

ETHICAL RISKS IN PUBLIC-PRIVATE PARTNERSHIPS: THE CASE OF LAHORE WASTE MANAGEMENT COMPANY

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Abstract

The world is coming up with new solutions to old problems in order to improve efficiency and effectiveness in public service delivery. Public-Private Partnership (PPP) is a relatively new form of participatory governance. This approach is linked with New Public Management (NPM) and, since its inception, the private sector has taken over the entire world despite incongruence and incompatibility in indigenous values and cultures. PPP is also claimed to be the best solution in terms of service delivery; however, its effectiveness is yet to be achieved. The purpose of this study is to find the effectiveness of the PPP mode of governance. This study is qualitative in nature and has taken one entity based on PPP as a case, i.e. Lahore Waste Management Company (LWMC), in order to study the impact of this solution to all, the ills of public service delivery. Fourteen officials were interviewed in this study of LWMC (a quasi-governmental institution) and its private partners. Findings suggest that this PPP mode has major ethical risks in the form of lack of transparency in awarding contracts, equity-efficiency trade-off, overall conflict of philosophy of public and private sector, low professionalism, value for money (compromise on cost and quality), and weak accountability mechanisms.

Keywords: Public-Private Partnership; New Public Management; Participatory Governance; Ethical dilemmas; Quasi-Governmental Institution.

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Introduction

Various strategies have been used for service delivery, ranging from the public sector to private sector, including the current trend of intermingling both sectors in the form of Public-Private Partnerships (PPPs). To begin with, traditional public administration is mostly associated with Woodrow Wilson’s article “The study of Administration” published in 1887. Public Administration has deep roots in the United States (Adams, 1992). Adams discussed public administration in the context of ‘Modernity’. He further examined the need for ‘technical rationality’ along with ‘professionalism’ under ‘Modernity’. It is further stated that the conviction arrangement of ‘technical rationality’ represents the steady ‘atemporality’ of sociology generally and public administration specifically.

Over the years, traditional public administration has evolved into market based principles termed as New Public Management (NPM). NPM claimed to achieve the transformation of traditional governance structures into results-oriented governance structures that aimed to ensure efficiency and effectiveness through deregulation and privatization. It also focuses on “results, not process”, “steering, not rowing”, and “collaboration, not conflict”. Moreover, features like professionalism, managerialism and instrumental rationality are the core of NPM (Noordhoek & Saner, 2005). Its proponents project it as a one-size-fits-all recipe to deal with the problems of contemporary society. Most countries in the world are under the influence of NPM and Pakistan is no exception in the name of international modern practices. The NPM reforms in Pakistan started in the early 90s with privatization in different sectors.

However, several researchers have challenged the effectiveness of NPM claims and termed them as misleading as results in the form of efficiency and effectiveness have not been achieved (Haque, 1999). As both traditional administration and NPM have failed to answer the issues of the public at large, a third form of governance has evolved, i.e. New Public Governance (NPG), which believes more in partnerships and public values management (O’Flynn, 2007).

In this context, PPPs have been promoted by the United Nations (UN) due to the claimed output in the form of high efficiency and effectiveness. This idea of bringing the public and private sector together has its roots in the “United Nations Conference on Environment and Development (UNCED)” in 1992. The underlying assumption behind PPPs is that in the era of wicked contemporary challenges, it is not possible for the public sector to come up with basic capacities and skills to provide all public services, therefore, it is mandatory to approach the private sector in order to develop better managerial skills and expertise to cope

with the public sector service delivery challenges. However, the question remains whether this solution is really compatible with the problems of developing countries, as the NPM idea has Western origins and has been employed in other regions regardless of the difference in values and virtues (Maesschalck, 2004). This has resulted in different ethical dilemmas due to its unintended consequences.

Several countries stand on the principles of cultural ideals i.e. instrumentalism and political liberalism, as is the case of NPM. A study conducted in Netherland concluded that NPM reforms had been seriously questioned by different stakeholders as they could not achieve desired objectives (Noordhoek & Saner, 2005). Various African countries have also either tried to copy the democratic values of others or have been part of enforced global changes and, meanwhile, have compromised on traditional values which has resulted in poverty, hunger, lack of education and political instability (Sindane, 2011). According to Haque (1996), ethical issues have more serious consequences in developing countries due to the imposition of administrative values from Western society to the local context. On the contrary, the public administrators and policymakers who are suggesting ethical frameworks as the universal solution are following “Eurocentric” ethical assumptions by undermining indigenous ethical values. It is further argued that this lack of indigenous focus has given birth to the ethical dilemmas in most of the Asian, African, and Latin American countries. Even OECD members and non-member states have suffered in terms of inequality, hunger and poverty (Lynch & Lynch, 2011). Referring to Eurodad (2018), the audit report published by European Union (EU) on PPPs in several EU countries, Xavier Sol, Counter Balance’s director stated;

“This critical report comes as a reality check: a more cautious approach towards PPPs is needed as they are not a silver bullet. It raises doubts about the blind focus on PPPs promoted by the European Commission and its financial arm the European Investment Bank”.

Hence, the purpose of this study is to deduce the ethical risks and challenges related to the transition of governance paradigms towards a participatory governance model and to explore whether transition towards NPM and NPG in the context of PPPs has delivered anything in developing countries, specifically Pakistan. In light of the above discussion, the following objectives have been developed by the researcher.

The objectives of the study include exploring the objectives for implementing PPPs. Moreover, it also intends to find out whether PPPs have achieved claimed output in the form of efficiency. Lastly, ethical risks associated with PPPs in developing countries have also been identified.

Background of the study

PPPs have been promoted as a solution to financial pitfalls in order to achieve Sustainable Development Goals (SDGs) by improving economic conditions through investments in infrastructure such as airports, roads, ports and railways and services including clean water, waste management, electricity, education and health. This has been done through the World Bank and “Multilateral Development Banks” (MDBs). However, PPPs in developing countries are not new as one can trace their roots to the early 1990s. Prior to this was the NPM era which was started in the late 70s. Adminis-

trative reforms in the shape of PPPs have their roots in Western nations which developing countries have used as a cookie-cutter approach in the post-colonial era, such as British colonial policies in Pakistan, India and Bangladesh, the American pattern in the Philippines and Dutch reflection in Indonesia. These countries also adopted PPPs in the late 20th century and the results of these partnerships have been under a question mark ever since (World Bank, 1997).

According to Haque (2004), recent global trends have placed a normative shift in developing countries from the neutrality principles. As this region along with the West has never been neutral in public administration due to considerable political influence, over the past few years this neutrality norm has been under serious pressure after the merger of the private sector with the public sector in the name of PPPs, which has been strongly advocated in developing countries, and this has resulted in downsizing, job insecurity, and contract-based appointments instead of permanent positions along with transparency and accountability issues. PPPs have not been the answer to the problems as it fails to address the contextual issues associated with it.

According to the report published by Eurodad (2018) on PPPs in most of the developing countries, it was concluded that all ten PPPs projects ended up in high costs for all of the governments with least efficiency and effectiveness along with high level of risks involved, 50% of the PPPs significantly negatively affected the poor by further increasing the divide between poor and rich. 30% of the PPPs negatively affected social and environmental conditions, 90% of the projects had transparency and accountability issues resulting in poor performance for the betterment of citizens, and three projects contracts were called off in the latter stages.

In this context, Pakistan is no exception and has invested a lot in PPPs. According to the PPP Knowledge Lab (2019), Pakistan has invested \$23,866 million in a total of 85 projects since 1990 and the results of these partnerships have been under question. One such example is the power generation sector, which produced adequate amounts of electricity but at such a high cost that it became unaffordable for many people in the country. Similar is the case with clean water projects, where fixed costs were increasing rapidly but the availability of clean drinking water was still a dream. The case of the 56 companies (PPPs) involved is a hot debate in Pakistan. According to Qadir (2019), the corruption in these 56 companies amounted to upwards of 80 billion rupees (PKR). Moreover, it has been observed that there had been a serious lapse in meritocracy while hiring the individuals on a political basis and placing them on high salaries slabs. According to the Auditor General of Pakistan (AGP) report, it was stated that the newspaper advertisement for the position of Chief Commercial Officer in Lahore Knowledge Park Company required an MBA (Marketing) with ten years of related experience, but the person who was politically-hired was a BA holder with a PKR 900,000 monthly salary along with other attractive perks. This shows that there are a high number of ethical risks involved in PPPs in Pakistan. In light of the background and objectives, the following research questions were developed; 1) What are the objectives of implementing PPP? 2) What are the ethical risks associated with it? 3) How effective have PPPs been in terms of service delivery?

The significance of this study can be gauged as advocates of PPPs believe in the introduction of diverse solutions to the issue associated with service delivery and argue that PPPs can play a vital role in the better performance of the economy. However, this is not true in the case of developing countries as developing countries performance is still under question even after the implementation of this so-called participative governance model (Haque, 2001). This study helps to explore whether a one-size-fits-all approach might be applicable in developing countries, particularly in Pakistan. Therefore, this research has immense importance in discovering the indigenous challenges pertaining to ethical dilemmas in the context of developing countries, specifically Pakistan. Owing to the expansion of PPPs, it is pertinent to study its likely consequences. Furthermore, this study has focused on the New Public Management (NPM), New Public Governance (NPG) and cultural ideals in the local set-ups and attempted to find out whether these recipes can really provide the solution as propagated by the developed world.

Literature Review

Before going into the detailed discussion of governance models, one needs to look into the ways in which society has shaped itself. The pillars of society are based on established cultural ideals. Bishop (2007) has discussed cultural ideals under the umbrella of instrumental perspective. The author is of the view that most of the happenings around us are basically due to the principle of a means-ends approach which is termed as *instrumental*. This approach has been explained with the help of utilitarian ethics and cost benefit analysis. However, there can be more personal intentions which can turn instrumentalism from more of an agent manipulation into the system of cause-effect events as displayed in an 'instrumental picture of action'. It is further suggested that instrumental actions are supposed to be in congruence with science but this might not be the case as far as social sciences are concerned.

Social sciences' fundamental principle is to produce instrumental knowledge which is supposed to be value neutral, but 'agents' cannot be detached from the object or social reality and can develop some personal interests that introduce subjectivity. In this context, agents also gain autonomy over the period of time and focus more on personal gains. Autonomy has deep roots in the Enlightenment era when, in the dark ages, there were strong issues with liberalization concepts. This shows the agent's power to exercise authority of self-control and self-government (Jun & Sherwood, 2006). Similarly, with reference to NPM, Tholen (2011) has labeled managerialism pursued individuals as "homo economicus" which means that humans act as agents who are full of self-interests and focus on a means-ends approach by compromising ethical values. As far as PPPs are concerned, they often get challenged due to high centralized power to the state as public officials may affect the whole operation through self-interest mechanisms (Zamir & Sulitzeanu-Kenan, 2018).

Bishop (2007) discussed political liberalism as a further extension of the context of cultural ideals and linked this liberalism concept with Western culture. Bishop is of the view that individualism has its strong connotations with the West as lib-

eralism has its main roots in the United States. According to political liberalism, the state should not tilt to any specific view. However, this may be true at face value, but it is not possible for social sciences to be neutral all the time, as is evident in the case of NPM, which has been followed by several nations (Haque, 1999).

Based on these cultural ideals, the governance models have seen tremendous transition from one paradigm to another over the years. Garofalo (2011) is of the view that a one-size-fits-all approach to governance has raised many cultural and capacity issues in different parts of the world. Moreover, traditional administration is based on Weberian bureaucracy whereas NPM is based on managerialism, efficiency and effectiveness principles. Many issues such as differences in means-ends, self-interests, sovereignty, contracts deficiencies and private-oriented benefits have been raised in the transition. PPPs have also been challenged due to high centralized power exercised through self-interests (Zamir & Sulitzeanu-Kenan, 2018).

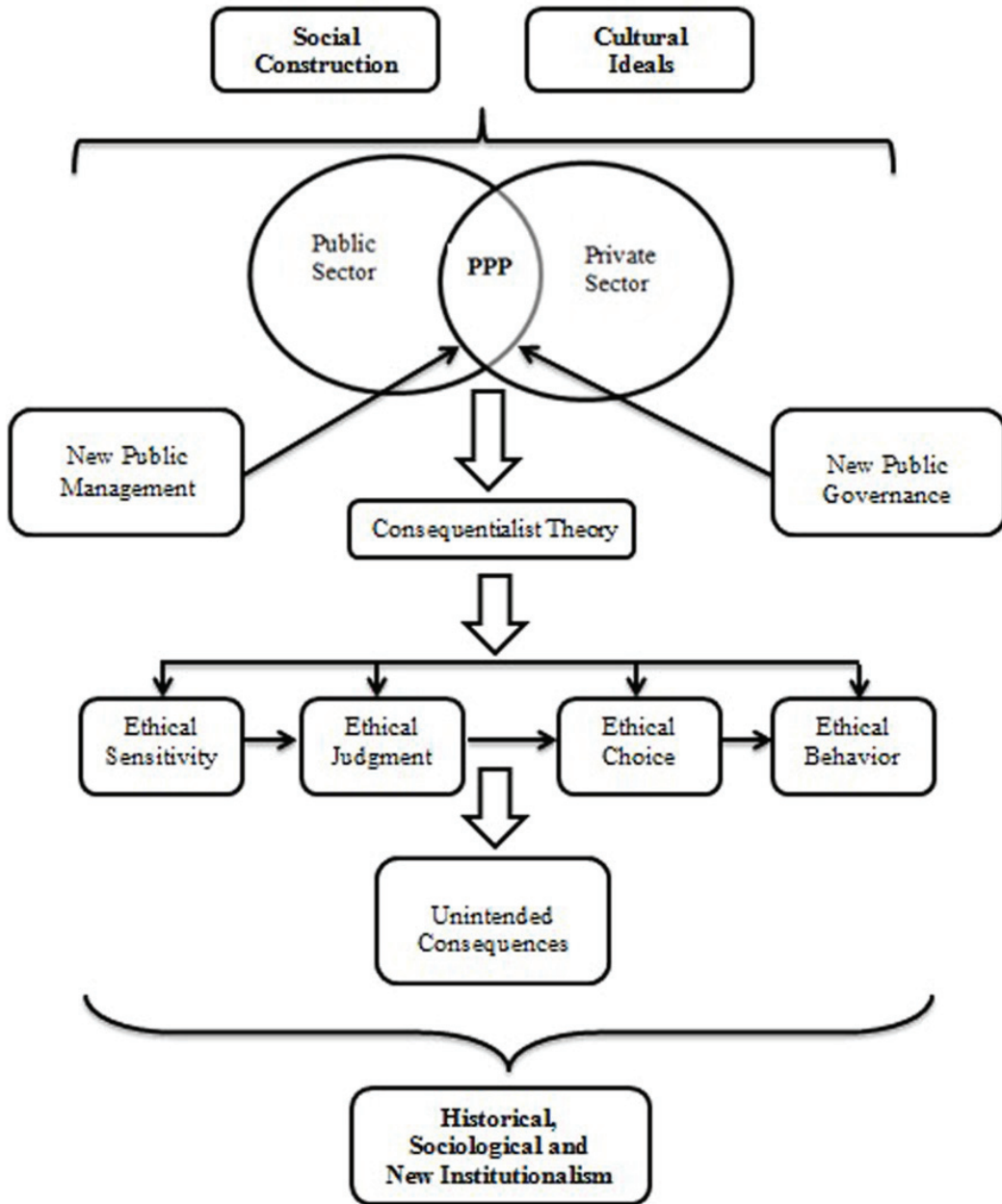
However, this transition has raised serious questions on the values of this shift as the nature of the subject and governance model has been compromised by transferring the rights from state to private ownership (Rybnicek et al., 2020) where the principles of transparency, efficiency and accountability have not been achieved. Moreover, there is a serious need to focus and transform public service ethics as such initiatives have been taken all over the world. However, this transition process may not be a smooth ride as governance principles and values have posed serious threats due to the conflict of interests of both the public sector and the private sector in terms of profit maximization and better service delivery (Bovaird, 2004).

Moreover, managerialism principles are the basis of NPM which compromise the “public-ness” element of public administration as the focus has remained more on administration instead of public. Also, it inculcates business-like practices and instrumentalism in the field of administration (Bozeman, 2007). In addition, values and virtues have been created and restored through market and neo-institutional based principles including competition, value for money and reducing information asymmetry through performance measurements, evaluation and benchmarking (Sobis & Vries, 2011). Furthermore, instrumental reasoning, as a cultural ideal, has not delivered its promises due to too much focus on narrow principles of rationality, and contemporary forms of PA have neglected the humane element (Jun, 2006).

These features of modernity do not only affect civil society; they also take into account the public administration and civil service in different manifestations at local and global levels. Administrative systems in western societies and developing countries often expose different values and ethical dilemmas regarding the orientation and conduct of public administrators. Moreover, it is in light of a legitimate concern for the entire society how services for natives are provided and made accessible in terms of economic as well as ethical means, as they eventually affect the public. It is argued that these ethical dilemmas in the field of public administration are observed commonly after the inclusion of New Public Management practices (NPM) (Ondrová, 2017). As the study focuses on PPPs, the debate has also emerged in the NPG paradigm. NPG aims to focus on collaborative efforts through networking or participation of market forces, citizens, or even communities, resulting in an increased impact globally (Ferlie *et al.*, 2011).

Theoretical Framework

Figure 1: Theoretical Framework



The concepts of cultural ideals, NPM and NPG have already been discussed in the literature section in the light of PPPs with the transition from state-led policies to market-driven approach and participatory governance. However, on top of this, it is crucial to illustrate the root of organizational theories in the light of philosophical foundations as there are many limitations of the function-

alist perspective in the field of public administration and the solution is presented with the help of social construction theory which basically guides the transition in governance models (Jun & Sherwood, 2006). The idea behind the discussion of this theory is in order to understand that organizational theories are socially constructed ideas which can have “validity issues” while introducing or imposing them into other contexts. The objective of this theory is that reality is subjective and has been constructed by a specific segment of society, however, this subjective reality has been imposed on other segments of society. On the contrary, reality is closer to creation than construction; where there is no self-interest involved. In a nutshell, it can be concluded from the following discussion that ideas coming from one side cannot be universally true in all situations (Andrew, 2012).

Thoeing (2012) illustrates three perspectives of institutionalism. First, historical institutionalism deals with the fact that public policy outcomes do not just reflect the interests of powerful social groups, rather such policies are also influenced by past frameworks as they reflect the present policies, rules, and regulations. Second, sociological institutionalism, instead of focusing on formal rules and regulations, focuses more on ethical and cognitive models. Institutions assist individuals or public administrators to pursue their interests while strongly inhibiting the cognitive beliefs. Third, new institutionalism deals with the question of “to what degree some public order is achievable in pluralistic societies”. This premise further states that organizational actions are based on instrumentalism and public administrators make decisions on the basis of bounded rationality. As far as PPPs are concerned, there is the ethical debate as highlighted in sociological institutionalism and new institutionalism that a universal remedy exists for all public service delivery matters, as several policymakers posit.

Moreover, the consequentialist theory deals with the ethical framework for decision makers and argues that ethical actions are based on end results. According to this theory, more focus is given towards pragmatic ends by following the potential actions. The downside of this theory is that ethics get compromised while focusing more on ends instead of means (Kalajtzidis, 2013). According to Wittmer (2016), ethical decisions are based on following processes that start with the ethical awareness and sensitivity of decision makers towards a certain phenomenon. This sensitivity based on cognitive processes leads to an ethical judgment by the decision maker, which in turn provides ethical choices to opt for. This entire process results in the shaping of the ethical behavior as output. This procedure is influenced by environmental factors i.e. in the case of PPPs, NPM and NPG are the external interventions that guide the ethical decision-making processes of public administrators.

Methodology

As the purpose of the study is to gain an in-depth understanding of PPPs in current trends of public management, this study is therefore qualitative in nature. The type of study is exploratory as the researcher wants to explore the PPP

phenomenon (Bryman, 2016). This study falls under the interpretivist paradigm due to a qualitative set of inquiry. A case study is used as a research design as the researcher has focused on one organization i.e. Lahore Waste Management Company (LWMC) as part of PPP.

Primary data was collected through unstructured interviews from the key stakeholders of the company whereas the researcher has used secondary data to triangulate the findings. The sample size of the study is dependent upon the maturity of the data set and it has been argued that even a relatively small sample with few cases can yield big insights if the sample has been selected on a theoretical basis and cases have been selected purposively, therefore, the researchers have used the stakeholder sampling technique for the selection of the units for the sample. Ten top-level and middle-level officials were interviewed from LWMC whereas four officials were interviewed from the private partner. Table one briefly highlights this distribution:

Table 1

Interviewed Respondents Profile

Sr No.	Designation	Company
1	Deputy Chief Executive Officer	LWMC
2	General Manager Operations	LWMC
3	Senior Manager Planning	LWMC
4	Senior Manager Monitoring	LWMC
5	Senior Manager Finance	LWMC
6	Assistant Manager Audit	LWMC
7	Manager Contracts	LWMC
8	Deputy Manager Procurement	LWMC
9	Deputy Manager Admin	LWMC
10	Deputy Manager Accounts	LWMC
11	Manager Operations	Albayrak
12	Assistant Manager Finance	Albayrak
13	Manager Operations	Ozpak
14	Assistant Manager Accounts & Finance	Ozpak

Source: Compiled by the authors.

However, for analyzing primary and secondary data, thematic analysis was conducted according to grounded theory methods to understand the views of the respondents. Lastly, based on the discussion in the literature review and framework, the following hypothesis is proposed:

Hypothesis: *Ethical risks exist as a result of LWMC’s mode of PPP in the form of lack of transparency, equity-efficiency trade-off, conflict of public-private philosophy, low professionalism, value for money, and weak accountability mechanisms.*

Data Analysis

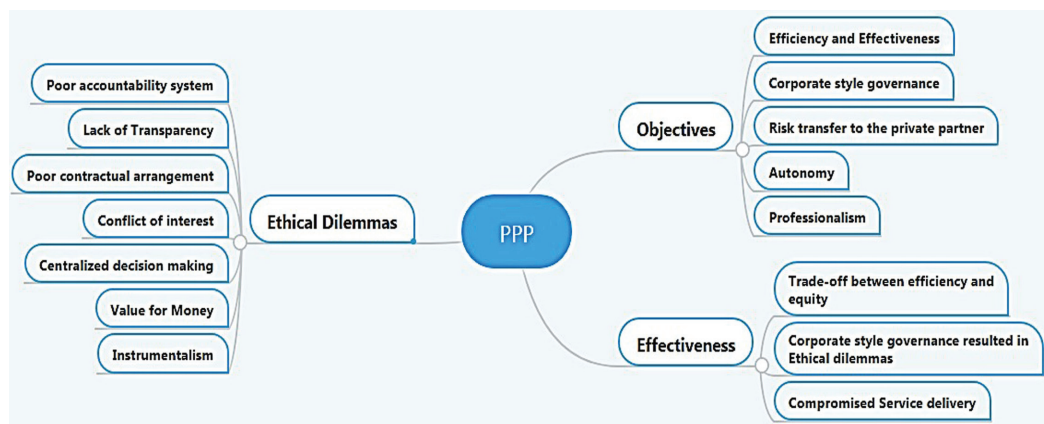
LWMC Profile

Solid Waste Management (SWM) is a highly ignored area on the part of the government, which is why the City District Government Lahore (CDGL) took a step by launching Lahore Waste Management Company (LWMC) in 2010 under “Section 42 of Companies Ordinance 1984” by giving contracts to Turkish companies including Albayrak and Ozpak. Section 42 deals with the nature of the organization, i.e. it shall not focus on profit-making but rather on the quality of service delivery. Furthermore, LWMC can be called a quasi-governmental institution whose members are appointed by the government. Moreover, LWMC is headed by the chairman and is governed by the Board of Directors (BODs). The main functions of LWMC include “collecting, transportation and transfer of waste, and additionally road clearing” (LWMC, 2019).

The goal was to design, execute and manage the numerous PPP projects for the sustainable and enhanced City Solid Waste Management System. Under this agreement, City District Government Lahore (CDGL) transferred the ownership, control, use, implementation and maintenance of machinery, equipment, tools and plants, machinery, property, houses, facilities and all other portable and immovable properties owned, operated or managed by the CDGL for the management of solid waste. LWMC now bears the responsibility for managing the solid waste services of the city of Lahore. The PPP contract for Solid Waste Management Services was developed in the case study area.

The mind map below portrays the themes and ideas that emerge during the course of analysis.

Figure 2: Mind Map for Thematic Analysis



The next section talks about the findings in the light of research questions using thematic analysis.

Objectives for implementing PPPs

Under this theme, according to a senior official, public service delivery has overall been a serious issue and several experiments have been conducted in the past. Where one such experiment following international best practices was the idea of PPP, he elaborated “*many investments were done in the sector of waste management and the majority of them failed and this company mode PPP was initiated in Punjab*”. Majority of the respondents highlighted efficiency and international best practices as the main reasons or objectives for the establishment of PPP mode.

Upon asking the question on why under PPP arrangement, a Section 42 company was made reflecting the government stakeholder instead of the existing Municipal Corporation Lahore structure, one of the officials was of the view that “*in order to govern public service delivery and deal with the private sector, a corporate style entity was required*”; this would not have been possible under typical bureaucratic structure. Other performance related objectives highlighted by the respondents include risk transfer to the private partner, increasing efficiency and effectiveness through a corporate model, autonomy, and professionalism. One of the officials said that “*the best use of implementing PPP is to shift the risk factor from the sole public sector to other partners as well, so that when one entity comes under criticism, the risk may get transferred to others as well to reciprocate the effect*”.

Ethical dilemmas and Effectiveness

Transparency: As per this theme (based on data), it was found that allegedly a contract was not awarded on a merit basis, hence leading to lack of transparency in awarding contracts to the private partners. One senior official was of the view that the introduction of PPPs was a gamble. He explained “*Go and read one of the articles in newspaper, he mentioned that not even a single policy-making guideline was followed in the project development of orange train, same is the case with LWMC where no deliberations were done and just a simple over the night advertisement was published in newspaper and the contracts were awarded to Albayrak and Ozpak without any scrutiny*”.

Furthermore, most of the officials were of the view that there are proper audits done by third parties and the auditor general office, however, it was observed that though a transparency factor may be present out there on face level, a lot of funds have been passed on to private partners from the state entity which have not been properly regulated from the government stakeholders. According to the contractual agreement, there are several checks and balances and penalties on the private partner, however, when the LWMC officials were asked to give their opinion about fake waste weight reporting by the private partners in order to get extra money, all of them were skeptical about this scandal.

Accountability: When asked about the mechanism of accountability and control associated with this PPP arrangement in LWMC, the focus of respondents was more on the claim of performance rather than financial transparency and accountability. One of the officials was of the view that “*the focus lies more with the govern-*

ment and they should incentivize private partners more in order to make the deal more attractive instead of solely emphasizing on accountability and transparency”.

Conflict of Interest: Another aspect of the ethical dilemma in the context of PPP is the issue of conflict of interest. The private partner focuses more on net profits and financial returns, whereas the government’s mainstream job is to provide better service delivery. Upon inquiring about whether the PPP based organization is a profit or not-for-profit organization, the middle cadre seemed to be skeptical about this and did not clearly respond whereas top management declared PPP as a successful partnership working in a collegial environment, refuting the probability of having any relational dilemma.

Professionalism: It was also observed in the findings that decision making resides with the top management with a one-way approach typically backing the assumption of NPM that has become one of the ethical dilemmas in a PPP mode like LWMC which further calls for ‘professionalism’. Lastly, few of the officials agreed with the concept of a means-end approach and said that most of the public office holders follow self-interest mechanisms during their tenure.

Efficiency-Equity trade off: According to one of the senior officials, “*though there is an increase in the waste collection tonnage of 3% from last year, if we see the production of solid waste that is increasing from 7% to 8% on average on an annual basis, then the gap of 4% to 5% brings a lot of questions on efficiency*”. This shows a compromise on service delivery. Moreover, the second indicator of effectiveness is to look into environmental factors. According to one of the officials, dumping of waste is sometimes done by compromising on hygienic conditions and that eventually hurts the environmental conditions. This is the biggest challenge LWMC is currently facing.

Value for Money: According to the LWMC officials, the effectiveness of PPP or any service delivery is more about achieving the service objectives rather than ensuring complete transparency and value for money. One of the officials said “*PPPs should be more about economic gains rather than financial gains. For example, a clean and green city would attract more tourists as well as investors than a city which has a poor waste management system*”. Moreover, modern service delivery practices require contemporary techniques and solutions with higher operational and strategic discretion which are not available in the traditional mode of governance and modifying or revamping the traditional bureaucratic style government structure is a huge activity which no one has thought of redesigning yet.

With reference to the aforementioned discussion, the evidence gathered in this study supports the hypothesis that ethical risks exist in the form of lack of transparency, equity-efficiency trade-off, conflict of public-private philosophy, low professionalism, value for money, and weak accountability mechanisms under LWMC’s mode of PPP.

Discussion

The findings of the study suggest that there are multiple objectives for implementing PPPs in Pakistan which bring along various ethical issues as well. One of the prime objectives is to achieve the efficiency level which was missing

in the traditional waste management structure of the local government. The shift from the traditional mode of service delivery is associated with NPM philosophy which came with the claims of higher efficiency and performance but the output still remains a question (Geys & Sorensen, 2017). Moreover, it is also noted that there is a trade-off between efficiency and equity which means that equity gets compromised while emphasizing solely on efficiency and both cannot be achieved at the same time (Gutierrez & De Walle, 2019). Also, the objective of the public sector is to provide better service delivery to citizens whereas the private sector aims for profit maximization by treating citizens as customers (Bovaird, 2004). Findings from LWMC further suggest that the problems of transparency and accountability occur due to the mix setup of public and private partners. For instance, new management continues to blame the traditional bureaucratic structure as part of the company which often curtails the level of accountability. Moreover, no audited accounts of the company are available from 2015 onwards on the official website, which also raises questions towards transparency. This is also observed in developed countries where PPPs have not been able to tackle the issues of accountability and transparency in such arrangements (Bertelli, 2018).

Another objective for implementing PPP is risk transfer to other stakeholders on part of the government, as discussed in the findings. This is true in other parts of the world as well where PPPs are adapted for transferring the risk to other stakeholders in order to divide the responsibility and accountability (Burke & Demirag, 2017). The other aspect of introducing such arrangements is to make an institution more professional which is again the constituent of NPM where professionalism is given due weightage in implementing top-down policies where undue advantage is given to such professionals, which may affect the overall decision making output (Wise & Witesman, 2019).

The other ethical dilemma that arises due to such arrangements is related to value for money. Value for money basically comprises of cost as well as the quality of the service. However, the issue arises as less focus on cost eventually leads to a higher cost of service. Such a situation is quite dominant in these contractual arrangements and partnerships where private partners trying to compromise on the cost factor eventually leads to higher costs of the service (Elkomy *et al.*, 2019). Findings of the study suggest that a similar phenomenon exists in LWMC where its private partners have not been able to meet the set objectives or targets due to the compromise on cost factors.

Transparency is yet another major challenge in PPPs. In LWMC, all the rules were disregarded while giving contracts to two Turkish private contractors on the basis of nepotism. However, the constitution of this entity was objected to by the then Secretary for Finance and Law, but the former -CM Punjab signed the summaries for both contractors as mentioned in the findings section. Over an eight year period, the government of Punjab issued funds of PKR 70 billion whereby PKR 45 billion was a sheer loss through heavy paybacks to contractors. Furthermore, it must be noted that the cost of dumping waste was PKR 4 million in 2007 which accumulated to PKR 40 million in 2018 with no major improvement, showing the major lapse in contractual agreements made by the then CM Punjab (Shahid, 2018).

In a nutshell, one can argue that this one-size-fits-all approach has not provided anything effective to the developing world as NPM is mostly associated with an at-arm's-length idea and most of the countries following NPM have changed their direction to different approaches due to its shortcomings (De Jong, 2011). Also, none of the claimed objectives of NPM and NPG have been achieved so far. Moreover, as per Isset *et al.* (2016), experimental researches are generally not applicable in a social science context. This case is valid in a collaboration style of governance as well as the fact that it is difficult to consider one simple design for such a complex phenomenon (Silvia, 2018).

Conclusion and Recommendations

PPPs have been one of the key constituents of NPM and NPG in the form of participatory governance between private sector partners and the public sector in order to provide an effective and efficient service delivery, however, the efficiency of PPPs is challenged by various scholars on ethical grounds. It has been discussed that there are number of ethical dilemmas associated with PPPs in the form of equity-efficiency trade-off, an overall conflict of philosophy between public and private sectors, transparency in contractual arrangements and overall processes, risk transfer from public entity to private entity, value for money that compromises on cost and quality, weak accountability measures, and higher transparency issues as discussed in the case of LWMC.

Moreover, one needs to see that this cookie-cutter approach as mentioned in institutional theory needs to be revisited as the model of the developed world may not be applicable in other parts of the world because solutions coming from the developed world seem not to be responsive towards developing countries such as Pakistan. Lastly, the field of public administration, i.e. based on contemporary management theories, has been exposed as it could not address the current issues and challenges of societies. It is concluded that none of the objectives claimed by NPM and NPG have been achieved so far, rather they have developed serious ethical dilemmas.

As far as the association between findings and theoretical framework is concerned, the latter basically intends to summarize and connect the idea of development of the two governance models that have been socially constructed and thus have their own limitations in dealing with issues of service delivery. When the ideals of public and private sector are brought closer, the conflicting nature of their values furthers the complexity instead of overcoming one another's deficiencies. In a nutshell, as the concepts developed face the dilemma of cultural ideals and subjectivity, they result in unintended consequences in the form of various ethical concerns and challenges for service delivery governance as confirmed by the findings.

On the basis of the findings, the following recommendations have been provided;

- Local problems should have indigenous solutions instead of relying on foreign or Euro-centric intervention to ensure better service delivery
- While implementing any solution, ethical dilemmas associated with the solution should be considered in order to avoid any issues in future

- Citizens’ interests should be given priority and they must not be treated as customers to bridge the difference between ‘have’ and ‘have not’
- Transparency and accountability mechanisms should be strengthened in contractual arrangements and in the overall processes of service delivery
- Preventive measures should be taken instead of reactive measures in order to avoid any unintended consequences of NPM and NPG

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