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A SURVEY ON THE IMPORTANCE OF PUBLIC-PRIVATE PARTNERSHIP PROGRAM IN MALAYSIA: PUBLIC PRACTITIONERS' PERSPECTIVE

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ABSTRACT

This study aims to determine the importance of Public-Private Partnership (PPP) programs as perceived by public practitioners in Malaysia. Other than that, we examine the differences in perceptions between groups of public practitioners, particularly from the PPP unit, the Ministry of Finance (MOF), and implementing ministries/agencies pertaining to the same matter. The study also explores public practitioners' opinions on the program's weaknesses and possible improvements for future undertakings. A questionnaire survey was utilised to elicit the perceptions of public practitioners concerning the importance of the PPP programme. Here, 106 usable responses were obtained and analysed using the Statistical Package for Social Sciences (SPSS) to rank the programme's important rationale. Subsequently, it examines the differences in perceptions between groups through descriptive statistics, mean scores, and Kruskal-Wallis test analysis. Subjective responses have also been elicited to obtain respondents' input on the weaknesses of the PPP programme and suggestions for future improvement. The results reveal that the crucial reason for PPP is to enhance private sector participation in economic development. Furthermore, overall responses suggest that every 14-rationale inquiry is either moderately important, important, or strongly important, with reasons relating to economic growth and development becoming the leading objective for PPP. Apart from that, the findings indicate no significant differences in perception among groups of respondents in the public sector. For the subjective responses, some respondents have highlighted many valuable inputs, and some require further qualitative research to analyse the issue independently.

Keywords: Public-Private Partnership (PPP), PPP adoption, PPP objectives, public practitioners' perception, Malaysia

INTRODUCTION

PPP is a well-known public infrastructure and service procurement approach adopted in developed and developing countries (Suhaiza Ismail et al., 2019). It refers to the collaboration between government and private companies in designing, building, financing, and operating public infrastructure for the benefit of the general public (Musawa et al., 2017). PPP comprises a contractual arrangement between public and private partners, where the private partners deliver services stipulated in the concession agreement within a concession period (Lop et al., 2016). Other than that, PPP policy is a strategy that emphasises the ability of the PPP to foster innovation by providing high-quality services in a shorter amount of time and with lesser government expenses (Roumboutsos & Saussier, 2014). Success stories of PPP from countries such as the United Kingdom (UK), Singapore, Hong Kong, and Australia have propelled the popularity of the scheme, explaining its penetration across the globe, including Malaysia (Ismail, 2013; Ismail et al., 2019).

Despite positive arguments about PPP, there are also comments that many misleading claims have been made to justify PPP. PPP is operated to overcome budgetary constraints by taking expenditures and related debt off-budget via government-guaranteed debt, burdening future governments, consumers, and taxpayers (Jomo & Chowdhury, 2018). In 2018, the newly elected government reported that the Malaysian government's financial commitment to its debt and other liabilities, including PPP payments, reached RM1 trillion (Teoh, 2018). It is about three-quarters of the national gross domestic product. Furthermore, the financial implication caused by the PPP programme entices further explanation of the importance of the programme since not only brings benefits to the nation but also carries a financial burden. If it is not

properly addressed, it may lead to an argument that the government should do away with the PPP programme since the government's financial position may become healthier without it. Hence, a study is needed to examine the importance of PPP, its weaknesses, and mitigating factors or a new strategy to overcome the weaknesses in terms of theory and practice.

PPP IN MALAYSIA

Since independence, there have been a series of evolutions in the national development strategy conducted by the Malaysian government. Starting with the government-centric approach, the paradigm in national development shifted with the Malaysian incorporation policy in 1981 and the privatisation policy in 1983, where the private sector was promoted as the engine of national growth. The adverse impact of the world economic recession in the 1980s also caused the government to seek private sector assistance to develop economic activity in the country (Suhaiza Ismail, 2013). Other than that, the strategy of utilizing the private sector involvement has been enhanced with the PPP programme starting in 2009. It was when the government established a central agency to coordinate the privatization, Private Finance Initiative (PFI), and PPP programme and projects named Unit Kerjasama Awam Swasta (UKAS) or PPP Unit in 2009. Under the newly established PPP Unit, processes and procedures have been developed together with well-structured mechanisms for evaluating and assessing project feasibility, technically and commercially guided by the privatization master plan developed in the 1990s (UKAS, n.d.-b). Note that the privatization committee evaluating privatisation projects during the privatisation era has been renamed the PPP committee. While promoting the PPP agenda in the country, establishing UKAS is an effort by the government to institutionalisation the programme and standardise processes and procedures for better program implementation.

Before establishing UKAS, the government also emphasised employing private sector financing in implementing development projects by announcing PFI in the Ninth Malaysia Plan (5-year economic planning document from 2006 until 2010). Although the usage of private financing in development

projects is not a new concept since Malaysian toll road projects have been utilising private financing since the 1980s (Hensley & White, 1993), it is argued that the new idea of PFI is different and has certain characteristics that have never been done before. It corresponds to the term popular in the UK, where the private partner is not collecting revenue from the user under a PFI scheme, like toll road projects. Instead, they are remunerated through payment by the government throughout the concession period based on service availability (Spackman, 2002).

In the initial years of the Ninth Malaysia Plan, there were different initiatives by different government departments regarding PFI. Firstly, PFI was understood as part of privatisation programme since there are modes of privatisation such as Build-Operate-Transfer (BOT), Build-Operate-Own (BOO), and Build-Lease-Transfer (BLT), which utilise private funding for public infrastructure (Syuhaida Ismail & Yusof, 2010). PFI seems to be similar to BLT-types privatisations implemented in Malaysia. In BLT projects, the private partner will develop and finance a facility that will be leased to the government throughout the concession period prior to transferring it to the government at the end of the period. Looking from the context of the BLT type of privatisation, PFI makes no difference, although the lease payment is not called an availability payment, which is attributed to PFI. Such projects have normally been planned, analysed, and negotiated by the privatisation committee and administered by the Economic Planning Unit (EPU).

Meanwhile, the MOF established an entity named Pembinaan PFI Sdn. Bhd. (PFI Sdn. Bhd.) on September 28, 2006, to implement the PFI initiative announced in the Ninth Malaysia Plan. PFI Sdn. Bhd. is entrusted with raising funding (the funding was mainly provided by Employee Provident Fund (EPF) and Retirement Fund Incorporated (KWAP) to implement PFI projects identified under the Ninth Malaysia Plan (Public Account Committee, 2015). In other words, PFI projects can only be implemented by PFI Sdn. Bhd., and the government will pay a “PFI payment” to PFI Sdn. Bhd. for them to repay the financing that they have acquired. Since PFI Sdn. Bhd. is an entity wholly owned by

the government through MOF Incorporated, the PFI scheme in Malaysia is significantly different from what it has been understood worldwide (Syuhaida Ismail & Yusof, 2010).

The Economic Planning Unit (EPU) and the Ministry of Finance (MOF) previously oversaw the Private Finance Initiative (PFI) initiative, which has been under the United Kingdom Accreditation Service's (UKAS) management since its inception in 2009. The term PFI and privatisation have been slowly demoted as sub-sets of the so-called new umbrella policy of PPP. Table 1 provides the differences between PPP, privatization, PFI, and conventional public procurement from the UKAS perspective (UKAS, 2009). Being a central agency to plan, coordinate, and negotiate PPP projects with private, the PPP Unit will be assisted by representatives from other central agencies, including MOF, the Attorney General of Chambers, and technical agencies in the PPP committee. The PPP committee will provide at least two recommendations for the Malaysian Cabinet's consideration and approval. The first recommendation is on approval in principle to negotiate a project with an identified private partner, and the second recommendation is on the final terms and conditions of a PPP project to be signed with the private partner. Once approval on the terms and conditions of a particular project is obtained, it will be implemented by the implementing agencies based on centralised planning and decentralised implementation (UKAS, n.d.-a).

Table 1

Differences Between Conventional, PPP, and Privatisation Approach

Conventional Procurement	PPP	
	PFI	Privatization
Procurements are funded directly via the public budget.	Funding via private financial resources without the public sector's explicit guarantee.	Funding via private financial resources without implicit or explicit public sector guarantee.
Immediate impact on public sector financial position.	Impact on public budget spreads over the duration of the concession.	No impact on the level of public sector expenditure.
Risks are entirely borne by the public sector.	Risks are allocated to parties that can manage them most efficiently	Risks are entirely borne by the private sector.

Conventional Procurement	PPP	
	PFI	Privatization
Extensive public sector involvement at all stages of project life.	The public sector's involvement is through the enforcement of pre-agreed KPIs.	Government acts as a regulator.
Relationship with the private contractor is short-term.	Long relationship duration with private contractors.	Long relationship duration with private contractors.
Applicable for projects with high socio-economic returns and those justified on strategic considerations.	Applicable for projects with commercial viability.	Applicable for projects with high commercial viability.

Source: UKAS

The perception of the PPP programme is not always positive. In 2018, a newly elected political government announced that PPP payments had contributed to the financial burden of “RM1 trillion in debt” (Teoh, 2018). This announcement is a manifestation of the weaknesses of PPP that came along with its benefit. Given this manifestation of weaknesses, the perception of its importance may be questionable. Moreover, the premise of implementing the original privatisation program and newly branded PPP programme, among others, is to reduce the government's financial burden (EPU, 1991). If the program fails to meet the rationale of its implementation, a review process should be conducted, especially on the cost and benefit analysis of the program. Reducing the government's financial burden may not be the only benefit expected from the PPP program. Hence, it is better to examine other benefits that the programme may bring to the government and the rationale implementing the PPP programme before assessment can be comparing to its costs and weaknesses.

PPP RATIONALE

In Malaysia, PPP is a continuation of the privatisation programme, and they share the same aspiration towards increasing the private sector's role in the country's economic development. The Privatisation Masterplan of 1991 has outlined five main objectives of the privatisation

policy: (1) to relieve the financial and administrative burden of government; (2) to improve efficiency and productivity; (3) to facilitate economic growth; (4) to reduce the size and presence of the public sector in the economy; and (5) to help meet the national economic policy target (EPU, 1991). The same objectives have been outlined on the PPP Unit website, emphasizing certain words. Note that the five objectives have been stated on the website: the policy is to lessen the financial and administrative burden of the government, improve skills and production, accelerate economic growth, reduce the size and involvement of the public sector in the economy, and assist in reaching the country's economic policy's goal (Unit Kerjasama Awam Swasta, n.d.-b).

Since PPP is a worldwide subject, there has been much research as to the rationale and reason for PPP, especially from around 2000 to 2010. For example, Li et al. (2005) surveyed the factors attracting PPP implementation in the UK. Chan et al. (2009) applied a similar instrument to Li et al. (2005). They conducted a study comparing China and Hong Kong regarding the key drivers for implementing PPP. Meanwhile, Cheung et al. (2009) conducted a questionnaire survey to examine the reasons for implementing PPP in three countries: Hong Kong, Australia, and the UK.

Ismail and Haris (2014) studied PPP practitioners in Malaysia and the rationale for implementing the PPP programme. The data was collected during a PPP seminar conducted by the PPP Unit in February 2011, with 122 public and private sector respondents. Consequently, the survey results suggest that the crucial rationale of PPP is “to enhance private sector participation in economic development”, and the least important rationale of PPP is “to reduce the role of the government in providing public service”. The result of this survey is interesting if we compare it with the first objective of privatisation and the PPP programme as outlined in

the privatisation Masterplan and the PPP Unit website, that is, “to relieve the financial and administrative burden of the government”. The perception of Malaysian practitioners on PPP is that it is about private sector participation in development, where reducing government role and burden is not the main rationale of PPP and has been voted the least important reason for PPP.

Alternatively, a survey was conducted in Ghana to determine the main reason for PPP. The result of the survey confirms that the significant reason for PPP in Ghana is “to reduce public sector administrative costs” (Osei-Kyei et al., 2014). The survey result in Ghana was in line with the first objective of PPP in Malaysia: “to relieve the financial and administrative burden of the government”. However, the survey in Ghana has outlined 15 reasons for PPP in the questionnaire, compared to 5 rationales for PPP in Ismail and Haris (2014), with “to enhance private sector participation in economic development” not listed as part of the PPP reasons survey form in Ghana.

In another survey, Ismail (2014) adopted a questionnaire by Cheung et al. (2009) to examine the driving forces for PPP implementation in Malaysia. The reason for adopting the same instrument is to compare the survey results with PPP implementation in the UK, as Cheung et al. (2009) reported. Subsequently, the results indicate that the top driving force for PPP implementation in Malaysia is the “economic development pressure of demanding more facilities” compared to the UK, where the primary reason for PPP is a “shortage of government funding”. However, the questionnaire did not list “to enhance private sector participation” and “to reduce government administrative burden” as the driving forces for PPP implementation. Note that the survey result may differ if these two reasons are included in the questionnaire.

Reasons and motivating factors for PPP among public practitioners have been studied qualitatively through interviews in Ghana and Hong Kong. Osei-kyei and Chan (2018) interviewed ten participants, eight from Ghana and two from Hong Kong. They discovered, among others, that there are two common reasons for both countries to implement PPP: “quick delivery of the public project” and “private sector efficiency”. Meanwhile, “lack of resources and funds” has been highlighted as the reason for PPP by all participants in Ghana but was not mentioned by both participants in Hong Kong. Although the number of participants is not equal between both countries, the study concluded that reasons for PPP implementation might vary, although some are common. There are also other motivating factors for public practitioners to implement PPP in the case of unsolicited proposals, such as “enhanced private sector innovation and creativity”, “lack of public sector capacity to identify, prioritise and procure projects”, and “rapid implementation of PPP projects” (Osei-Kyei et al., 2018).

Considering that every study in the past applied a different rationale of PPP in their survey, a new survey to put together all the rationale is needed to apprehend better feedback on the rationale of PPP. Other than that, the government of Malaysia has announced that PPP has caused a financial burden to the government. Hence, a new survey is useful to determine whether the rationale for PPP is now being perceived differently, especially among practitioners in the public sector.

RESEARCH METHOD

Research Instrument

Although research on the rationale of PPP in Malaysia has been conducted (Suhaiza Ismail & Haris, 2014), the study utilised a survey method limited to 5 rationales outlined in the questionnaire. Another survey through a questionnaire with many other PPP rationale options could result in different outcomes. Therefore, a new instrument was developed to survey public officials' perceptions of the importance of PPP programmes. The questionnaire was divided into three main sections, one comprising the demographic characteristics of respondents and the other designed to collect responses related to the study, one of which was to obtain quantitative data on the importance of PPP. Another section is open-ended qualitative questions on other aspects of PPP rationale, weaknesses of PPP, and suggestions for future improvement.

The focus on demographic information is to cluster the respondents into three groups: a group from the PPP Unit, a group from the MOF, and another group representing implementing agencies from various ministries. It is assumed that there are different perceptions between these three groups as PPP Units may tend to uphold PPP policy as they promote the PPP programme. Meanwhile, MOF may perceive PPP as less important than the government's financial management since PPP has caused financial implications for the government. Apart from that, the implementing agencies may have different ideas as they are the ones who face the project implementation issue, be it conventionally procured or PPP. In screening the practical responses, only respondents from the public sector are selected to suit the study's objective. Consequently, the respondents are asked about their experience in implementing PPP projects and their current position in the civil service.

In designing quantitative questions about the importance of the PPP programme, rationales and reasons for PPP that have been discussed in works of literature are considered together with statements about the programme's objectives mentioned in official sources. It includes the Privatisation Masterplan, a report of the Malaysian 5-year development plan, and other public documents, including statements recorded on the official website of the PPP Unit. Respondents have been asked to rate their agreement or disagreement with 14 statements about the importance of PPP on a seven-point Likert scale, where 1 strongly disagrees and 7 strongly agrees.

Three subjective, open-ended questions have been asked to entice more qualitative data to suit the study's objective. The questions are about other aspects of PPP rationale that may not be covered in any of the 14 statements provided in the questionnaire, opinions on the weaknesses of PPP, and suggestions for future improvement of the PPP programme.

Data Collection

The questionnaires were administered using the Google Forms online application and disseminated online through social media (WhatsApp) to the targeted population. Here, purposive and convenient sampling has been adopted with a targeted sample size of at least 70 responses, which is equivalent to five times bigger than the number of quantitative questions asked in the questionnaire. The sample-to-item ratio is applied to decide the sample size based on the number of items in the study, and the ratio should not be less than 5-to-1. With the assistance of the Google Forms application, every response is linked to the respondents' Google account, and every respondent can only submit it once.

The data collection process has been launched for five days, from April 7, 2021, until April 11, 2021, with active social media follow-up with targeted respondents. Here, 108 responses have been recorded, of which 106 are practical for analysis, whereas two are not practical as they are not from public sector respondents. Consequently, the Pearson correlation test has been conducted, and the significant value of every item asked is below 0.05. The value for Pearson correlation for each item is also higher than the critical value in the Pearson Correlation Table (the critical value at a 95% confidence level with a degree of freedom of 100 is 0.195). This confirms that all the items are valid. Other than that, the reliability test reveals a Cronbach's alpha value of 0.926, implying that the instrument has adequate internal reliability.

Data Analysis Procedures

Prior to the data analysis, the data normality assumption test was conducted. The normality test reveals that the Shapiro-Wilk value for each item is lower than 0.05, indicating that the data is not normally distributed. In addition, the skewness over the standard of error value for every item is greater than 1.96, presenting indicating that the distribution is abnormal. When the assumption of normal distribution of data is violated, some statistical analyses through SPSS are not valid, and these statistical tests include the Analysis of Variance (ANOVA).

Subsequently, the data were analysed using SPSS software. The descriptive statistics for the mean score were computed using the results from the Likert items introduced earlier. Based on the mean scores, the importance of the reason for PPP was ranked according to the perceived important rationale by all respondents combined, as well as by the three groups independently. Since the data collected was not normally distributed, the nonparametric Kruskal-Wallis test was adopted to statistically examine the differences in perceptions and compare the mean

scores of three different groups of the samples. Moreover, the three groups represent samples from the PPP Unit, MOF, and implementing agencies from various ministries undertaking PPP projects.

For the open-ended questions on other benefits of PPP, weaknesses of PPP, and suggestions for future improvement of the programme, the responses were read several times thoroughly to identify recurring themes from repeated information given by the respective respondents. Nearly half of the respondents left open-ended qualitative questions with a blank answer, and the other half responded with a brief one-sentence answer. Note that the respondents with more than one sentence are less than ten for every question. Although the answers are not detailed, simple responses to open-ended questions make the data easier to analyze.

FINDINGS AND DISCUSSION

Demographic Information

The respondents' background information has been analysed through descriptive statistics, and the number of responses representing PPP Units, MOF, and implementing agencies are provided in Table 2. Table 2 also lists that out of 108 responses, only 106 are usable since they came from the targeted population. For this study, two respondents representing the private sector are deleted. The classification of respondents based on their position and grade of service is exhibited in Table 3. It can be concluded from Table 3 that more than half of respondents with Grade 48 and above (67%) are senior officers who have experience of at least ten years in the civil service. The classification of respondents based on their experience in PPP projects is demonstrated in Table 4. It can be observed from Table 4 that more than half of the respondents (62%) have been involved in more than three PPP projects.

Further analysis of the respondents suggests that the tabulation of respondents with more than three PPP project experiences is equal between groups of respondents. Table 5 provides that more than 50% of respondents from each group have more than three PPP projects they have been involved in during their service. Apart from that, how the questionnaire is drafted prohibits any respondents with no experience dealing with PPP projects from taking part in the study since only respondents with at least one PPP project experience are able to continue to answer the questionnaire.

Table 2

Responses representing groups of respondents

Group of Respondents	Frequency	Percentage (%)
Private Sector	2	1.9
PPP Unit	12	11.1
MOF	36	33.3
Implementing agencies	58	53.7
Total	108	100.0

Table 3

Classification of respondents based on grade in service

Grade of Respondents	Frequency	Percentage (%)
41-44	35	33.0
48-52	46	43.4
54-JUSA	25	23.6
Total	106	100.0

Table 4

Respondents' experience in PPP projects

Experience in PPP	Frequency	Percentage (%)
1-3 projects	38	35.8
4-6 projects	16	15.1
7-9 projects	9	8.5
more than 9 projects	43	40.6
Total	106	100.0

Table 5

Tabulation of experience across groups

Group of Respondents	PPP Experience				Total
	1-3 projects	4-6 projects	7-9 projects	more than 9 projects	
PPP Unit	2	2	2	6	12
MOF	17	5	3	11	36
Impl. agencies	19	9	4	26	58
Total	38	16	9	43	106

Mean Score and Kruskal-Wallis Test

The overall mean score for the 14 statements on the importance of PPP ranges from 4.65 to 6.58. The results indicate that respondents perceived each of the 14 objectives as either “moderately important”, “important”, or “strongly important”. The crucial factor of PPP perceived by all respondents is “to enhance private sector involvement in economic development”, followed by “to facilitate economic growth by enlarging private investment in the economy”. The rank of the overall mean score, together with the mean score for every group, is presented in Table 6.

The Kruskal-Wallis test was conducted on the null hypothesis that there are no significant differences in perception between groups of respondents on all items outlined in the questionnaire. Furthermore, the hypothesis assumes that different public sector groups may think differently about the importance of PPP. It is because the respondents from the MOF may consider the government's financial health to be more important than PPP. Since PPP has had financial implications for the government, respondents from MOF may have different perceptions of PPP compared to respondents from PPP Unit. Therefore, the Kruskal-Wallis test was conducted to test the following:

- H0: There is no significant difference in perception between groups of respondents on every item outlined in the questionnaire; and
- H1: There is a significant difference in perception between groups of respondents on every item outlined in the questionnaire.

The Kruskal-Wallis test suggests the p-values for every item are > 0.05 , ranging from .094 to .998. Hence, we failed to reject the null hypotheses and concluded that there are no significant differences in the perception of the importance of PPP between respondents from the PPP Unit, MOF, and implementing agencies.

Table 6

Mean Score Ranking for the Rationale of PPP

Rationale of PPP	Overall		PPP Unit		MOF		Implementing Agencies	
	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank
▪ enhance private sector involvement in economic development	6.27	1	6.58	1	6.11	1	6.31	1
▪ facilitate economic growth by enlarging private investment	6.18	2	6.42	3	6.08	2	6.19	3
▪ improve efficiency	6.16	3	6.08	10	6.03	3	6.26	2
▪ attract private partner expertise	6.06	4	6.58	2	5.89	5	6.05	5
▪ improve the privatisation programme	6.05	5	6.25	7	5.78	7	6.17	4
▪ satisfy the need for more public facilities	5.99	6	6.42	5	5.81	6	6.02	6
▪ expedite project implementation	5.96	7	6.25	8	5.89	4	5.95	7
▪ better performance in terms of time, cost, and quality	5.92	8	6.42	4	5.72	8	5.93	8
▪ better life-cycle cost spending on government assets	5.85	9	6.33	6	5.56	9	5.93	9
▪ solve public sector budget constraints	5.64	10	6.17	9	5.25	11	5.78	10
▪ transfer project risk to a private partner	5.56	11	5.92	12	5.50	10	5.52	12
▪ reduce government spending	5.42	12	5.92	11	4.92	13	5.62	11
▪ transfer project costs to a private partner	5.18	13	5.33	14	5.14	12	5.17	13
▪ reduce government role	5.01	14	5.83	13	4.64	14	5.07	14

The First Five Rationale

The first five rationales in the ranking share a common theme related to private sector involvement in the economy, which is believed can bring more efficiency in service delivery due to the nature of the

private sector in doing business, that is, reducing cost and enhancing benefit. It is also related to the objective of the privatisation programme undertaken by the Malaysian government in the 1980s, which outlined, among others, improving efficiency and productivity and reducing the size and presence of the public sector in economic development (EPU, 1991). Other than that, the responses by the public sector practitioners have still been tailored to the original objective of the privatisation programme with the development mantra that the private sector is the engine of economic growth. There is also a recognition by public officials that the private partner possesses expertise in implementing government-related projects, with the rationale of “attracting private partner expertise” as the fourth justification of the PPP programme.

The Second Five Rationales

The second five rationales in the ranking are related to the better performance of PPP, including fast project delivery and proper life cycle costing of the asset. Even though there are many arguments about the better version of PPP compared to conventional procurement (Atmo et al., 2017; Verweij & Meerkerk, 2020), it is not the most critical factor in implementing PPP as perceived by public officials in Malaysia. Solving the public sector budget and satisfying the need for more public infrastructure projects are not the main rationales for PPP perceived by public officials. This is because they are part of the second five rationales in the ranking, although these reasons relate to “lack of resources and funds, which has been argued to be a consistent reason by public sector practitioners in Ghana (Osei-kyei & Chan, 2018).

The Last Four Rationales

The last four rationales are about reducing government role and government spending as well as transferring risk and cost from the government to private partners. Although these rationales are agreeable reasons for PPP by the respondents, they are the least important factor in considering PPP

projects. Public practitioners still consider that government has a role in providing public infrastructure as well as public services, and implementing PPP does not eliminate the role of the government. Although the transfer of risk to private partners became the most attractive factor and reason for PPP in the UK (Li et al., 2005), it is not among the main reasons for PPP perceived by public practitioners in Malaysia. Moreover, implementing PPP does not eliminate any risk or cost component for the government. The principle underpinning PPP is a risk-sharing relationship based on a shared aspiration between the public sector and private partners to deliver a publicly agreed outcome or public service (Grimsey & Lewis, 2004).

Qualitative Data Responses

Respondents were asked to respond to any other reason or benefit of PPP not listed in the questionnaire. Most of the responses are explanations of the existing listed rationale, for example, to encourage the private sector to invest, innovate new technology, and build their capacity and expertise. These can be done given that, in PPP, the private sector will be asked to develop the design and methodology for delivering public infrastructure, which involves a sizable project. At the same time, government resources can be utilized in other social and public welfare programme and projects. Some responses relate to combining strengths from the public and private sectors to overcome national development challenges, build local private expertise, and possibly export local expertise abroad. Consequently, these responses can be regarded as an elaboration for the first and second rationales in the ranking, that is, to enhance private sector involvement in economic development and to facilitate economic growth by enlarging private investment.

Respondents also suggest other benefits that expand from private sector participation, such as creating jobs and improving job opportunities through enhancing private sector activity in infrastructure development and contributing to domestic economic growth. Another industry that benefits from PPP projects is the financial market industry. To elaborate on this, the largest highway project in Malaysia,

PLUS Highway, sought funding from the financial market industry totaling more than RM30 billion, comprising RM23.5 billion in Islamic *sukuk* and RM11 billion in government-guaranteed *sukuk* (Kana & Aruna, 2020). Another highway project, West Coast Expressway, contributes RM4.74 billion to the financial market industry to fund eighty percent of the project cost, totaling RM5.9 billion (Ngui, 2015).

Among the common weaknesses is the long-term financial implication, where the government has to pay private partners throughout the concession period. In other words, PPP only provides a short-term solution to budget constraints problems where the private sector helps by providing the project funding. However, the private partners will be paid for their initial funding by the government as if it were a debt taken by the government. There are also many comments saying that PPP consists of two main types: the private partner will get back their money invested through user-pay which does not need government payment. Another type is when the government must pay private partners for public facilities, especially in a Build-Lease-Maintain-Transfer (BLMT) type PPP. Note that these two types of PPP have different implications and must be considered separately.

On the other hand, there are comments on the weaknesses in selecting a private partner and other implementation weaknesses with many suggestions for improvement, such as conducting a transparent bidding process in selecting a private partner, having better procedures in assessing project feasibility, and having a good standard monitoring process. All these qualitative responses need to be further studied through another research process, considering the answer lies in an in-depth understanding of the responses that may be collected through interviews or focus group discussions.

IMPLICATION, LIMITATION, SUGGESTION, AND CONCLUSION

The questionnaire was developed based on the objectives and rationale of PPP discussed in previous works of literature and official statements in public documents, including statements recorded on PPP Unit websites. All the literature referred to in developing the questionnaire does not distinguish between

two main types of PPP, one of which involves government payment throughout the concession period, and another that does not require government payment. The study observed that these two types of PPP need to be studied separately, considering they have different financial implications for the government.

The open-ended questions in the questionnaire have gotten many simple answer responses that require another separate qualitative study. Since the responses are limited by the limited words in the questionnaire, an interview process will complement the study to obtain more meaningful insight from the respondents.

Consequently, this study concludes that the three themes of PPP rationale with the most perceived significance are related to private sector involvement in economic development, followed by better service delivery that PPP can offer to the government. On the benefit of reducing government role, government spending, and government risk associated with project implementation, they were perceived as the least significant reason for PPP by public practitioners in Malaysia. Inadvertently, the result of this survey is consistent with the result of a survey done by Ismail and Haris (2014), where the crucial rationale of PPP in Malaysia is “to enhance private sector participation in economic development”, and the least important rationale of PPP is “to reduce the role of the government in providing public service”.

This study confirmed the perception that PPP in Malaysia is important for economic development, especially in encouraging private-sector participation. PPP may also be important for better service quality and delivery. However, these rationales are not the primary reason for PPP adoption in Malaysia, based on the feedback from public practitioners in this study.

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