contracts which set strict requirements for the performance;
- Public-private partnerships are public policy and management networks which emphasizes free players on the mutual relations;
- Public-private partnerships are developments of the civil society;
- Public-private partnerships are renewal of public institutions and economic development.

There are scientists who consider whether the public and private sector partnerships can be an independent public service and public infrastructure development form. These authors stress that it is just a variation of globalization related definitions describing all known service contracts or privatization form. Moreover some researchers agree that public-private partnerships are only the modified and sufficiently flexible form of privatization (Savas 2000). Moreover it is noted that the "privatization" term usage is a particularly sensitive for the public acceptance of its historical associations. This definition allows the modification of the public sector in maneuvering between the privatization of state assets and the contractual relationship. That also give some flexibility in choosing private capital organizations for transferring them some public service rights (Carroll and Steane 2000). However that partnership respectively must leave to the public sector the relevant tools for the control of private sector in the public service delivery. Therefore the state property is not completely transferred to the private sector and the time limit is set in giving the right to fully dispose of that state property.

On the other hand there are some different interpretations in characterizing the public and private sector con-

cept (Miraftab 2004):

- Partnership combines at least two participants one of which must necessarily represent the public sector;
- Partnership members are organizations with the power to make independent decisions on public-private partnerships in the implementation;
- Partnership requires parties to agree on a long-term relationship that is based on mutual trust and not self-interest;
- Each party must be able to invest in the partnership tangible and intangible resources that could strengthen the partnership;
- All partnership parties must share the responsibility for the final results.

Moreover the public-private partnership can be described as a new public management ideas based on public sector reform strategy. Therefore the cooperation becomes more important factor in reforming the public sector and transforming it according to the market-based principles (Rosenau 1999).

In addition there is some tendency that the public sector aims to establish cooperation agreements with the private companies. Probably it could be an indicator of the public sector initiative to attract private sector investment in public infrastructure improvement. Therefore this future private supply of public goods is a great opportunity to invest in the improvement of public services within the limits of the annual national budget.

4. Military and Private Sector Partnership Sustainable Training Opportunities: The Case of Lithuania

In order to analyze the public and private sector partnership opportunities a research study was applied. A study tried to assess the Lithuanian military training opportunities in the cooperation with the private sector through training in the National defense system. The research has been organized using the survey. Therefore the questionnaire was organized interviewing the national defense system soldiers and officers engaged in managerial positions. Moreover the selection criteria of respondents were following; respondent must be a soldier and the soldier is assigned to a position with a job description for lead for a group of soldiers (the structural group commanders). The research was supported by a questionnaire. Besides questions were prepared from the theoretical insights of public and private sector cooperation. Eventually questions presented in the questionnaire helped to collect data on the benefits of cooperation, its possibilities and opportunities. Nevertheless the sample determination and survey was carried out considering the fact about the number of soldiers engaged in managerial positions. Using the formula for the inclusion of variables the sample size of three hundred four respondents was obtained. Considering the fact that the expected return of questionnaires could be no more than eighty percent the three hundred eighty questionnaires was sent to soldiers serving in managing position. Eventually was received three hundred fourteen completely filled in questionnaires. During the research the all respondents were divided into four groups. The largest groups consisted of Army officers and non-commissioned officers. Moreover the part of respondents consisted of forty three percent of non-commissioned officers and fifty one percent of junior officers. According to National defense system's functional management structure the largest part of management positions are occupied by the officers. Nevertheless the non-commissioned officers also represent a significant part in this management system. Non-commissioned officers group have the positions that are usually closest to ordinary soldiers, e.g., squad commanders, etc. The staff that participated in the research are experienced soldiers. Therefore the all answers referred are in conformity with the personal long time service experiences. The seventy nine percent of the all survey respondents have served for more than eleven years and only two percent of respondents have had their service experience less than five years. In addition the all respondents were/are in managerial positions where they are leading from a few to a few dozen soldier groups. Respondents by subordinate groups show that the largest proportion of participants led to a group of fifteen soldiers - eighty three percent of all answers. Therefore the survey data shows that the respondents have close experience in cooperation with their subordinates and they are capable enough to objectively assess the consequences of the military training. Objectivity of the research results could be stressed by the fact that all the respondents have participated in (or organized by themselves) National security system's courses. Moreover one-fifth of the respondents had passed more than five courses. Lithuania's defense system consists of eight military education units however belonging to different national security forces.

Several Lithuanian military units provide more than two hundred different training and teaching courses. In order to assess the Lithuanian army military training efficiency level respondents were asked - what are the factors most disturbing you subordinate military readiness. As the biggest problems that hinder the proper performance of daily tasks was identified financing problems, positive answered the sixty one percent of respondents. In the earlier part of this paper already was mentioned that one of the biggest challenges for the National defense system after country's affiliation with to the NATO was financial arrangements that used to decline until the 2014th. Nevertheless one-third of respondents identified as a problem the insufficiency of soldiers qualifying preparation (the thirty one percent of answers). Moreover the lack of soldiers' motivation was identified by eight percent of respondents. Even so the funding is a major problem (and the most of the National defense system's staff identifies it as the main key of the all problems) but the research shows that military training system revealing problems in the defense system as well.

Sooner or later respondents answered about organized military training courses length mostly expressed dissatisfaction with the course duration. More than half of the soldiers involved in the research responded that the courses are too long. Even eighteen percent of respondents comment that the military training courses are too long and there is real impracticality of the course. In general course duration made unhappy forty one percent of respondents who assessed the current situation more softly saying they want the courses last for a shorter time. Duration of courses satisfied thirty eight percent of the respondents, and even three percent of respondents said that national defense system courses are too short in the duration. Therefore partially can be concluded that the duration of courses is organized not very efficiently. Evaluating the situation in military training respondents were also asked about the opinion of the quality of the courses organized. Unfortunately knowledgeable courses that have not good quality were identified by the thirty five percent of the respondents. The largest group of respondents involved in the training (forty one percent) confirm that courses were/are of the average quality (Table 1, Table 2).

Table 1. Feedback on the National Defense System (NDS) Course Duration

Duration of Courses	Responses in Percent
Very long	18
Long	41
Normal	38
Short	3
Very short	0

Source: Calculated by authors

Table 2. Evaluation of the Quality of Courses

Quality of Courses	Responses in Percent
Very High	5
High	19
Normal	41
Low	33
Very low	2

Source: Calculated by authors

Public-private partnership in the National defense system is not a new phenomenon. Ministry of Defense started a partnership with the private sector for infrastructure, transport vehicles maintenance, food service already from the 2009th. However studies on the military training opportunities in prospects with the private sector cooperation could be started. The research respondents presented issues related to public and private sector cooperation characteristics in the second group of questions. In the second research phase's the main question was to find out which areas of military training courses respondents would tend to change when courses are organized by the private sector. Besides respondents' opinions in the quality of courses in different systems are

similar and clearly shows that the respondents not rely on military training qualification, if their soldiers sent to military training or physical training courses organized by the private sector. However many respondents would tend to send their subordinates to the management and computer maintenance, foreign languages and vehicle management courses organized by the private sector. Despite that scientists have showed many public and private sector partnership benefits - the biggest advantage according to the survey respondents is the private sector investment issues.

Furthermore the low ratings of remaining public and private sector partnership benefits can be associated with information about the potential drawbacks of such a partnership. Respondents were asked about the opinion of why the cooperation in the military training is not carried out with the private sector. The accepted results show that the respondents would like to see how qualified personnel can properly assess the public and private sector cooperation opportunities in the field of military training. Moreover they want to evaluate the introduction of the benefits in this private business partnership. One of the benefits in cooperation with the private sector, could be the specialization in one defined field thus creating a large area of the needs of capacity and mobilizing competitiveness in a specific area. Military education system must continually meet lower demand of the National security system that to be able the rationally exploit the higher training capability. According to respondents submitted data only twenty six percent of applicable soldiers were sent to designated courses organized by the National defense system. Eventually almost three-quarters of the all respondents reply that at least once has been the situation in their practice when delegated soldiers for planned courses were left outside because of the strict quotas in these courses.

Besides the additional research was performed to find out the efficiency of the military training capacity with some intentions to strengthen the survey research data. Therefore it was determined the capacity of the efficiency in the transport management courses (driver classes C and CE, i.e., drivers carrying dangerous loads). In order to evaluate the level of the army requirements, it was assessed the army demand for trained drivers and the opportunity for preparation (or the possible supply) of these disciplined drivers. For instance the military school in preparation for C level vehicle drivers training is given one hundred twelve hours of teaching. Drivers that are instructed to the CE level (that may carry dangerous loads) training are given one hundred twenty hours of training (of which thirty seven hours of training at the theoretical level training, twenty five hours of practical training and fifty eight hours for administration experience). On the other hand many private drivers' training schools because of the competition make every effort to ensure that drivers are trained in the shorter terms. Therefore the figures show that the average civil drivers training centers, instruction time is almost twice less than the military school of similar driver categories training. Eventually it was observed that military demand for such a personnel is really large but the real opportunities and training possibilities are several times lower.

The survey respondents were asked whether they are satisfied with the system of military training courses. Moreover they were inquired concerning the duration and quality of organized courses by the private sector in the different fields. In addition the question about their subordinates' qualification changes after the courses was involved. These questions allowed to evaluate not only the organized military training courses by the quality but also to set a minimum quality standard of military training in the system. Whenever possible the respondents were intended to send their subordinates to take courses organized by the private sector because they believe in their higher ability to invest in new educational infrastructures. The second factor consists of the view that the courses organized by the system of national defense could be lower in quality than similar courses arranged by the private sector. Therefore it is one of the most important elements on which the private sector have been gaining against the system of national defense courses.

Resuming of the research data allows to make some assumptions; that the system of military training courses are organized with low competing and training power because of some kind a monopolistic operating system, that tend to gradually lose quality when compared with the private sector, particularly concerning the quality of the non-strictly military oriented courses organized. Summing up the results of the survey it can be said that the initial concept is confirmed; the public-private partnership implementation in some military training courses transfer good practice from the private sector organizations and improve the human and financial resources.

Conclusions

In many cases the public sector and private business partnership approach in the scientific literature is treated interchangeably. Moreover attempts to define the concept of cooperation between the public sector and private companies is compounded by the fact that the partnership includes a wide variety of forms. A large range of public and private cooperation forms does not draw a clear difference between activities such as the privatization or the simply services and goods general procurement. However the National Defense functions require extremely precise legal activities' regulation that ensuring the prevention of possible threats for the system especially in nowadays.

The details described in this publication lead to a conclusion that legal regulation is one of the biggest interferences realizing the public - private partnership project sustainable growth. In any case the defense system does not perform systematic public and private sector cooperation in research, and this probably implies a small interest in benefits from the advantages of that cooperation.

In a survey on military training and private sector collaboration was revealed that a large part of courses are conducted probably only with partly acceptable involvement of economic and human resources. The vast majority of respondents said that military training courses taking place in the system takes too long and the qualification of soldiers prepared suggest that the course time has not been effectively used. Furthermore the research findings draw attention to military education system that is mainly acting in not competitive conditions. Eventually the organizational practice of training likely does not correspond to the private sector services.

The National defense system (NDS) chief military personnel are likely to arrange their subordinates training in such way that it could have the minor impact on direct duties. Moreover the military education system is not intended to focus on the overall improvement of the operational efficiency of the NDS. Therefore the organization of the courses is managed with the least impact on direct performance of duties. Nevertheless the National defense system organizational competence that is accessible to the public and private sector partnership is not essential cooperation hindrance for the sustainable growth of the various training. However it is important to note that the diversity of partners' competence implies greater scope for cooperation with organizations from the private sector.

Eventually the initial model for an application of results on military training using the private sector is represented. Moreover the private aspect in the implementation of the military training also is over-viewed. Military training and private sector cooperation in the implementation of the model to develop greater efficiency was also presented with the principle of „value for money“ approach. This framework is developed on the principle that is described as - a relevant or irrelevant subject. The intention of generating this model is to establish cooperation evaluation algorithm that could allow systematic partnership eligibility for military training goals.

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