

**UNIVERSITY OF GHANA**

**PUBLIC PRIVATE PARTNERSHIP FOR IMPROVED SERVICE DELIVERY**

**IN GHANA: A CASE STUDY OF THE DVLA AND VITO S-CLASS**

**SERVICES PARTNERSHIP.**

The crest of the University of Ghana is a shield-shaped emblem. The top half is light blue with three golden palm trees. The bottom half is light purple with a golden ornate design. A golden banner at the bottom contains the Latin motto 'INTEGRI PROCEDAMOS'.

**BY**

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**THIS THESIS IS SUBMITTED TO THE UNIVERSITY OF GHANA, LEGON IN  
PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF  
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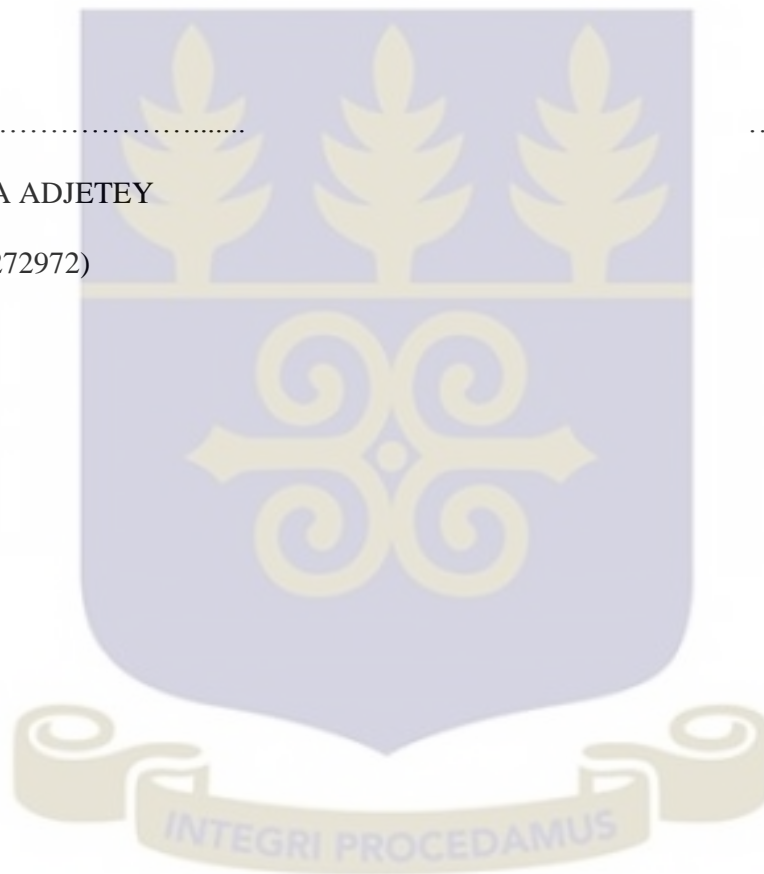
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## DECLARATION

I hereby declare that this work is the result of my own research and has not been presented by anyone for any academic award in this or any other university. All references used in the work have been fully acknowledged. I do bear sole responsibility for any shortcomings.

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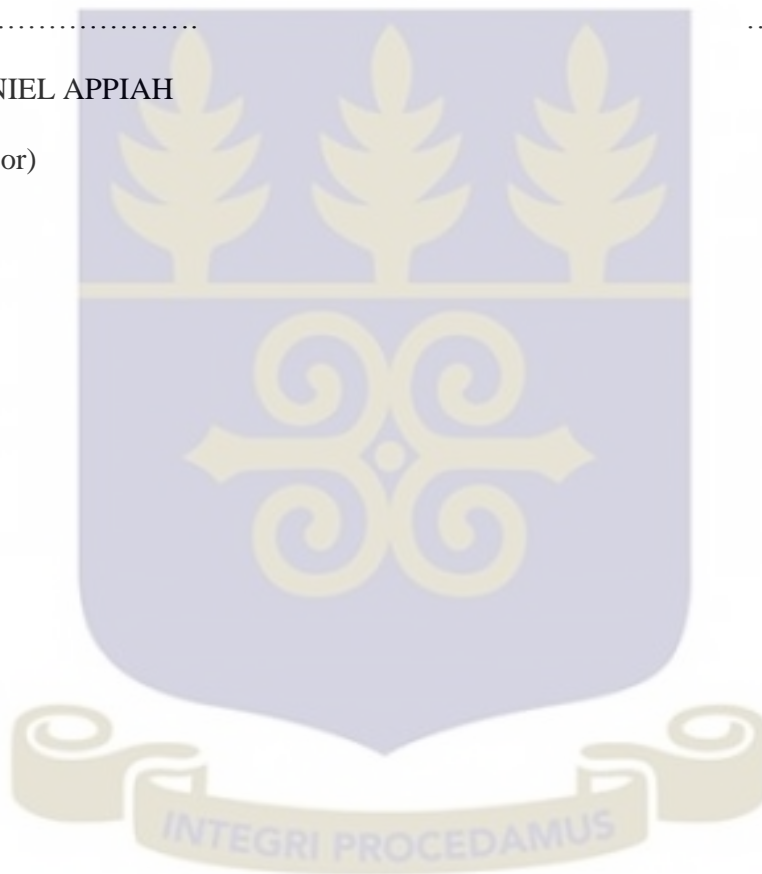


## CERTIFICATION

I hereby certify that this thesis was supervised in accordance with procedures laid down by the University.

.....  
DR. DANIEL APPIAH  
(Supervisor)

.....  
DATE



## DEDICATION

This work is dedicated to my mum, Madam Abigail Okailey Aryee, and Captain Johnson Adjetey for their unflinching support and relentless effort demonstrated towards my study. I am extremely grateful to both of you. I pray for God's grace and longevity of days for you, to cultivate the harvest of your labour.



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## LIST OF ABBREVIATIONS

C.E.O –	Chief Executive Officer
DVLA-	Driver and Vehicle Licensing Authority
DIR –	Director
MOF –	Ministry of Finance
PME –	Planning, Monitoring and Evaluation
PPP –	Public Private Partnership
PVTS –	Private Vehicle Testing Center
VIR –	Vehicle Inspection and Registration
VITO –	Vehicle Inspection and Technical Organization
EU –	European Commission



## ABSTRACT

In order to ensure continuous and optimum output of the public sector, Public-Private Partnerships (PPPs) have become an acceptable mechanism that seeks to provide the needed support and boost to the public sector. The study sought to understand the origins, processes, and outcome of a public-private partnership (PPP) established between the Driver and Licensing Vehicle Authority (a public agency) and VITO S-Class Services (a private business entity) to undertake the testing and inspection of vehicles to determine roadworthy vehicles in Ghana. The study adopted the qualitative research design approach and relied on interviews, focus group discussions, observations, and analysis of official documents as well as secondary materials to achieve the research objective. The rational choice institutional theory is used in the interpretation of the findings of the study.

The findings showed that the DVLA-VITO partnership takes the form of contracting-out although traces of franchising and strategic partnering can also be found in the partnership. It is not always easy to clearly classify the nature of public-private partnerships. The study also found positive outcomes from the partnership including improvement in services rendered to clients, reduction in the workload of the DVLA leading to a reduction in corrupt activities undertaken by middlemen (called ‘Goro boys’), the generation of revenue by the private agency for the DVLA, and the generation of profit by VITO S-Class Services from the partnership. The key challenges that affect the smooth implementation of the partnership include late reimbursement of profit to the private entity, delays in contract negotiation, inter-organizational cultural differences, and the absence of a comprehensive legal framework to regulate the negotiation and implementation of PPPs.

## CHAPTER ONE

### GENERAL INTRODUCTION

#### 1.0 Introduction

This study essentially examines the evolution, processes and outcomes of a Public-Private Partnership in Ghana between a public agency called the Driver and Vehicle Licensing Authority (DVLA) and a private actor called VITO S-Class Services in the testing and inspection of vehicles to ensure that only roadworthy vehicles use the roads. The study further explores some challenges encountered by both parties in the implementation of the public-private partnership and how these challenges have impacted on the outcomes.

This chapter begins with the background to the study and the nature of the research problem. It then presents the research objectives and corresponding research questions. The significance of the study, scope of the study, and how the rest of the study is organized are also presented.

#### 1.1 Background of the study

The public sector is traditionally recognized as the means through which government policies and objectives are carried out. An effective and efficient public sector is critical to the development of any nation. Governments in Africa and the world at large have adopted many strategies to ensure that the public sector is adequately resourced to meet the increasing demands from citizens. However, continued budgetary constraints coupled

with exhaustion of fund generating avenues have necessitated various forms of arrangement to empower the public sector to deliver effectively and efficiently. Over the years, Governments all over the world have had to restructure their public sectors to ensure continuous and sustained development despite population growth and its associated increasing demand for public goods and services. The public sector of Ghana since independence has also undergone some transformation that has touched on areas like public sector finances, local government administration, civil service performance and governance and legal issues.

Despite the experiences and lessons learnt from the aforementioned, the Government of Ghana in its quest to pursue the development agenda has over the years collaborated with some development partners like the global fund, international monetary fund (IMF) and World Bank. These partnerships with the private sector have thus become relevant sources of technical advice, financial resources and other resources needed to drive the government in the pursuit of its development agenda. Nations therefore undertake Public-Private Partnership (PPP) as a means of blending public resources with private sector expertise to close the widened infrastructure gap and to deliver efficient public goods and services.

Essentially, a PPP is a partnership between public sector organizations and private sector investors and businesses for the purpose of designing, planning, financing, constructing, providing and operating infrastructure or related services that will be of benefit to all the partners involved (Babatunde, Opawole and Akinsiku 2012; European Commission,

2005; Hodge and Greve 2007). PPPs are generally a form of co-operation or long-term contract arrangements which involves complex legal and financial arrangements in the planning, construction and use of infrastructural facilities in which parties involved may share risks, expenditure, profits, resources and responsibilities (Koppenjan, 2005). Studies of PPP as a public policy option often consider partnerships as an instrument for development and an efficient alternative to privatization (Osborne, 2000; Wettenhall, 2003; Grimsey and Lewis, 2004; Hofmeister and Borchert, 2004; Hodge and Greve, 2005). Consequently, there has been a rapid rise of Public Private Partnerships all over the world Since the 1990s (Sharma 2012).

PPPs have also provided the infrastructural means necessary for growth in some economies like that of USA, Brazil, Malaysia, China and India. Quite recently, in the USA, some firms in the manufacturing sector like General Motors and in the banking/insurance sector like AIG (American International Group) that were deemed to be “too big to fail” has had the public sector infuse capital to save these companies from filing for bankruptcy protection (Busler, 2014). The rising satisfactoriness of PPPs is seen as an easier funding and institutional instrument, which has the prospective ability to bridge the infrastructure gap through efficient use of resources, availability and use of modern technology, better project design, its implementation, and improved operations combine to deliver efficiency and effectiveness, which are generally misplaced in a typical public sector project (Reside and Mendoza, 2010).

Despite the success of this mechanism in recent years, not all developing countries are able to attract the required private partners, investments and successfully implement projects through this PPP means. But available data suggests that governments in developing countries increasingly rely on the PPP model to plan, finance, build, and operate infrastructure projects under contractual agreements (PPI database, 2010). In developing countries, governments are using PPP arrangements for improving quantity and quality of infrastructure and services traditionally provided by the state. Governments are improving transport (roads, railways, airport, and port), electricity (production, transmission and distribution), telecommunication, and water projects (collection, treatment, and distribution), and waste management (collection, disposal and recycling) through PPP arrangements (Fay and Yepes, 2003; and Sharma, 2012). In Africa where provision of infrastructure and access to services for the most deprived is usually very poor, governments have embraced PPPs (Palmer, Mueller, Gilson, Mills & Haines, 2004).

PPPs enable governments to acquire the needed infrastructure and provide the necessary services that contribute to improving the economy. Research studies into what works in a PPP and how governments can initiate and maintain strong collaboration with the private sector in ensuring a sustainable and equitable means of providing public service and infrastructure is critical to the development of any economy. In light of the perceived and actual threats that PPPs may encounter, scholars must critically examine PPPs as a viable strategy for improving infrastructure and service delivery. This is what this study does by examining a specific case of PPP established in Ghana to ensure roadworthy vehicles.

## 1.2 Research Problem

Demand for the provision of adequate infrastructure and better services have been the case in many developed and developing countries due to rapid population growth. Nevertheless, the conventional approach of government to ensure adequate funds for the provision of infrastructure and services has led to inefficiencies and subjected infrastructural development mainly to the availability of government funds. Policy discourse has therefore turned away from emphasis on public sector restructuring only and turned towards the search for more innovative solutions and a more precise analysis of exactly how governments can most effectively meet service needs and infrastructural requirements (Yahaya, 2008). Many countries have consequently embraced PPP as a mechanism that seem to guarantee a balance to this irregularity.

Considering the increasing rate of the motoring population as well as road accidents in Ghana, the Driver Vehicle Licensing Authority (DVLA) had to find appropriate means of delivering on their mandate without compromising the safety of the public. The DVLA lacked the technical capacity and human resources to provide the required quality services in the testing of roadworthy vehicles. As such the option to engage private businesses to conduct the test and inspection of vehicles was considered the best option. The legal enactment that established the DVLA, Act 569 of 1999, gives the DVLA the mandate to license and regulate private garages to undertake vehicle testing. Supported by Act 569, the DVLA entered into a PPP arrangement with VITO S-Class Services, a private business entity, in September 2011, to conduct the testing and inspection of roadworthy vehicles on behalf of the DVLA. For the purpose of this study, this PPP shall

simply be referred to as the DVLA-VITO partnership. The evolution, processes and outcomes of this DVLA-VITO public-private partnership are examined by this research.

In theory, PPP is seen essentially as a catalyst to improving infrastructure and service delivery that in turn leads to economic growth and development. However, one cannot assume a positive or negative outcome of PPPs without some empirical study of the processes and outcomes of a PPP arrangement. Though many researchers have examined PPP projects in developed economies and touted PPPs as generally successful (Qiao et al., 2001; Jefferies et al., 2002; Li et al., 2005), contrary studies have found that a number of public-private partnership (PPP) projects have been performing below the expected outcomes (Mladenovic et al., 2013; Sfakianakis and Van De Laar, 2013; Ismail and Harris, 2014). Other researchers have also found that the cost of contracting out to a private sector business in a PPP arrangement often costs the government more as compared to when it opts to provide a service in-house (Mouraviev, 2012).

The contrasting outcomes from PPPs discovered by researchers make a strong case for the empirical study of the DVLA-VITO public-private partnership that began in September 2011. This research examines how the DVLA-VITO partnership evolved, the specific nature of the partnership, how the PPP has been implemented, and, the implementation outcomes; and, finally, the challenges encountered in the course of implementation. These are the issues (or problems) that influenced this research. The research objectives and questions that guided the study are outlined next.

### **1.3 Research Objectives**

The main objective of this research is to understand the origins, processes, and outcome of the DVLA-VITO public-private partnership (PPP) in the determination of roadworthy vehicles in Ghana. In line with this broad purpose, the following specific research objectives were sought:

- i. To understand the origins (or evolution) and nature of the DVLA-VITO PPP.
- ii. To understand the processes of implementation of the DVLA-VITO PPP.
- iii. To determine the outcomes of the DVLA-VITO partnership.
- iv. To find out the challenges of implementing the DVLA-VITO partnership.

### **1.4 Research Questions**

In line with the broad research objective, the broad research question for investigation is this: What are the origins, processes, outcomes and challenges of the DVLA-VITO public-private partnership (PPP) in the determination of roadworthy vehicles in Ghana? For the sake of research and analytical clarity, the broad research question is broken down into the following specific research questions:

1. How did the DVLA-VITO Public-Private Partnership (PPP) evolve?
2. What is the institutional nature (or form) of the DVLA-VITO PPP?
3. What are the outcome of the DVLA-VITO partnership?
4. What are the challenges of implementation of the DVLA-VITO partnership?

## **1.5 Significance of the Study**

Various studies on PPPs have examined quite a number of themes including promoting economic development through PPP (Busler 2014; Sharma and Sehgal, 2010), success factors for PPP (Chan, Lam, Chan, Cheung, and Ke, 2010; Pessa, 2010), and determinants of PPP in infrastructure (Hammami, Rashyankiko, and Yehoue, 2006; Reside and Mendoza, 2010; Sharma, 2012). Despite expanding literature in this area, the issue of assessing the outcomes of PPP projects and arrangements for service provision in relation to the expectations and objectives set is yet to be comprehensively examined in a developing country context.

This study seeks to the case study to provide empirical evidence about how the DVLA-VITO partnership evolved, its specific nature in the context of attempts by scholars to classify PPPs (Skelcher, 2005), the outcomes of the partnership and the implementation challenges. It appears that no published literature exist on this specific case of PPP in Ghana. This study will also provide feedback on policies driving the implementation of PPPs in Ghana. An understanding of the evolution, processes and challenges encountered in the DVLA-VITO partnership will bring to bear some knowledge of the solutions required to make it work better.

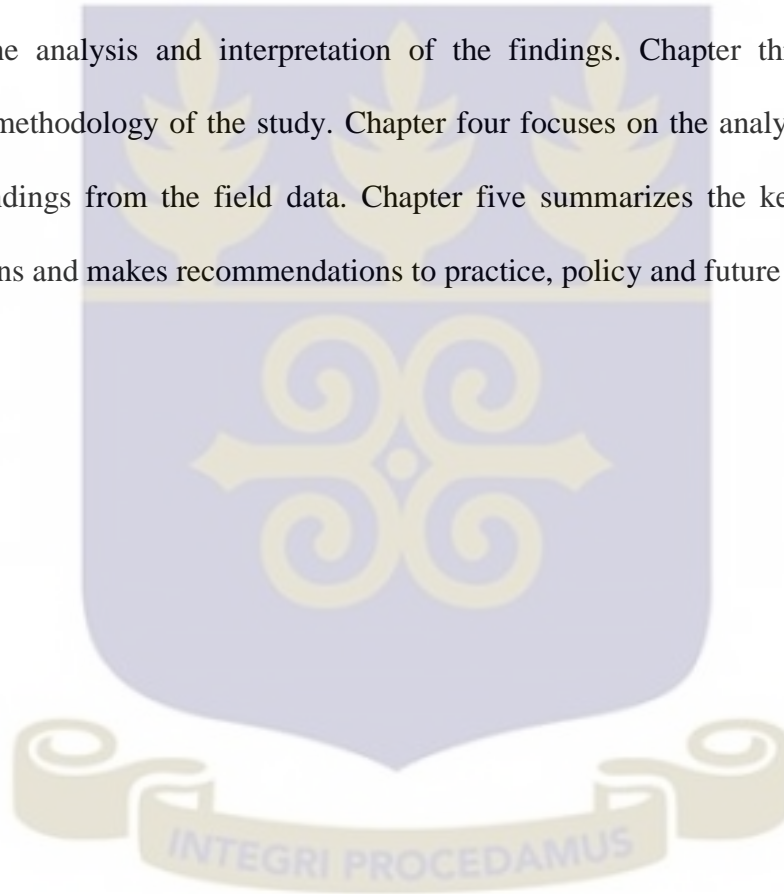
## **1.6 Scope of Study**

The study examines the partnership arrangement between DVLA and VITO for the testing and inspection of vehicles leading to the determination of vehicle roadworthiness, for the ultimate outcome of increased safety on Ghana's roads. Data was gathered from

the DVLA, the Management of VITO S- Class Services, and some clients who have used the vehicle testing and inspection services provided by the partnership.

### **1.7 Organization of the Study**

The study is organized into five chapters. The rest of the study is organized as follows. Chapter two discusses the relevant key concepts, theories and empirical literature that shaped the analysis and interpretation of the findings. Chapter three highlights the research methodology of the study. Chapter four focuses on the analysis and discussion of the findings from the field data. Chapter five summarizes the key findings, draws conclusions and makes recommendations to practice, policy and future research.



## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter is divided into four sections. Section 2.1 defines the key concepts used in the theoretical and empirical analysis of the study; that is the concepts of institutions and public-private partnership. Section 2.2 discusses the rational choice institutional (RCI) theoretical framework employed to analyze and explain the research findings. Section 2.2 discusses the empirical literature on public-private partnerships.

#### 2.1 Definition of Key Concepts

The concepts of public-private partnership, public policy, and institutions shaped the analysis and interpretation of the findings of the study. The meanings of these two concepts as used in the context of this study are provided below.

##### 2.1.1 Public-Private Partnership

There is no single definition of a PPP upon which most academics and practitioners could agree, and as a result, different scholars have defined the term, (Mouraviev and Kakabadse, 2012) although there are some common features that run through. Kouzmin (2009) explains that PPPs represents many years of governance within policy discourse and practice related to new public management. Public Private Partnership has therefore had many labels over time and the classification differs by language, political preference

and geography. Despite minor differences, diverse forms of PPP practiced in many countries tend share similar themes (Sedjari, 2004).

Garvin and Bosso (2008) defined PPP as a long-term contractual arrangement in which mutual benefits are sought between the public and private sector where the private sector provides the services and bears the risk in financing. Leiringer (2003) as well opined that “PPPs are arrangements established to meet needs and provide benefits or value to a group of people through the appropriate allocation of resources, risks and rewards between the public sector and the private sector.” However, Grimsey and Lewis (2002:108) offer a more comprehensive definition of PPP as an “agreement where the public sector enters into long-term contractual agreements with private sector entities for the construction or management of public sector infrastructure facilities by the private sector entity, or the provision of services (using infrastructure facilities) by the private sector entity to the community on behalf of a public sector entity.” This definition preferably suits the DVLA-VITO partnership in this study.

Mouraviev and Kakabadse (2012:266) sought to explain PPP in four main perspectives; Firstly, PPP refers to a “contractual partnership which means a legal long-term contractual arrangement that involves construction of asset by a private entity and service provision on behalf of a public agency with the use of a constructed asset”. Second PPP is seen as “a project in which partner interaction and the parties’ relationship is the most important feature”. Thirdly PPP is viewed “as a project that requires a shared responsibility from both the public agency and the private entity for product, risk, costs,

and benefits”. Lastly, PPP “may be an institutional partnership, such as a company jointly owned by the government and private investors.”

Various scholars have identified different sets of features that are closely associated with PPP for projects and for service provision. Instead of giving a somewhat complete definition, scholars pay attention to selected PPP features in their definitions. Harris (2003) also points out that, PPPs involve the public and private sectors working in co-operation with each other. Under most PPP, the public sector focuses on acquiring services at the most cost-effective basis, rather than directly owning and operating assets whilst the private sector looks forward to providing a wider range of services over quite a longer contract period. This explains why the most successful partnership arrangements draw on the strengths of both the public and private sector to establish complementary relationships. Harris (2004) therefore stresses on collaboration as a key feature.

Bovaird (2004) defines PPP as “a commitment above and beyond contracts.” This stresses on mutuality another key feature of PPPs. PPPs are not just about the private sector financing projects and providing services in return for profit, but also about the use of private sector skills and management expertise to deliver and operate public projects and services more efficiently over their lifetime (Hodge and Greeve, 2005). This implies that there is some sort of mutual understanding between the parties involved as to the responsibilities and the commitment as well as the benefits for both partners involved.

Another feature of PPP that has been attested by most scholars is risk sharing (Skelcher, 2005). In straight forward contracting out arrangement, a government signs a deal with a

private actor to either get a service rendered, goods produced or provide infrastructure. The specification is done prior to the actual signing of the deal, so in principle the provider just has to meet the terms and provisions made in the contract. Governments and private partners will have to be in dialogue to agree on terms of design, decision, building, financing and maintenance (Greeve, 2010). This implies some level of intricacy with the contract because despite the good intentions and nice words of promises, the partnership remains a business arrangement and a transaction with risks; design and construction risks, maintenance risk, planning risks, change of regulation risk in the risk associated with change of governments. It is therefore imperative for the partners involved to place the risks where it is most appropriate.

Varying in the degree of involvement by a private entity, PPPs can take a wide range of forms. Chris Skelcher (2005) characterizes the various forms into five main distinctive ones namely public leverage, contracting out and competitive tendering, franchising, joint venture, and strategic partnering. The study adopts this classification of PPPs outlined by Skelcher (2005). The five forms of PPP are explained in turn.

#### **i. Public Leverage**

Skelcher, (2005:351) states that “Public leverage occurs where governments use their legal and financial resources to create conditions that they believe will be conducive to economic activity and business growth”. Other scholars also have differing terms to this arrangement but the underlying factor noted is that the government creates the enabling environment for private business to thrive. Schaeffer and Loveridge (2002) as cited by

(Skelcher, 2005:351) in an attempt to explain this approach use the term “leader-follower”. Brown and Jacobs (2011:1) also explain leveraging as a “process by which private sector capital is mobilized as a consequence of the use of public sector finance and financial instruments”. The justification is that decision makers in the private sector are induced and left no choice than to align with public policy goals as with free zones in Ghana’s case. Boyle (1993) and Jacobs (1999) also opined that public leverage has particular significance in regeneration strategies for disadvantaged communities where Governments provide business support, financial incentives and ensures improvement in infrastructure while promoting economic activities within the communities.

The above definitions seem to suggest that public leverage is simply government creating the enabling environment for business to thrive and for infrastructural gaps to be closed. However public leverage can take various forms. Macdonald (2000) as cited by Skelcher (2005) also opines that public leverage can be the means through which governments at any level will shed some of their core responsibilities of providing public services and infrastructure to business or Nongovernmental Organizations (NGO’s). Governments usually provide public leverages through preparing the economic environment for industrial development, providing tax breaks and exemptions to interested partners and sometimes offer subsidies. The timescale of leveraging is often long term or open ended.

There are a range of options available to public authorities to financially reward the private partners who are engaged in the delivery of public services and infrastructure.

Examples of ways in which government can facilitate activities if the private sector includes cash subsidy, payment guarantee, debt guarantee, and revenue guarantee. Subsidies and financial guarantees provide the public leverage required by private businesses to undertake investment activities.

## **ii. Contracting-out**

The general perception of PPP is that, they are projects. (Renda and Schrefler, 2006). This usually takes the form of a contract agreement where a physical infrastructure is designed, financed, built or rehabilitated and operated by a private entity or a service is provided in accordance with the provisions of the contract agreement entered into with the public entity in charge of delivering such a service. The contract is usually based on functional specification. Over the years many governments have embarked on this type of PPP for various sectors. In Malaysia for example the construction of the Kuala Lumpur's light rail transit (LRT) is a classic example where the private firm facilitated the construction to ease the growing traffic congestions. PPPs can however take various forms. Under this arrangement the responsibility of each part is clearly outlined.

Various researches carried out on PPP have therefore highlighted this type as a common and widely used approach to achieving the goals of a government. Under this main type comes other clarification. Contractual PPPs can take the form of a concession PPP or as availability based PPP (Colverson and Perera, 2012). The term public service concessions is portrayed in a contract where the private sector is expected to maintain, operate and invest in a facility whose ownership remains with the public sector. The

private company generates its income for providing the service either through user fees or government subsidies. A concession PPP therefore refers specifically to the “manner in which the private sector generates its income or is paid for its services, which is generally through the collection of user fees (tolls, water usage), such as in the case of a tolled roadway” (Colverson and Perera, 2012).

Contracting-out also involves the “separating the purchaser of the service from the provider of the service” (Skelcher2005:351). According to Skelcher (2005) governments focuses on being the purchaser of the service by defining what services are to be available at a corresponding standard. Contracting out is therefore the reasonable outcome of competitive tendering by private entities in areas where the public sector is considered as not offering the best solution. “Academic advocates of rational choice theory and fiscally prudent politicians” have therefore stressed on the need to consider this form of PPP in delivering certain social services since it inures more benefits to all stakeholders involved (Skelcher, 2005:354). Also quality of service rendered is improved when contracts for the provision of public services are awarded to private investors through competitive tendering.

With contracting-out, Government retires from the position of supervising the direct delivery of service to the position of a regulator. This places the government and the private service provider into the roles of the principal and agents respectively from theoretical perspective (Lane 1995). The main purpose for contracting out from government perspective is to reduce cost whiles promoting efficiency and improvement

in quality of public service (Skelcher, 2005). Typical examples are social services such as refuse collection contracted out to Zoom-lion and treatment and distribution of water by Aqua Vitens Rand Ltd in Ghana.

### **iii. Franchising**

This is where government licenses a private company to deliver a service on its behalf. The private company's income is then generated from user fees. However there is a thin line between this and contracts. With franchise just as with contracts, government is the "arranger" while the private company is the provider. However in the payment modes for contracts government pays the private company for their services whereas in franchising the consumer pays the private company for the services rendered (Savas 2000:80, as cited by Skelcher, 2005).

Murphy (2010) provides meaning to franchise as having similarities to licenses. He explained that franchises can be likened to licenses based on legal considerations than on business aspects. A franchise always includes a license, along with assistance or support. He emphasizes that a license that is supposedly "not a franchise" contains these elements stated above.

With franchise licenses given usually requires the private company to develop the infrastructure needed for the delivery of service. Most often than not, the ownership of the infrastructure is transferred to the government at the end of term of the franchise (Pietroforte and Miller 2002). As noted by Pollit and Smith (2002) the monopoly rights

of government is re allocated to private companies after they have demonstrated through competitive tendering to acquire the franchise. Just as with contracting out, the operational responsibilities as well as operational risks are transferred to the private company with the government taking on the role of a regulator.

#### **iv. Joint Ventures**

Joint venture as a form of PPP according to Schaeffer and Loveridge (2002) as cited by (Skelcher 2005:356) “occurs where two parties wish to engage on a collaborative project in a way that retains their independence”. Joint ventures also enable the harmonization of vital decision by the actors in the joint venture respect of a project or service that has fixed terms with respect to its scope and commitment of each partners’ resources (Skelcher 2005). Generally Joint ventures are either managed through a special purpose vehicle or a partnership agreement where a special purpose vehicle could mean a separate corporate entity. Ball et al (2000) argues that joint ventures are used extensively to realize public goals for infrastructure provision and renovation that includes public transport (Roumboutsos and Macario,2013), hospitals (Javed, Lam and Chan 2013), roads (Koppenjan, 2005),economic sectors(Sfakianakis and Van De Laar, 2013), customer satisfaction (Jamali, 2007).As part of benefits derived from joint venture PPP, the financing means of a public project is separated from its ongoing funding and does not add up to public debt. Also through joint ventures governments encourages innovative solutions to public problems since the project is usually specified in outcome terms.

Furthermore the risks involved in Joint Ventures according to Van Ham and Koppenjan (2002) are transferred to the private party that is poised to best manage it. To the government, the risks involved are substantive and it is expressed in the form of financial risks, risk of private discontinuity, democratic risk or risk that may arise as a result of the country's political system. On the other hand the private sector is given risks such as construction and exploitation risks, risks of unanticipated high transaction cost, policy risks due to unfamiliar public policy processes, risk of political discontinuity, administrative risks and socially imposed risks. Joint Ventures are mainly used in major infrastructure provisions for the government to gain access to private capital off the public balance sheet. The time scale is usually fixed although long term.

Hall (2008) however provides an additional meaning to joint ventures which is called an institutional PPP (IPPP). This is simply public private entities usually created to provide public services. The definition by Hall (2008), as cited by Mouraviev and Kakabadse (2012), clearly illuminates that an IPPP can be of at least two kinds. The first is when a company is jointly owned by the government and private investors (either investors or private individuals) and is involved in provision of a public service on an ongoing basis, without a time limit and without a specific contract with the government agency. The other is when a jointly owned company has a delegated service and it may have a contract that includes regulation of the service provision.

**v. Strategic Partnering (SP)**

Ashkensas et al (2002) as cited by Skelcher (2005:357) opines that “strategic partnering between public and private agents involves a situation in which there is no boundary in terms of the distinctions between the constituent parties.” Additionally Grimshaw et al (2002:482) also defines this form as “permeable organizing practices that are intended to yield mutual beneficial outcomes”. Other scholars like Schaeffer and Loveridge (2002) stress on the open –ended nature of this kind of partnership as well as the full sharing of risks and rewards. Strategic partnerships are executed in a way that a win-win situation is assured having conducted SWOT analysis within the respective business environment (Roumboutsos and Chiara, 2010). It also provides a means by which transaction costs of service specification, supplier procurement and regulation that can arise in comparison to contracting out is reduced. All the same, provision of infrastructure and services through strategic partnerships or between public and private actors particularly in urban areas have been established across different sectors.

### **2.1.2 Public Policy**

Public-Private Partnerships, as seen in the above discussion, have become one of the leading public policy instruments used by governments in both developed and developing countries to provide public infrastructure and services necessary for growth of economies. It is therefore important that the concept of public policy used in this study is defined, and to show how the DVLA-VITO PPP fits into it as an instrument of public policy.

The term public policy like many other themes in public administration has been defined differently by many scholars. James Anderson (2011:6) defines a policy as “a relatively stable, purposive course of action or inaction followed by an actor or a set of actors in dealing with a problem or matter of concern.” Thomas Dye (2013:3) further defines public policy as simply “whatever government chooses to do or not to do.” Ohemeng et. al. (2013:6) also define public policy is “the actions taken, or not taken, by government(s) or their agents to move from the present condition to some condition that is perceived to be better than the existing condition.” There is some general consensus among scholars that a public policy is a course of action made by government to deal with a problem affecting government or citizens. Therefore, in this study, a public policy is defined as a purposive course of action made by a state agency, not limited to government, in dealing with a problem or matter of concern. The DVLA-VITO public-private partnership is a public policy approved by government to deal with the problem of ensuring that only roadworthy vehicles are permitted to use the roads in Ghana.

Many scholars have argued that at any given time government officials are faced with the need to pay serious attention to the list of problems for which relief or redress is sought, and the act of doing this is what is known as agenda setting. Agenda setting as defined by Cobb and Elder (1972: 2) is “a set of political controversies that will be viewed as falling within the range of legitimate concerns meriting the attention of the polity; as a set of items scheduled for active and serious attention by a decision making body.” This suggests that policy objectives are borne from policy agenda setting where a proposed course of action for dealing with a public problem is adopted. Later we shall see how

VITO S-Class Services set the agenda for the establishment of the DVLA-VITO PPP in vehicle testing and inspection.

Policy objectives are expressions of the general goal to deal with a public problem. This can be formally stated or implied in the behavior of an actor. The objectives of any public policy are usually driven by the response of the state to the increasing demands from citizens, interest groups and international organizations. An attempt to respond to these demands generally results in the formation of decisions that will facilitate the achievement of the set objective. These decisions take various forms among which can be administrative rules and regulations, legislative statutes, executive orders and decrees, courts opinions, as well as verbal statements and speeches by public officials expressing government's intentions and the actions to take to realize them. An example of policy statement in the form of a legislative statute is the Road Traffic Regulations, 2012(L.I.2180), Section 6(3), which states that the Licensing Authority may for the purpose of the examination designate a private motor vehicle testing station where motor vehicle examination may be conducted.

A policy action is what an actor or agency does to accomplish the objectives identified and set in the policy statement. Policy actions generally takes various forms but the key thing about policy action is that, it is not a onetime event. It encompasses several stages and patterns of actions that are taken over a period of time. It is therefore worth mentioning that until the necessary actions are taken to achieve set policy objectives, the process is said to be incomplete. For example despite the fact that the DVLA has the

mandate to designate a private testing station where vehicles will be examined, this can only be achieved when the necessary steps and actions are taken to carry out the set task. DVLA engaged VITO S-Class Services to realize the policy objective of testing vehicles for roadworthiness.

Policy outcome is the result of the policy actions taken to achieve the desired policy objectives. Policy outcomes are largely the effects or consequences of policy actions. This effect can have positive or negative impact on the environment. More often than not the implementation of a policy usually leads to planned consequences. However in some cases outcomes that were unanticipated become end results or byproducts (Torjman, 2005). The study will show that although DVLA's intention was to partner VITO S-Class Services to carry out Vehicle examination on its behalf, other benefits have also emerged from this partnership.

For the purpose of this study policy actors are those individuals, actors and groups who seek to regulate, influence and facilitate the creation and implementation of solutions to public problems. In the context of this study, the specific actors in the DVLA-VITO partnership are the DVLA and VITO S-Class Services. This study helps in understanding how the objectives, expectations, ideas, expertise and resources of the DVLA and VITO S-Class Services in terms of vehicle inspection and testing have influenced the DVLA-VITO partnership. The objective and expectation of both partners is captured under the key theoretical argument advanced by rational choice institutional theorists that human

beings are self-interested actors that engage in actions to maximize their economic benefits.

Drawing from the above, policy implementation involves a series of activities undertaken by policy makers and its institutions to achieve the goals and objectives expressed in policy statements. This statement is supported by Anderson (1990) definition of implementation as the administration of law in which various actors, organizations, procedures, and techniques work together to put adopted policies into effect in an effort to attain policy or programme goals. According to Van Meter and Van Horn (1975) policy implementation is conceived as the actions by both private and public individuals that are directed at the achievement of policy objectives. However, Torjman (2005) views policy implementation as complex processes that are crucial to effectiveness, efficiency and consistency. Nakamura and Smallwood (1980) also emphasize that policy implementation is the set of activities and operations undertaken by various stakeholders toward the achievement of goals and objectives defined in an authorized policy.

Many other scholars and researchers have also asserted that policy implementation is an ongoing process of decision making by key actors who work in complex policy and institutional contexts and face pressures from interested as well as opposing parties (Nakamura and Smallwood, 1980; Calista, 1994; Grindle and Thomas, 1991). The partnership between the DVLA and VITO clearly typifies this assertion, in that it is an ongoing process which has involved key actors from both public and private institutions for the purposes of carrying out an objective that falls within the broader policy

objectives of the Ministry of Transport to ensure safe, secure, efficient, reliable, effective and accessible transport system with the provision, expansion and maintenance of transport infrastructure and services to make Ghana a transportation hub in the sub-region (Ministry of Transport, 2015).

A key feature in policy implementation is the capacity of implementing agencies in realizing the policy objectives, and this is facilitated by policy statements, legal backing of implementing agency, adequate resources – both human and financial resource. Role discrepancies and irregularities can be challenging to effective implementation, though policy statements and legislative instruments have the ability to structure policy implementation. It is therefore necessary to clearly spell out the responsibilities of all actors and stakeholders involved, that is clearly specifying who is responsible for carrying out what aspects of the policy and at what time. Involvement of stakeholders in implementation can be demanding because it often requires joint efforts that contributes unique perspectives, skills, and resources from all the stakeholders who may have varying orientations.

Calvert (2010) indicates that the resources committed by an implementing agency are crucial in ensuring that a policy is carried out as expected or otherwise. In other words, for policies not to be elusive and distortive, adequate resources needed must be committed by the implementing agencies involved. These inputs take various forms: tangible and intangible, and are usually from different sources. It is worth noting that the availability and utility of any resource is crucial to the success or otherwise of a policy

objective. In the context of this study, the DVLA realized that its objective to ensure road safety was constrained by the lack of appropriate human, technical and material resources to test and inspect the increasing number of vehicles in Ghana. This realization influenced the DVLA to agree to a proposal by VITO S-Class Services to enter into a PPP in vehicle testing and inspection. PPPs are special types of institutions. The concept of institutions as used in the analysis of this study is explained in turn.

### **2.1.3 Institutions**

Chris Skelcher (2005), in his analysis of public-private partnerships, emphasized that “PPP’s do not emerge as a matter of whim or fancy, they are institutions rooted in a specific political and temporal *milieu*” (Skelcher, 2005: 349). The concept of institutions have been defined by many scholars sometimes in different ways (Ostrom, 2007; Pierson 2006; Shepsle, 2005). Douglass North (1990:3) thinks of institutions as “the rules of the game in a society or, more formally...the humanly devised constraints that shape human interaction”. Peter Hall (1986:3) also define institutions as the “formal rules, compliance procedures, and operating practices that structure the relationship between individuals in various units of the polity and the economy.” Similarly Jack Knight (1992:54), also views institutions as “a set of rules that structure social interactions in particular ways.” Following from the varying definitions of the concept of institutions, this study defines institutions as a set of formal and informal rules, compliance procedures, and operating practices that structure the relationship between two or more actors.

This study however focuses more on the formal rules, compliance procedures and standard operating practices created within the DVLA-VITO partnership to regulate the actions of the relevant actors. For the purpose of this study, formal rules are written rules and they include the DVLA-VITO partnership specified in documents; the DVLA, Act 569, 1999; the Road Traffic Act 683, 2004; Road Traffic Regulations, 2012(L.I.2180); and, the Driver and Vehicle Licensing Authority (Private Vehicle Testing Stations) Regulations, 2012 (L. I. 2192) . Formal institutions shapes and influences the behavior of actors within a particular action arena. It is worth noting that PPPs are realized in practice not because they are clearly stated, Acts of parliament or legislative instruments or are widely shared; but, also due to credible commitment by rational actors that seek economic and other benefits (Weingast, et al. 2000). The theoretical explanations for PPPs, and particularly the DVLA-VITO partnership, is discussed below.

## **2.2 Theoretical Explanation for PPP: Rational Choice Institutional Theory**

Theoretically, Skelcher (2005: 350) notes that “The marketization wave in a number of advanced countries during the latter part of the twentieth century was associated with neo-liberal governments who adopted prescriptions arising from the rational choice view of public officials as budget-maximizing bureaucrats rather than neutral proponents of the public interest”. Classical rational choice theorists argue that every action and choice of strategy used by actors in political processes of co-operation, negotiation, and conflict is rationally calculated to achieve self-interested economic benefits (Shepsle, 1989).

The ancestry of modern rational choice institutional theory generally can be traced to the contributions of rational choice theorists in economics (Downs 1957; Buchanan and Tullocks, 1962; Arrow 1963; Olson 1965) and political science (Riker (1962). Rational choice theorists argue that individuals are guided by their self-interests as they pursue choices to maximize the highest levels of economic utility within any arena they find themselves. Individuals seek to maximize utility while protecting more of what one values, rather than less of it in any arena one finds herself be it political or a social arena.

Rational choice theorists emphasize the key role of rationality in human behaviour. Mancur Olson's (1965:65) approach to rationality concerns the objectives, means and the outcomes; and emphasize that "The only requirement is that the behavior of individuals in large groups or organizations of the kind considered should generally be rational, in the sense that their objectives, whether selfish or unselfish, should be pursued by means that are efficient and effective for achieving these objectives." William Riker's (1962:22) sees rationality in terms of individuals "who seek to win, rather than lose, regardless of the particular stakes." Heath (1973) states that "rational individuals choose the alternative that is likely to give them the greatest satisfaction." Rational choice theory therefore explains the actions of people as being motivated by goals, preferences and self-interests. Buchanan and Tullock (1962:38) argued that the logic of economic-based decision making can be applied to democratic politics in a government setting, and not just limited to market-based decision making.

Rational choice theorists would see the DVLA-VITO partnership as the outcome of rational calculations by the relevant actors who seek to maximize self-interested outcomes. Classical rational choice theorists emphasize that despite institutional constraints and impediments posed, individuals still pursue their goals having anticipated the outcomes of their choices. Rational choice theorists would however struggle to explain why rational actors like government, the DVLA, and VITO S-Class Services desire to pursue their self-interest in the context of agreed rules or binding contracts. It is this problem that has led to the emergence of the new brand of scholars called rational choice institutional theorists who share the assumptions of rational choice theory that human actors are rational in their self-interested choices; but, go further to argue that rational action is also constrained or influence by the nature of the rules of the game in play (Ostrom, 2005; Shepsle, 2005; Weingast et al., 2000). In other words, rational choice institutional theory goes beyond neo-classical rational choice theory to argue that the desire of an actor to act rationally in a way that maximizes his self-interest is also constrained by the rules or institutions within which the action takes place.

The rationale for PPPs across countries have been influenced by historical factors, political factors, local circumstances and economic situations: “This evidence enables us to locate the adoption of public-private partnerships within a set of responses to public management reform that are differentiated by national context” (Skelcher, 2005: 350). PPPs have emerged as part of the marketization ideology underpinning the New Public Management that have been spearheaded by governments in the United States and advanced Western European countries. In the context of Africa, international

development agencies have used aid conditions to transfer neo-liberal ideologies of development to ex-colonial aid dependent African countries.

In developing countries where governments have embraced PPP, “the prime motivation was the pragmatic of gaining investment through compliance with international donor agencies and structural adjustment demands” (Skelcher, 2005: 349). Highly indebted countries following World Bank and IMF sponsored reforms embrace PPP as a budget maximizing tool that frees government scarce financial resources from services that could be provided by the private sector. In the absence of financial resources for the provision of welfare goods to citizens, PPPs become a pragmatic approach for government in developing countries to maximize their budget.

The rationale for PPP in Ghana may be seen as influenced by “the rational choice view of public officials as budget-maximizing bureaucrats” (Skelcher, 2005) in an environment of economic scarcity and aid dependency. In the Memorandum accompanying Ghana’s 2013 PPP Draft Bill (No.2), it is stated that “fiscal constraints experienced by countries have resulted in the development of new and innovative approaches to the provision and financing of public infrastructure and services.” The traditional role of the Government as the primary infrastructure and public service provider is gradually being supplemented with private sector expertise and financing. Accordingly, the Government of Ghana seeks to promote a combination of policy and legal reforms, financing mechanisms, incentives and institutional support to bolster private sector participation in the provision of public

infrastructure and services through Public Private Partnership (PPP) arrangements” (MOFEP, 2013:1).

PPPs in Ghana may be influenced by profit-maximizing politicians within and outside Government. Government contracts are usually offered to political party financiers rather than neutral private investors. Many of the political party financiers who have established profit-oriented private businesses have become government officials such as Ministers of State. Profit maximizing behaviour of government officials may therefore have played some role in influencing the promotion of PPPs. Skelcher (2005: 363) notes that “partnership is a significant business strategy based on an assessment of market conditions and driven by considerations of competitive advantage.” The rationale for the private sector to partner with government is always linked to the profit maximizing motivations of private businesses.

In Ghana, the New Patriotic Party (NPP) Government’s approach to promoting partnerships with the private sector was couched in neo-liberal development ideas of ‘golden age of business’. Neo-liberal development ideology seem to have played a role in the NPP government’s promotion of PPPs. Interestingly, however, we shall see that the DVLA-VITO public-private partnership was initiated during the era of the NPP government, but it was implemented by an National Democratic Congress (NDC) government that advocates a development ideology of social democratic welfare provision for citizens. Home-grown government development ideology therefore appears to have little role to play in promoting PPPs.

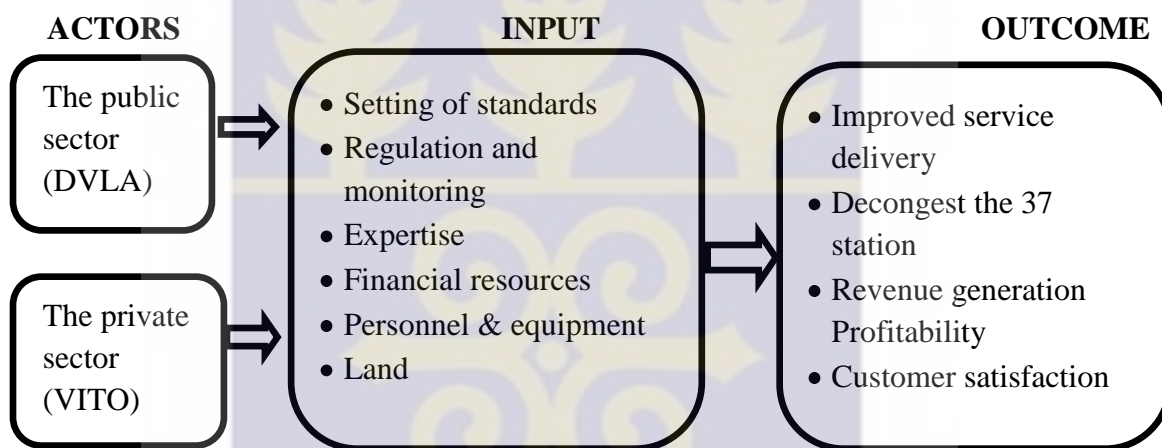
The budget-maximizing motivations of government, the profit-maximizing motivations of politicians, and the profit-maximizing motivations of private businesses, and the desire of these actors to pursue their interests within agreed rules therefore provide the context for this study to adopt a rational choice institutionalist theoretical view in the analyses of the origins, implementation processes and outcomes of the DVLA-VITO public-private partnership. As Skelcher (2005: 349) emphasizes “PPPs do not emerge as a matter of whim or fancy, they are institutions rooted in a specific political and temporal *milieu*” (Skelcher, 2005: 349). Ostrom (2007) emphasize that the core unit of rational choice institutional analysis is an “action arena in which participants interact in a structure of incentives generated by the characteristics of the goods involved, the rules-in-use, and the attributes of the community of participants involved. In effect any action arena is affected by the attributes of the participants, the rules-in use and for this study the characteristics of the service involved.” For rational choice institutionalists, “The remarkable thing here is that to ensure effectiveness of any action, ‘the rules of the game’ must serve the interests of all the stakeholders involved” (Ostrom, 200).

Two key assumptions of rational choice institutional theory that underpins the analysis and explanations of the DVLA-VITO partnership are as follows:

- Rational actors (endowed with reasoning abilities to calculate the cost and benefit of their actions) create institutions to maximize their economic and political interests.
- Institutions are maintained and sustained by rational actors because the institutions help their creators to maximize economic and political interests.

The analytical framework for the study seeks to examine, first, the actors in the partnership; secondly it explores the contributions of the actors to the implementation of the DVLA-VITO partnership, and third it examines the desired outcomes of the partnership. The figure below summarizes and depicts the analytical framework adopted for this study.

**Figure 2.1 Analytical Framework of the Study**



*Source: Author's Construct, 2015*

The analysis of the rationale for and maintenance of, the DVLA-VITO PPP institutional arrangement will examine a number of things. It will examine first, the nature of the actors their reasons for entering into the PPP; second, the nature of the input made the actors into the implementation of the DVLA-VITO partnership; and, third, assesses the impact of the implementation of the PPP against the outcomes desired by the actors.

### 2.3 Public-Private Partnerships in Practice

This section looks at how PPPs have been practiced in developed and developing countries. Within the European Union, PPP was first introduced in the United Kingdom in 1992, in the form of Private Finance Initiative (PFI) as a way of procuring public infrastructure by involving the private sector to finance, build and operate government projects and services typically lasting 25 to 30 years (Tieman, 2003). Since its introduction, PFI has been the government's preferred method of public infrastructure procurement (Handley-Schachler and Gao, 2003).

According to Colverson and Perera (2012), between 1990 and 2009 there have been more than 1,300 PPP contracts over €5 million signed within the EU, with a combined capital value in excess of €250 billion. The U.K. Spain, Germany, Italy, France and Portugal are the main proponents of PPP in Europe, together accounting for 92 percent of all PPPs between 1990 and 2009. The U.K. is far and above the biggest user of PPP with some 67% of the total EU numbers, with Spain being the closest competitor in a distant second position with 10% (EU Commission, 2009). In terms of PPP resource allocation across continental Europe, the transport sector remains the dominant sector where from 2005–2009 it represented 41% of the number and 76% of the value in PPPs. Education and health is the next significant sector, contributing 26% of the total PPP numbers and 11% of total value. PPPs in the environmental sector have shown a steady decline, with numbers falling from just under 30% in the period 1995–1999 to just below 10% in 2005–2009 (Kappeler and Nemoz, 2010).

In the United Kingdom, Partnerships UK was setup in 2000 to succeed the Treasury Taskforce to oversee the implementation of PPP projects. The team is generally responsible for providing project advice and support, developing government policies, providing co-sponsorship and participating in investment of PPP projects. Despite the spread of PPPs across Europe, experience remains inconsistent amongst all member states and different sectors, and a global survey from 2007 suggests that PPPs only account for about 4 per cent of all public sector investment (EU Commission, 2009).

Public Private Partnerships (PPPs) have therefore been introduced as part of neo-liberalization process, firstly, by the Conservative government in the United Kingdom around 1992 and it is believed to have widened all over the world subsequently (Greve, 2010 ; Hearne, 2009; Colverson and Perara, 2012; Osborne, 2000). According to Quium, (2011) scarce public resources has resulted in Governments in most developing countries to face the challenge of meeting the growing demands for new and better infrastructure and services, this has therefore necessitated the inclusion of the private sector in Government affairs. In developing countries, the key reasons identified to be the drivers for private sector involvement has been lack of public funds, desire to improve the performance of the public sector, increasing service quality levels, and the need for modern technology and efficient management skills unlike developed nations where allocation of project risks appear to be a major driver (Jamali, 2007; Skelcher, 2005).

In the United States of America (USA), according to the 19th annual International Major Projects Survey (2010) which has been monitoring and recording PPP activities

continually since the 1980s, “the United States has had a total of 363 funded PPP projects between 1985 and 2010, with a total value in excess of US\$59.5 billion.” The Price Waterhouse Coopers (PWC) 2010 report, the USA had showed some disinclination to undertake PPP agreements prior to 2007. This reluctance has been attributed to uncertainties and misconception on the side of government officials. After 2007, PPP projects has gathered momentum, perhaps through necessity and convenience following the credit crunch in the U.S. Currently some States have PPP-enabling legislations to provide the authority for transacting a structured finance deal (PWC 2010).

Developing countries have also joined in the crusade for PPP. Right from the 1990’s many developing nations have pursued the industrialized trend towards private sector involvement in public service provision. The World Bank’s Private Participation in Infrastructure Project Database provides a statistical breakdown of what private participation in infrastructure depicts for low to middle economies and is useful for indicating trends (Colverson and Perera, 2012).

In Nigeria, where the infrastructure challenge is huge recent reports suggest that the country requires between \$12 and \$15b annually for the next six years meeting the standard infrastructure requirements (Babatunde, Opawole and Akinsiku 2012). The government alone cannot muster the resources to meet these needs. This has resulted in the involvement of the private sector. It is no wonder therefore that majority of infrastructure projects currently underway at both State and Federal levels in Nigeria are powered by PPPs (Alitheia, 2010).

In Ghana, in the 1980s, governments considered one main approach for engaging the private sector: total privatization of public facilities (Ford and Zussman, 1997). Over time, the total privatization of public infrastructure and services became “politically controversial”, and, governments were cautious to subject certain facilities to total privatization for reasons such as national security. Thus, PPP became the popular option (ACCA, 2012). In Ghana, it is also government policy to create a “vibrant investment and performance based environment that will enhance the benefits of PPP initiatives” (National Development Planning Commission, 2013).

Globally, it has been noted that the successful adoption and implementation of PPPs requires the readiness and capacity of all the partners involved (Al-shareem, Yusof and Kamal, 2015). Hodge and Greeve (2007) argue that the consequences of PPPs remain questionable considering their effectiveness in several government domain and public sectors. Subsequently parties involved must as a matter of fact seek to identify significant factors that may either have a negative or positive impact prior to the adoption of any PPP model.

Scholars have identified factors such as high participation costs, high project costs owing to a great deal of management time spent in contract transaction, high risk relying on private sector, lack of experience and appropriate skills, excessive restrictions on participation, reduced project accountability, and less employment positions as impeding the expansion or implementation of PPP projects as some of the factors that impact negatively on PPPs (Cheung et al. 2010; Li et al. 2005; Singaravelloo, 2010; Takim et al.,

2009). For instance, in Malaysia, a study by Ismail and Harris (2014) found that lengthy delays in negotiation, lack of government guidelines and procedures on PPP, higher charge to direct users, lengthy delays, and confusion over government objectives and evaluation criteria are some of the top constraints of PPPs.

#### **2.4 PPPs FOR IMPROVED SERVICE PROVISION**

The literature on PPPs has largely focused on the infrastructure sector than on the service delivery sector. However, Governments look for appropriate means to quicken the development of its numerous public services in a climate of scarce public resources. The main purpose of government in contracting out public services is to reduce cost while promoting efficiency and improving the quality of public service (Skelcher, 2005; World Bank, 2009). Scholars have found that despite the numerous factors identified to be impacting negatively on PPPs (Cheung et al. 2010; Li et al. 2005), some public services provided through PPP has led to achieving greater efficiency than traditional methods of providing public service (Monbiot, 2000).

Farlam (2005) also argues that PPPs brings the efficiency of business to public service delivery. He emphasize that PPPs in areas like road tolls, ports, prisons, telecommunications, ecotourism, water and electricity has been successful and services in these sectors have improved through thorough planning, good communication, strong commitment from both parties, effective monitoring, regulation and enforcement by government. A study by Spackman (2002) in the health sector found that government

provides the strength of its purchasing power and outlines the goals for an optimal health system while the private partner builds, maintains and manages the delivery of agreed-upon services. A study by the World Bank (2009) also suggests that a PPP signed between the government of Gabon and the Société d'Énergie et d'Eau du Gabon (SEEG) to produce and manage water for the public is considered a relative success because of the strong political commitment of the government.

Sequel to an upsurge of privatization of many water services in the 1990s, mostly in developing countries, experiences indicate that global water corporation has not brought the promised improvements in public water utilities. Instead of lower prices, water tariffs have increased out of reach of poor households as evidenced in the privatization of the water services in the city of Paris to which the contract was not renewed because of low patronage by 2009 (Venkat & Bjorkman, 2009). Thus, even though PPPs for public service delivery are generally seen as a “magic bullet”, it does not suffice in all situations.

Quite a number of scholars have suggested that the partners concerned must be adequately prepared to implement a PPP. Readiness does not only pertain to the ability or capability of an institution to take up or implement innovative ideas, processes or products but also involves the ability of an institution to face squarely the challenges that may hinder the implementation of new projects (Bums and Stalker, 1961; Vakola, 2013).

Despite the enthusiasm of the private sector to partner the public sector in solving infrastructure and service needs, the private sector would have to be certain that some factors necessary for the sustainability and security of the partnership has to be established. According to Quim, (2011), the private partner would have to ensure the existence of the following:

- i. Whether there is any unit designated for PPP projects within the government setup or any agency that can help in project development and implementation.
- ii. There must be consideration of any prior PPP experience government might have had while laying emphasis on the capacity government had in implementing the project.
- iii. The private partner must also evaluate the security of the private investment.
- iv. A comprehensive financial plan for the implementation of the project and also consider the availability and source of funds.
- v. Considering the level of involvement and assumption of risks it is only prudent to ensure that a reasonable return on investment is guaranteed.

In as much as the private sector would want to ensure the sustainability and reliability of the partnership, the government is also poised to ensure that the private partners that show interest are competent of effectively executing the project. Consequently the government, according to International Bank for Reconstruction and Development (2012), should also look out for the following ahead of engaging in a PPP;

- i. **Value for Money:** The public service to be provided by the private partner should offer “better quality for a given cost or lower costs for a given quality outputs” (Al-shareem et

al, 2015). In effect PPPs seeks to optimize the use of public vis-à-vis private resources while maximizing user satisfaction.

- ii. **Transparency:** All necessary information (quantitative and qualitative) that facilitated decision making during the preparation, conception, design and development stages must be accessible to both parties in accordance with existing laws and policies.
- iii. **Competition:** It is necessary to engage potential parties through an extensive competitive exercise where prudent use of resources at lower costs can be demonstrated in the provision of public infrastructure and services. The government must also avoid any sole sourcing particularly with this arrangement in order to achieve good results.
- iv. **Adequate Risk Allocation:** There must be a proportionate allocation of risk between the public and private parties. This implies that the risks must be dispensed to the partner that has the greatest propensity to manage the risks dispensed at a lower cost taking into consideration the overall public interest.
- v. **Budgetary Responsibility:** This is explained as the Government's ability to actually determine the firm and contingent financial commitments related to the successful implementation of a PPP projects without compromising the sustainability and continuous provision of the public service.

The above is not exhaustive. It includes key factors that the public sector agency may want to look forward to before engaging in any PPP project to guarantee the total satisfaction of the public as well ensure value for money is achieved in every sense of the word. Particularly with developing countries, the market system is still not well developed. This invariably adds more uncertainty to PPP projects other than “releasing financial pressure on national and local government, transferring risks and improving value for money” (Adams, et al 2006). The question of risk is also a key challenge since there is considerable difference in the recognition of risk under PPP from both the private and public sector view.

## **2.5 Ghana’s Legal and Regulatory Framework for Public-Private Partnership**

There is not a single legal framework for PPP in Ghana. A National Policy on PPP was developed and approved by cabinet in June 2011 to ensure the smooth and efficient operation of the new arrangement. It was officially launched by the government in October 2011 (Daily Guide, 2014). The policy provides the framework for the development, implementation and evaluation of PPP projects in Ghana while serving as the basis for the preparation of the legal framework for PPP arrangements.

Other legal enactments governing various forms of PPP in Ghana include the Ghana Investment Promotion Centre Act, 2013 (Act 865), Financial Administration Regulation 2004, LI 1802 as well as Financial Regulation Act, 2003 (Act 654), Procurement Act, 2003 (Act 663), Bodies Corporate (official Liquidation Act, 1963 (Act

180) which is significant because often PPPs entail creation of “special purpose vehicles” which may suppose a legal status of their own), Companies Code and a host of others.

With particular emphasis on this study the legal framework supporting this partnership between the DVLA and VITO S-Class Services is Act 569 of 1999 that established and legally mandated the DVLA as the agency responsible for the promotion of good driving standards in the country; and ensure the use of roadworthy vehicles on the roads and in other public places. The Road Traffic Act 683, 2004, also stipulates that the Licensing Authority may authorize other examiners to carry out their mandate. Similarly the Road Traffic Regulations, 2012 (L.I.2180), Section 6(3), supports that the licensing authority may for the purpose of the examination designate a private motor vehicle testing station where motor vehicle examination may be conducted. Furthermore, subsidiary legislations like the Driver and Vehicle Licensing Authority (Private Vehicle Testing Stations) Regulations, 2012 (L.I. 2192), was established to regulate the management and operations of the Private Vehicle Testing Centers.

It must be emphasized that the absence of a single legal framework governing PPPs in Ghana has been an issue that is currently been addressed by Government. A Public Private Partnership (PPP) draft Bill is currently going through some amendments to meet the demands of interested parties. The Ministry of Finance announced this at a media forum on the PPP policy in Accra on Tuesday. It is hoped that the Public-Private Partnership (PPP) bill will soon be tabled before Parliament for approval to give PPPs like the DVLA-VITO partnership a clear legal backing. The DVLA-VITO partnership

continues to rely on the 1999 legal enactment establishing the DVLA, Act 569, and mandating it to enter into partnerships with private entities to ensure that vehicles are tested and inspected for roadworthiness.

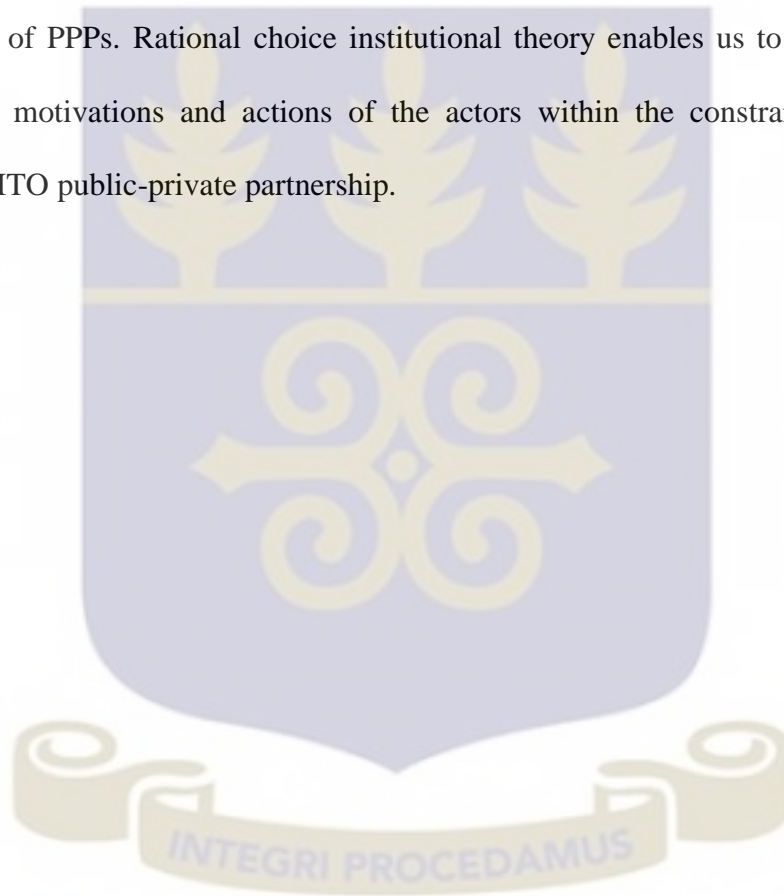
## **2.6 Conclusion**

There are some important lessons to be learnt from the Public Private Partnership projects. First, it has been established that Public Private Partnerships creates value by advancing infrastructure projects for sectors such as transport, education, health, environment and sanitation particularly in developing countries. Much of the value comes from “the private partner’s operational efficiency, limited social responsibilities, increased market capitalization, and combined financial and decision making authorities in the partnerships”(Qingbin and Lindly, 2010).

Secondly, PPPs ensures that financing structure of a project is clearly understood by both parties, the risk to be shared is also done appropriately by dispensing the risk to the party who can best manage it and also revenue distribution is done based on the agreed terms stipulated by the legally binding document backing the partnership.

Third, partnership agreements need to be carefully scrutinized to preserve the interest of all the stakeholders involved in project(s). Potential conflicts of interest may rise between the public agency and the private partner, it could also be between the private partner and the community the project is meant to benefit, or better still within the private firm and its employees, and further more. Consequently, attention should be directed at evaluating the impact of various agreement provisions on the different stakeholders involved.

Finally, PPPs is a significant business strategy based on an assessment of market conditions and driven by considerations of competitive advantage. The rationale for the private sector to partner with government is always linked to the profit maximizing motivations of private businesses. Therefore, it seems that rational choice institutional theory provides a good theoretical framework for understanding the origins, process and outcomes of PPPs. Rational choice institutional theory enables us to examine the self-interested motivations and actions of the actors within the constraining rules of the DVLA-VITO public-private partnership.



## CHAPTER THREE

### METHODOLOGY

#### 3.0 Introduction

This chapter discusses the research methodology employed in the study. It highlights the research design, data sources, and the research instruments used. Furthermore, the data gathering procedure, the methods of data analysis and ethical consideration and the challenges of data collection are discussed in this section.

#### 3.1 Research Paradigm: Interpretive Approach

The study employed a qualitative case study approach. The choice of this approach is based on the researcher's inclination towards the interpretive paradigm. The interpretive paradigm permits the researcher to interpret their results and detail the meaning to people based on the "rich" data rather than just understanding what they have researched. According to Creswell (2007), every good research must have a paradigm which informs the conduct and writing of a qualitative study (i.e., a set of beliefs that guide actions taken by the researcher). According to Pollard (2002: 38), the purpose of the interpretive research "is to describe and interpret the phenomena of the world in attempts to get shared meaning with others." In line with the interpretive paradigm a qualitative case study approach was adopted for the study.

### 3.2 Research Design

Research design is the overall framework that guides all areas of the study by connecting the ideas behind the inquiry to the empirical research (Creswell 2003). Research design in other words spells out the data required, methods to be used to collect and analyze this data, and how all of this will result in answering research question. Thus, the research objectives informed the choice of the study population in this study.

A case study design was employed for this study. According to Creswell (2013), case studies aim at generating in depth, diverse, and far-reaching descriptions of a policy or program. Rosenbloom (1995) also emphasizes that case studies for the implementation of restructuring strategies or modifications can latently inform managers of the next line of action and what action will be appropriate in specific circumstances. Yin (1994) also points out that case studies aim at investigating contemporary phenomenon within its real-life context. This can provide a clear understanding of the issues that are ongoing. According to Yin (1994) three conditions must be considered in the choice of a case study for research design. The nature of research questions posed, the degree of control over actual behavioral events and the extent to which one concentrates on current compared to historical events. In consonance with Yin's assertion, an exploratory case study design was employed for this study because the study requires an exploration into the partnership to be able to answer the research questions of the study meaningfully. The study was also designed in a way to enable recommendations to be made to both public and private sector managers as well as policy makers and stakeholders.

### **3.3 Target population**

The Study population refers to aggregate of elements from which the sample is actually selected (Trochim, 2006). The target population of the study concerned the Driver and Vehicle Licensing Authority (DVLA) and VITO S-Class Services. The choice of the DVLA and VITO S-Class Services was due to the fact that, a partnership arrangement has been established between these two organizations to jointly test and inspects vehicles for the purposes establishing roadworthiness status.

The population for the study chosen from the DVLA included senior administrative and technical staff both at the head office and within the premises of VITO S-Class Services. VITO S-Class Services was chosen for the study because VITO S-Class Services has recorded the highest number of vehicles tested and inspected for roadworthy among the five PVTS currently in operation in Accra. The study targeted management officials, senior staff and clients of VITO S-Class Services.

### **3.4 Sources of Data**

The study employed multiple data collection procedure. The sources of data used for the exploration of the study involved both secondary and primary data. Data collection generally took effect between 9<sup>th</sup> March and 5<sup>th</sup> May 2015. Primary data was gathered mainly through interviews, observations, focus group discussions, official documents and newspaper reports.

### **3.4.1 Interviews**

The interviews conducted involved the use of semi-structured interview guides which generated relevant responses from the interviewees. Interview participants were selected from two directorates and two units within the DVLA. Interview participants selected from VITOS-Class Services included senior staff from two departments (finance and administration and the operations department) together with the Chief Executive Officer. It is worth noting that all Management members of Vito were interviewed.

A total of twelve (12) respondents were interviewed for the study out of which a total of seven (7) respondents are from the DVLA, five (5) respondents from VITO S-Class Services. Within the DVLA, three (3) participants were interviewed from the head office; The Director of Planning, Monitoring and Evaluation Directorate and the Director for Vehicle Inspection and Registration. The third respondent is a staff of the DVLA monitoring unit under the Planning, Monitoring and Evaluation directorate at the head office. At the Greater Accra Regional Office of the DVLA the officer in charge of monitoring VITO S-Class Services to ensure compliance to lay down procedures was also interviewed. In addition, all three DVLA staff deployed at the VITO S-Class Services test station was also interviewed.

On the side of VITO S-Class Services, all four core managers including the Chief Executive Officer were interviewed. The other three core managers interviewed included the Finance and Administration Director, General Manager and the Operations Manager.

The senior finance and administration officer was also interviewed bringing the number of interviewees at Vito to five.

**Table 3.1 Break down of Interview Respondents for the study**

Description	Participants breakdown	Number of participants
Participants interviewed at DVLA for the study.	Planning, Monitoring and Evaluation Directorate	2
	Vehicle Inspection and Registration Directorate	2
	Division at VITO S-Class Services	3
Participants interviewed at VITO S-Class Services	Finance and Administration Directorate	2
	Operations Manager	1
	General Manager	1
	Chief Executive Officer	1
Clients of DVLA and VITO S-Class Services	Focus group 1	6
	Focus group 2	5
Total		23

- **Interview procedure**

The researcher first located the organization for the study and established rapport and built confidence with the interview participants. Some documents concerning the establishment of the partnership were then collected from the VITOS-Class Services. Two sets of inquiry guides were then designed after analyzing the reports and other documents collected from the Vito S-Class Services. The inquiry questions were also guided by the research objectives, questions and the conceptual framework. One set of interview guide was designed to obtain information from the DVLA, the second set of the interview guide was designed to obtain information from Vito S-Class Services.

Based on the research design, the use of semi-structured interview guides was appropriate.

With the permission of the interviewees, a digital recorder was used to support the face-to-face interviews which were conducted at the Head office of the DVLA and Vito S-Class Services. Only three respondents permitted the use of the digital recorder, one official from the DVLA head office, one official from the DVLA division at Vito S-Class Services and the chief executive officer of Vito S-Class Services. However, a telephone interview was used to obtain information from one respondent from the DVLA head office. The interview guide gave respondents the flexibility to articulate their responses to the questions asked and this afforded the researcher to ask further questions.

Field notes were taken while interviews were being recorded, this offered the researcher the ability to listen and ask follow up questions. Field notes written down during the three recorded interviews was reviewed during the verbatim transcription of the recorded interview to ensure accuracy and consistency of information gathered. Although the data transcription was time consuming and involving, it was done to capture the various nuances in the responses that provided useful cues for further probing and analysis. Follow-ups and phone calls were made to some of the interviewees for clarification of some of the responses and further inquiring of issues after full transcription of the interviews and initial analysis of findings was done.

### 3.4.2 Focus Group Discussion

Primary data was also collected through focus group discussions with some clients of Vito S-Class Services. Two focus group discussions were held for a total of eleven (11) clients who had called at VITO S-Class Services. The advantage of this strategy is that it enabled the researcher to obtain rich information regarding the case and focusing on the real-life experiences of the participants. Focus group discussions (FGDs) were also used because it tends to enhance significant communication on given topics within a limited amount of time (Kidd & Parshall, 2000). The focus group discussion was very helpful because the participants were at ease and this relaxed mood allowed them to thoughtfully answer questions in their own words and also provide meaning to their answers.

The first was a group of six (6) commercial drivers while the second group was a group of five (5) clients who had brought private cars for testing. Although the compositions of the two groups differed, information gathered from the two groups was seemingly alike. Information gathered mainly was about their views on the current system of testing and inspection as compared to the previous purely manual way of testing and inspecting vehicles. Information about their satisfactoriness to the activities of VITO S-Class Services was also gathered.

The researcher sought permission from the General Manager of VITO S-Class Services to hold focus group discussions with clients of VITO S-Class Services. The researcher then approached a taxi driver who had had his vehicle tested and was apparently waiting for the issuance of his vehicle's roadworthy certificate. After a brief introduction and debriefing, he consented to be part of the discussion and also invited five of his

colleagues. The focus group discussion guide helped the researcher to deal with distractions from some members of the group and remain focus on generating responses to the questions. The second focus group comprised five (5) clients who were equally waiting for their vehicle's road worthy certificate. Coincidentally both groups declined to be recorded as such the researcher had to take very detailed field notes whiles paying attention to their body languages. The first questions asked were structured in a way that they felt comfortable to answer before delving into the very explorative questions pertaining to the core of the study. The FGDs were conducted in the Akan language since most of the clients felt very comfortable in expressing themselves in the Akan language.

### **3.4.3 Official documents**

Official reports were obtained from the VITO S-Class Services and also from the DVLA. Some of the official documents concerning the partnership agreement requested from the DVLA were made accessible to me. The official documents accessed included the DVLA Act and the standards set by the DVLA in collaboration with the Ghana Standards Authority for determining what constitutes a pass or otherwise of vehicles inspected by VITO S-Class Services. Reports on vehicles inspected for roadworthy and registration by VITO S-Class Services was also accesses form the DVLA. However the main document that spells out the commitment as well as the responsibilities of both partners was inaccessible. On the other hand official documents requested from Vito were made accessible to the researcher. This included the license and the letters of authorization to commence business both in Accra and in Kumasi. This assisted a great deal in shaping the interview questions although other documents were made available to the researcher

during the course of the interview. This depicts the assertion by Creswell (2013) that a researcher must be flexible and be ready to refine and modify his strategy when gathering data. Other official documents such as the draft of Ghana's PPP Bill and the Road Traffic Regulations were accessed from the internet and the website of the Ministry of Finance.

Secondary data reviewed in this study also included published articles in journals, relevant books and government policy documents like the national policy on Public Private Partnership. The use of secondary sources of data was very beneficial in shaping the interview guide to generate the required responses from the interviewees.

#### **3.4.4 Observation**

The researcher had the opportunity to visit the organizations under study, particularly VITO S-Class Services, on countless occasions. This was to afford the researcher the opportunity to observe activities at the testing bay whiles interacting with the staff. Driscoll (2011) opined that observations allows the researcher to become part of the environment, events, activities and community under study whiles providing contextual information needed to add meaning to the data collected.

#### **3.5 Data Analysis**

Data was collected through the use of a recorder to enhance clarity when transcribing data. The recorded interviews were transcribed, summarized and organized into themes for easy understanding. Field notes of the FGDs conducted in Akan language were also elaborated and organized in themes. The responses to the interview questions and

documented data were analyzed using the objectives of this study as well as the intended expectations of the partnership outlined in the conceptual framework.

### **3.6 Limitations and Challenges**

Gathering of data from the field was not devoid of some challenges. Some of the challenges encountered were overcome while others were not because it was beyond the researcher's capacity. Out of the about seven (7) directors at DVLA including the Chief Executive only two (2) managed to grant the researcher an interview. The other Directors were mostly on assignments outside their offices during the period the researcher gathered the data. However the Directors whose jurisdiction the research area falls within were interviewed for the study.

A key challenge to this research was the difficulty in accessing documentary data particularly from the DVLA. Unlike the DVLA, the researcher was able to access some useful official documents and unpublished reports from VITO S-Class Services. Several attempts by the researcher to gather useful documentary data on the partnership from the DVLA proved futile. It was also difficult getting some other respondents from the DVLA to interview, as they were mostly caught up in expected and unexpected meetings. This posed a serious challenge to the researcher, since the objective for the establishment of the partnership as well as the commitments and responsibilities spelt out to each partner was difficult to determine from the perspective of the government agency involved. The private entity was more open and transparent with the information needed, but the public

agency was more closed and restrictive. An additional challenge was the fact that one key respondent from the DVLA did permit the researcher to record the interview session.

Another challenge with encountered in respect of the transcription of recorded interviews. The repetitiveness in transcribing the entire recorded interviews, some of which were long, was involving and time consuming. No research assistant could be engaged due to the confidentiality agreements reached with the interviewees. Besides these difficulties, the interviews conducted within the period took much longer than expected. On the side of the private company, it was not much of a problem getting respondents to interview however with DVLA it was difficult getting some respondents to interview, as they were caught up in scheduled and unexpected meetings. Also one key respondent declined to be recorded.

Last but not the least, financial resources and time constraints posed a challenge. Nevertheless the aforementioned challenges and difficulties experienced particularly during data gathering on the field did not affect the quantity and quality of the data that were collected. Data gathered is adequately reliable to fulfill the research objective as well as answer the research questions.

### **3.7 Data Management**

Data management starts with how data is collected, how the data collected is analyzed, interpreted and presented. A digital voice recorder was used to obtain relevant information while essential field notes were taken to capture the nuances in the

respondents' facial expressions and gestures. Patton (2002) stresses that the use of an audio recorder does not do away with the need for taking notes, but rather it allows the researcher to concentrate on taking a more focused and significant notes, instead of verbatim notes. After the completion of a day's interview with a respondent, the digital voice recorder was connected to a laptop computer protected with a password to transfer the voice file onto the laptop computer.

### **3.8 Ethical Considerations**

At every stage of the research, there were ethical concerns that were addressed to avoid or minimize any ethical problems. Prior to the research, the research topic was submitted to and approved by the Department of Public Administration and Health Service Management of the Business school. A letter of introduction signed by my supervisor was also obtained and distributed to the organizations used for the study to seek their permission for this purely academic exercise.

Upon request by the Director, planning, monitoring and evaluation of the DVLA, a soft copy of the interview guide, was sent to her mail before being granted the permission to interview respondents at the DVLA. Following the approval from VITO S-Class Service after submission of a copy of the letter of introduction, respondents within the organizations were contacted and interviewed accordingly. Respondents' consents were obtained before the recorded interviews proceeded. Respondents were also assured that the voice files would be disposed of after transcription. Consequently, the voice recordings were disposed of after the interviews were transcribed.

### 3.9 Research Validity and Reliability

The concepts of reliability and validity are mostly associated with authenticating findings of quantitative research; however it has its equivalent in qualitative research (Creswell, 2007). Qualitative researchers have variously developed standards of validation though the findings of qualitative research are mostly contested (Creswell, 2007; 2013).

Creswell (2007) views validation in qualitative research as the attempt to assess the accuracy of the findings, as best described by the researcher and the respondents/participants involved in the research activity. Creswell (2013) uses the term validation to emphasize a process in data collection rather than verification. This understanding of validation guided the procedures used in collecting the data for analysis. The extensive time spent at VITO S-Class Service in conducting interviews, building of rapport with interviewees, varying of interview questions, and follow-ups made to clarify vague responses helped in enhancing the validity of the data obtained.

Also, the transcribed interview and documented data from other sources helped to authenticate the information obtained. Corroborating evidence from the multiple sources of data helped to strengthen the validity and reliability of the study.

The researcher also resorted to peer review of the study by using the research seminars conducted by the Department of Public Administration and Health Services Management. The apparently tough questions asked by colleague students and lecturers on the research proposal greatly helped shape the research and ensured the sturdiness of

the study. Finally, some interviewees reviewed the research particularly the analyzed data to ensure that the findings and interpretations were validly reflective of their responses.

Generally, the issue of reliability of research is closely connected to dependability of a research. Reliability therefore seeks to provide answers to questions like, ‘can this data be depended on, or, will similar findings be obtained if other researchers use the same instruments and methods the researcher used in obtaining information from the field?’

The dependability of data collected for the study was enhanced through the use of a digital voice recorder in recording all the relevant information for the study. Data sources which included field interviews, legal enactments, official reports and documents; and newspaper reports, served as useful sources of data from which triangulation was made in ensuring the validity of the study.

### **3.10 Conclusion**

This chapter discussed the methodology employed in conducting the research, analyzing the data collected, the research challenges encountered on the field, the management of the data, the commitment to ethical values at each stage of the study, and the steps taken to ensure the validity and reliability of the research findings.

## **CHAPTER FOUR**

### **DATA ANALYSIS AND PRESENTATION OF FINDINGS**

#### **4.0 Introduction**

This chapter is divided into four main sections. The first section discusses the nature of partnership between the DVLA and VITO S-Class Services. The second section explores how the partnership has been implemented while the third section discusses the implementation outcome of the partnership. The fourth section discusses the challenges affecting the smooth implementation of the partnership.

#### **4.1 The Actors in the DVLA-VITO Public Private Partnership**

This section briefly describes the two main actors involved in the DVLA-VITO public-private partnership, namely the DVLA and VITO S-Class Services. The Driver and Vehicle Licensing Authority (DVLA) was established in the year 1999 by Act 569, to replace the Vehicle, Examination and Licensing Division (VELD) of the Ministry of Road and Transport. The DVLA was established as the sole institution mandated “to promote good driving standards in the country; and ensure the use of road worthy vehicles on the roads and in other public places” (Parliament of the Republic of Ghana Act 569, 1999).

The DVLA is also in charge of setting guidelines for vehicle construction and use for the entire motoring public. The DVLA performs the following functions that are directly relevant to the DVLA-VITO public-private partnership:

- (a) Establishing standards and methods for the training and testing of driving instructors and drivers of motor vehicles and riders of motor cycles.
- (b) Establishing standards and methods for the training and testing of vehicle examiners.
- (c) Providing syllabi for driver training and the training of instructors.
- (d) Issuing driving licenses.
- (e) Registering and licensing driving schools.
- (f) Licensing driving instructors.
- (g) Inspecting, testing and registering motor vehicles.
- (h) Issuing vehicle registration certificates.
- (i) Issuing vehicle examination certificates.
- (j) Licensing and regulating private garages to undertake vehicle testing.
- (k) Maintaining registers containing particulars of licensed motor vehicles, driving instructors, driving schools and drivers of motor vehicles.
- (l) Advising the Minister on policy formulation and development strategy for the achievement of the objectives of the Authority.
- (m) Ensuring strict compliance with this Act and regulations made under it.
- (n) Carrying out such other function as are incidental to the attainment of the object of the authority (Parliament of the Republic of Ghana Act 569, 1999).

It is evident that Section 3(j) of the above clearly affords DVLA the permission to establish partnerships with private entities to undertake vehicle testing. It is remarking to note that, government since the enactment of this Act in 1999 foresaw the increasing

workload of the DVLA particularly vehicle inspection and testing as such provision was made for.

At the other end of the DVLA-VITO partnership is VITO S-Class Services. Vehicle inspection and Technical Organization (VITO) is the trade name for S-Class Services Limited. The company is one of the pioneer vehicle inspection companies in Ghana. It started core operations in 2011 in the Greater Accra region after it entered into the PPP with the DVLA. Currently VITO S-Class operates within Accra.

#### **4.2 The Nature of the Partnership between DVLA and VITO S-Class Services**

Following from the discussion in the previous chapter about Public Private Partnerships, it has become evident that the partnership between DVLA and Vito S-Class Services is that of a PPP. It is undoubtedly a policy action that has evolved strategically to deal with aligning vehicle inspection and testing in the country to acceptable international forms and standards in ensuring safety on roads. As indicated by key respondents selected for the study, this partnership is a product of many years of deliberations to achieve the following objectives:

- To strengthen the institutional capacity of the DVLA to facilitate the implementation of the transport sector programmes and projects.
- To promote a sustainable legal and regulatory framework that will promote public private partnership in the provision of transport infrastructure and services.
- To ensure conformity to internationally approved standards for vehicle inspection and testing in certifying roadworthy vehicles.

- To ensure value for money for the motoring public and ensure profitability.
- To facilitate the decongestion of the then only test station in Accra.
- To curb the activities of the “competitors” of the DVLA locally called ‘Goro boys’.

The vehicle is the main equipment in the road safety system that can either take you safely to your destination or become the cause of an accident resulting in the loss of lives and property. It is therefore imperative that vehicles plying roads at every point be in good condition. “A properly maintained and fully functioning vehicle meeting all safety requirements is less likely to be involved in a road accident”(Omondi, 2014). Consequently the ultimate goal of the partnership, as stated by the then Hon. Minister of Transport, Alhaji Collins Dauda is to improve road safety and ensure that road worthy vehicles ply the roads consequently reducing and preventing of road crashes particularly in Accra (Daily Graphic, May 2011).

This partnership depicts some features that are worth mentioning. Firstly, according to Sedjari (2004), PPPs can be initiated either by the public sector or by the private sector. It can also take the form of appointed PPP where “a mixed economy company” is created by a city or a region, for provision of services for inhabitants of the city of the region. This particular partnership is that of a private sector initiated PPP.

The Chief Executive Officer (C.E.O) of VITO S-Class Services having worked as a vehicle inspection engineer for the German Government for about six years repatriated to his home country to replicate what was being done in Germany although the entire

system has been modified to suit the Ghanaian context. This partnership was initiated by the C.E.O of VITO S-Class Services through a business proposal submitted to the then board of directors of the DVLA to test and inspect vehicles for the purpose of establishing road worthy status.

Secondly, this partnership according to Skelcher (2005), principally takes the form of contracting-out. Where the government agency has retired from its position as the service provider and has taken on the role of a regulator to ensure that VITO S-Class Services delivers according to the licenses given. This contract is the results of competitive tendering, where the private sector was able to fully demonstrate their willingness and ability to deliver better outcomes as opposed to the outcomes generated by a government agency (DVLA). In considering this partnership, it is evident that only an aspect of the entire responsibilities of the DVLA has been permitted to be carried out by a private entity.

DVLA is mandated among other things to conduct inspection of vehicles to determine their roadworthy status (Section 3(g) DVLA Act 569), however the DVLA is also permitted to license and regulate private garages to undertake vehicle testing on its behalf. With recourse to Section 3(j) of the Act that established the DVLA, the aspect of vehicle inspection and testing out of the numerous responsibilities of the DVLA has been contracted out to private companies.

Contracting-out is suitable when there are clear gaps in the delivery public services and goods and in the performance of functions and/or when the institutional capacity of government is weak due to limited resources, negligence and corruption (Abramson, 2011). Consequently DVLA contracted VITO S-Class Services to augment service delivery with regards to vehicle inspection and testing having identified the gaps in the performance of their functions mainly as a result limited resources; personnel, equipment and office space. Additionally this partnership clearly falls within the contracting-out category of PPP because the DVLA collects the monies directly from the users and reimburses VITO S-Class Services at later period after perusing reports submitted by VITO S-Class Services.

Additionally, this partnership has taken the form and nature of a franchise where government licenses a private company to deliver a service on its behalf as well as that of a strategic partnering. However there is a thin line between franchise and contracts. With franchise just as with contracts, government is the “arranger” while the private company is the provider. However in the payment modes for contracts government pays the private company for their services whereas in franchising the consumer pays the private company for the services rendered (Savas, 2000). Also franchises generally do not have any legal backing; this is evident in the establishment of this partnership. Therefore following from this explanation it is evident that this partnership depicts features of a franchise.

Also, as noted by Pollit and Smith (2002), the monopoly rights of government is re allocated to the private company(s) after the private companies acquire the franchise through competitive tendering, accordingly VITO S-Class Services was considered for this partnership after the company competitively tendered and won the nod.

The license given in franchises usually requires the private company to develop the infrastructure needed for the delivery of service just as was observed in this partnership under study. It is also an accepted occurrence for the ownership of the infrastructure to be transferred to the government at the end of term of the franchise (Pietroforte and Miller 2002), however due to the open-ended nature of this partnership, this PPP arrangement does not exhibit full features of a franchise it also assumes that of a strategic partnering.

Strategic partnering (SP) involves formal agreement between two (a bilateral partnership) or more (a network partnership) parties that have agreed to share finance, skills, information and/or other resources in the pursuit of common goals. With respect to this partnership, the formal agreement in SPs is equivalent to the letter of authorization issued to VITO S-Class Services to test and inspect vehicle for the purpose of establishing roadworthy status. Again VITO S-Class Services has solely financed the construction of the testing bay and brought on board personnel with the requisite skills to partner DVLA in the pursuit of the common goal of ensuring safety on our roads.

In providing explanation to the first objective of this research, that is to understand the kind of partnership between the two firms, it has been established from the above that, this partnership principally takes the form of contracting out, additionally it also takes the form of a franchise, however it has no fixed terms as researchers such as Skelcher (2005) suggests. This partnership has also inculcated features of strategic partnering, in that it has no fixed term. This consequently implies that, the license given to VITO S-Class Services to operate is on a basis without a specified term however if upon monitoring VITO S-Class Services is found going contrary to its obligations, the DVLA has the right to revoke the license until the activities of VITO S-Class Services conforms to acceptable standards. As observed, the obligations of VITO S-Class Services are to provide the necessary equipment to test and inspect vehicles whereas that of the DVLA is to issue the road worthy certificates to the clients after results of a vehicle is submitted to the DVLA division within the premises of the VITO S-Class Services.

#### **4.3 Evolution of the DVLA-VITO Public-Private Partnership**

The government's initial response to the proposal submitted by the C.E.O of Vito in the year 2002 although not encouraging was pursued until 2003 where the Management of Vito strategically convinced the DVLA to permit Vito conduct a pilot testing to sensitize the general public and somehow test the waters to see if vehicle inspection will be embraced by the all. Vito then chose light system (inspection of headlamps, break lights etc.) as a component of the entire inspection processes. It was then required that before any vehicle is certified as road worthy, the vehicle must have successfully undergone the light test. VITO S-Class Services was responsible for providing all the equipment needed

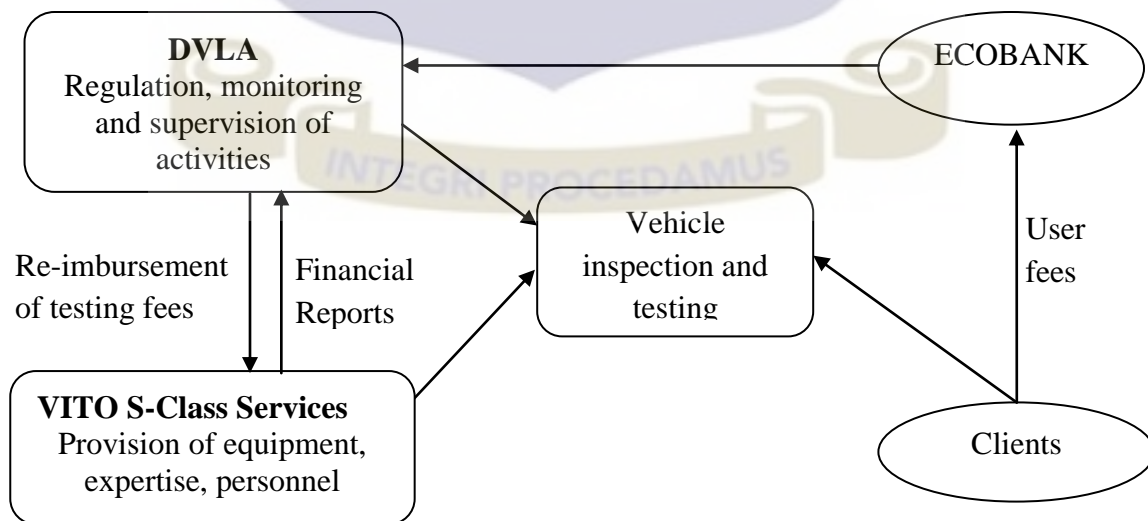
to the government. However this service was being provided free of charge to motorists because anything that has to do with direct public charge must be approved by the appropriate authorities through a cumbersome procedure. Also since the light test was part of the comprehensive vehicle inspection, it was difficult to determine how much was to be paid for a light test.

The test was then free, however if a vehicle fails the test, the owner of the vehicle is asked to pay an amount of GH¢ 20.00 for the problem to be corrected, and that was how the company kept itself going. This implies that, once the vehicle passed the light test, the owner enjoys a free service, however once the vehicle fails you were required to pay for correction of the light system. Gradually in 2006, a complete proposal for total vehicle inspection was submitted to the then CEO of the DVLA and subsequently to the Minister of transport who accepted it although certain alterations were made based on their request. The proposal was presented to cabinet for consideration. The decision was that, the project be advertised in the daily's for companies to also express their interest.

Subsequently in 2006, it was published in the newspaper for companies to express their interest having clearly outlined the requirements. As part of the project, a company was permitted to choose four regions in which to operate when granted the nod. This was to ensure expansion of the project to the other nine regions and not to limit the project to the country's capital only.

A very critical part of the requirements states that, the private company should have a land and the financial ability to build in accordance with the standards set by the Ghana Standards Board. Deloitte and Touche (a financial advisory firm) was also consulted to carry out financial analysis after which the reports were sent to the Ministry of finance (MOF). MOF then advised the DVLA based on the recommendations stated in the reports presented by Deloitte and Touche. This helped the MOF to determine the appropriate service charges for all types of vehicles. After all the necessary preparations were done, a letter of authorization was issued by the DVLA to begin operation in September 2011. The procurement process was strictly adhered to throughout the process. Firstly DVLA advertised in the print media with specified requirements. Consultants were engaged to evaluate the quotations received, several inspections of the proposed testing sites were carried out and subsequently licenses were issued. Figure 4.1 below depicts the nature of the PPP between the DVLA and VITO S-Class services.

**Figure 4.1 Nature of the DVLA-VITO Partnership**



Source: Author

#### **4.4 Implementation process**

This involves how activities are generally carried out at the testing bay. It includes the processes that vehicles are taken through right from the entrance of the premises of VITO S-Class Services. It also includes the financial arrangements under this partnership.

##### **i. Vehicle delivery at inspection station**

The customer presents the vehicle to security at the main gate of VITO S-Class Services. The General Manager then conducts a brief pre-inspection before allowing the vehicles to proceed to the premises. In order to ensure fairness and prevent congestion only few cars between 15 to 20 cars are allowed in at a time and numbers given to the clients. The General Manager directs the customer to drive to the primary holding area where physical examination of the vehicle is conducted to ascertain that there are no visual defects such as smashed windscreen, smashed lights, rickety body, worn out tyres and the like. Once it is detected that, the vehicle will probably fail the inspection test due to a visual defect, the technical officers directs it through the exit, this is to help avoid waste of time of both the client and the company of allowing the vehicle go through the process even though a failed test results is assured.

##### **ii. Vehicle registration**

If the vehicle passes the physical inspection test, the client presents the vehicle document and the car keys to the ECOBANK Staff, makes payment and receipts issued. The client proceeds to the registration center where staff of VITO S-Class Services enters the information of the vehicle into a data base. The following are entered into the database:

- Nature ( e.g. saloon car )
- Category ( e.g. light commercial vehicle )
- Registration number
- Owners particulars
- Vehicle information (year of manufacture, model, make, vehicle type, vehicle identification number (VIN), cubic capacity, fuel used, colour).
- Test purpose

The data captured is transmitted to the testing bay after which the customer is directed to the waiting area. The procedure of vehicle testing consists of four stages, namely emission test, side slip test, steering and suspension test and brake performance test explained in turn.

- **Stage 1- Emission Test**

The smoke analyzer is used to detect the Carbon monoxide content of the vehicles smoke emitted. However with regards to the emission test an earlier correspondence from the DVLA indicated that the results should not form the basis for declaring a vehicle as having failed the test. Despite the fact that vehicle inspection is to promote road safety and reduce vehicular pollution, it is considered that vehicle owners and drivers should be advised on what to do to reduce the emission levels. Ideally a carbon monoxide content exceeding 3.5% for a continuous period of five seconds is sufficient reason to consider a vehicle as having failed in advance countries.

- **Stage 2- Side Slip Test**

The side slip is the sideways movement of a vehicle's wheels when the vehicle itself is moving forward. The side-slip plates shows, quickly, whether or not there is a problem with the front and rear axle geometry of the vehicle. In other words, this is done to check the alignment of the front and rear axle geometry of the vehicle when the vehicle is in motion without the use of the steering. An interpretation of any figure greater than 30% is a failure. The acceptable limit to this is  $\leq 30.0\%$ .

- **Stage 3- Steering and Suspension Test**

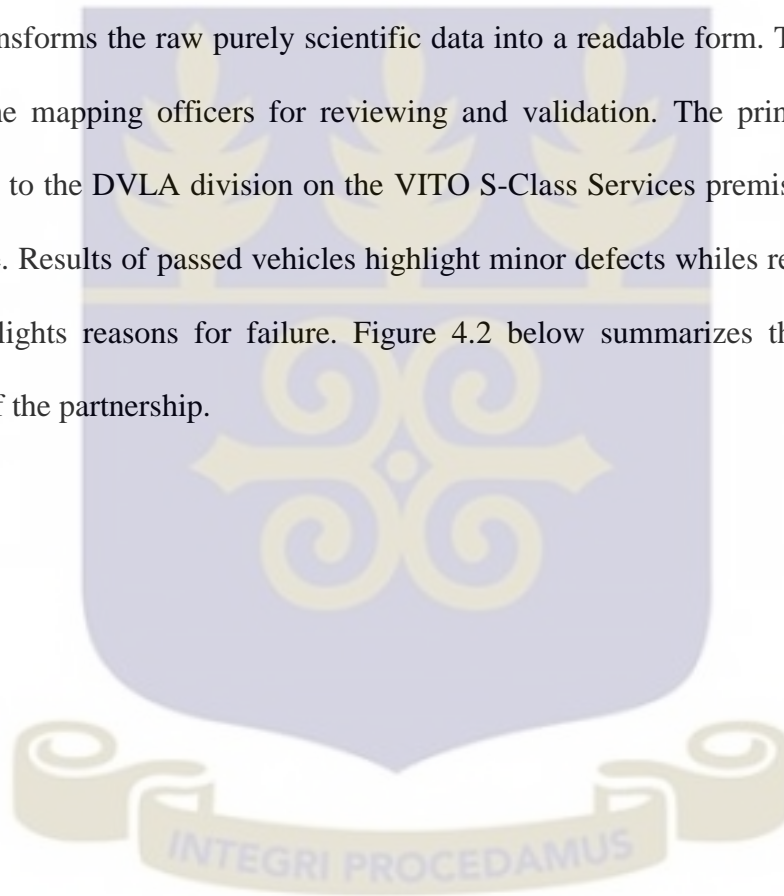
At this stage, the wheel shaker moves the steering and suspension in various directions against the load. This enables the inspector to see if there is any horizontal sideways movement in any joints such as wheel bearing free play, spring wear, component damage and security of mountings. The suspension (road grip difference) tester is a sophisticated system which automatically assesses the imbalance across the front and rear axles. A record of more than 30 % for both front and rear axles is considered a failure.

- **Stage 4- Brake and Headlights Performance Test**

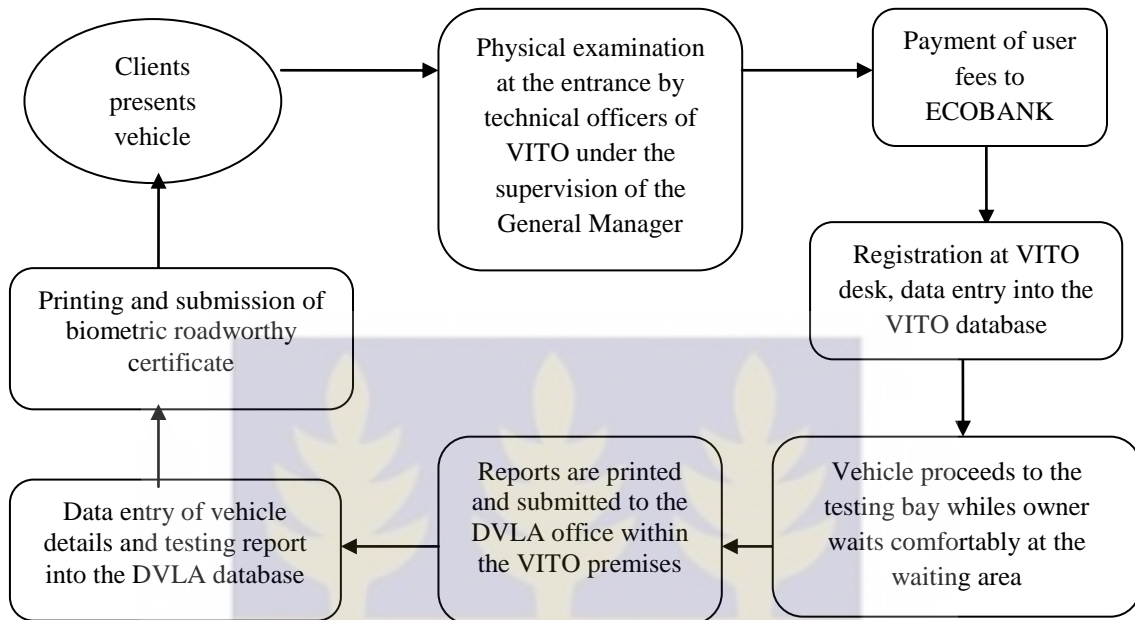
In this final test, the rollers are used to determine the rolling resistance of the brakes. For brake service test the brake force difference should not exceed 35% while the total braking efficiency should be greater than 50%. Likewise for parking brake test the force difference should not exceed 35%. However the total brake efficiency for parking brake test should be greater than 15%. As the vehicle heads out of the testing bay, it moves over the pit, where the testing officer in the pit checks for any form of leakages

underneath the vehicle. As it moves, the head lights are also tested to ensure that, it is within the accepted range.

As part of the contractual obligations, VITO S-Class Services has a networked system, the results of each section of the inspection is entered directly into the VITO S-Class Services database. The data generated from the testing bay is captured into a converter which transforms the raw purely scientific data into a readable form. This information is sent to the mapping officers for reviewing and validation. The printed report is then submitted to the DVLA division on the VITO S-Class Services premises for roadworthy certificate. Results of passed vehicles highlight minor defects while results of failed test also highlights reasons for failure. Figure 4.2 below summarizes the implementation process of the partnership.



**Figure 4.2 Summary of implementation process of the partnership**



Source: Author

#### **4.4 Outcomes of the DVLA-VITO Public Private Partnership**

The outcome of the partnership can be accessed from the perspectives of the DVLA, VITO S-Class Services and the clients who took their vehicles to VITO S-Class Services for testing and inspection. The perspectives are discussed below.

##### **4.4.1 The Perspective of the DVLA**

The expectation for establishing this partnership was to engage the private sector to augment the work of the DVLA. As rightly noted by all respondents interviewed from the DVLA, the DVLA lacked the capacity to deliver optimally on their mandate. That explains why as rational beings the DVLA upon considering all alternatives available, took a decision to respond to demands from the private sector to help the DVLA deliver

on their mandate. By so doing the interests of the DVLA are pursued and maximized. An official of the DVLA explained the rationale for the partnership as follows:

*In the first place the mandate given to the Authority to test and inspect vehicles requires that we get capital and the necessary resources to do the work but government was not forth coming with all that. We were not getting the necessary funds and logistics to work effectively as possible. Then we needed to replicate or have more test stations all over the country so that we will have test stations closer to the door step of the motoring public. And with the existing ones, Government was not able to fund their welfare. We needed to look elsewhere to meet the objective of multiplying our service centers.*

This was also confirmed by the Director of planning, monitoring and evaluation at the head office of the DVLA. She stated that,

*DVLA lacked the full capacity, personnel, equipment and most importantly the finances to carry out its mandate of inspecting and testing vehicles though it is widely accepted that vehicles be inspected at regular intervals throughout their life. Also the DVLA just like any other government agency also saw the need to take advantage of modern technology and move away from the visual inspection of vehicles and to ensure guaranteed safety on our roads.*

The divisional head of the DVLA, deployed on the VITO S-Class Services premises also echoed that, “*We lacked the personnel, the infrastructure and the equipment and the space to undertake the effective testing.*”

Considering the increasing rate of the motoring population, the DVLA had to find appropriate means of delivering on their mandate without compromising the safety of the public. As such the option to engage private garages to conduct the test and inspection was considered the best. This was mainly supported by a clause in the Act 569 of 1999 that established the DVLA. Section 3(j) of the DVLA Act, Act 569, gives the authority the mandate to license and regulate private garages to undertake vehicle testing. In the same way the Road Traffic Regulations, 2012 (L.I.2180) Section 6(3) also stipulates that, the licensing authority may for the purpose of the examination designate a private motor vehicle testing station where motor vehicle examination may be conducted.

Furthermore, subsidiary legislations like the Driver and Vehicle Licensing Authority (Private Vehicle Testing Stations) Regulations, 2012 (L. I. 2192) was established to regulate the management and operations of the VITO S-Class Services. One of the main reasons for the establishment of this partnership as resonated from the responses of the officials of the DVLA during interviews was the fact that, the Act that established the DVLA and other legislations makes provision for the establishment of a partnership for the purposes of vehicle inspection and testing.

According to the respondents from the DVLA, the expectation for the partnership to a large extent is on course. With regards to improved service delivery, it is evident that, many vehicles were not issued with a road worthy certificate when they did not pass the test. Also the use of modern and scientific equipment as opposed to the visual inspection has ensured that a pass or fail result of a vehicle can be proven scientifically.

The Director of VIR at the DVLA head office also indicated that,

*With regards to the objective for the establishment of this partnership I believe we are steadily on course. We expect that every vehicle that goes to VITO S-Class Services is given the needed attention and is genuinely tested. As it is now they have provided us with what the authority lacked. They have decongested our 37 station and have ensured that our standards for testing have improved and are now in line with internationally approved standards. DVLA's customer service has also seen an improvement since testing has been brought to the door steps of the motoring public especially in Accra. We can also say that the county's quest for increased road safety is on course.*

The outcome of the partnership with respect to the number of vehicle inspected is presented in tables 4.1 and 4.2 below.

**Table 4.1 Vehicles inspected by PVTs for roadworthiness by PVTs**

VEHICLES INSPECTED BY PVTs FOR ROADWORTHINESS BY PVTs									
	2012			2013			2014		
Office	Tested	Passed	Failed	Tested	Passed	Failed	Tested	Passed	Failed
<b>BIVAC</b>	2507	2266	241	5709	5391	318	8358	7709	649
<b>SPC</b>	14064	10611	3453	24505	19679	4826	24474	16921	7553
<b>BENSAM</b>	13606	10569	3010	24240	14376	9864	22266	13350	8916
<b>VITO</b>	17325	13547	3778	28534	21491	7043	28684	22753	5931
<b>ECL</b>	--	--	--	--	--	--	11041	10031	1010
<b>TOTAL</b>	<b>47502</b>	<b>37020</b>	<b>10482</b>	<b>82988</b>	<b>60937</b>	<b>22051</b>	<b>94823</b>	<b>70764</b>	<b>24059</b>

Source: DVLA Head Office, 2015

The above table presents the outcome of the partnership with respect to the number of vehicles inspected by all the PVTs for roadworthiness. VITO S-Class Services is the PVTs that recorded the highest number of vehicle tested for all the years. This

therefore correlates to responses from key participants that the expectation of the partnership between the DVLA and VITO S-Class Services is being achieved.

Table 4.2 below shows the outcome of the partnership with respect to the number of vehicles tested for the purposes of vehicle registration.

**Table 4.2 Vehicles inspected by PVTs for registration by DVLA**

VEHICLES INSPECTED BY PVTs FOR VEHICLE REGISTRATION									
	2012			2013			2014		
Office	Tested	Passed	Failed	Tested	Passed	Failed	Tested	Passed	Failed
<b>BIVAC</b>	2637	2427	210	4056	3991	65	6831	6681	150
<b>SPC</b>	20563	15455	5108	20961	16841	4120	16157	11558	4599
<b>BENSAM</b>	12080	9826	2254	9486	6057	3429	4753	2770	1983
<b>VITO</b>	26066	22977	3089	20394	18294	2100	11985	11028	957
<b>ECL</b>							5320	5139	181
<b>TOTAL</b>	<b>61346</b>	<b>50685</b>	<b>10661</b>	<b>54897</b>	<b>45183</b>	<b>9714</b>	<b>45046</b>	<b>37176</b>	<b>7870</b>

Source: DVLA Head Office, 2015

- **Decongestion and dealing with “Goro Boys”**

The processes involved are such that, no individual handles any document after it is submitted to the cashiers at the point of payment, as such the PVTs deals directly with the DVLA staff on the premises. Hard copy of the results are sent to the DVLA division for verification and subsequent issuance of the certificate, which is now a biometric certificate having quite a number of security features making it virtually impossible for any fraudulent activity. A very important achievement worthy of mention is the accessibility to testing stations mainly within Accra, and this has led to immense decongesting of the 37 test station of the DVLA, the only test station previously in

operation before the establishment of this partnership as well as curbing the activities of the Goro boys. The Director of VIR noted that, *“They (Vito) have helped decongested our 37 station and have ensured that our standards for testing have improved and are now in line with internationally approved standards.”*

Services provided to the motoring public have also improved massively with respect to curbing the activities of middle men locally called Goro boys. In accordance with the above, divisional head of the DVLA within VITO S-Class services premises observed that,

*You might have heard of Goro boys who have become “our competitors” but through the establishment of this partnership coupled with the introduction of the e-sticker and collaboration with the police we have clamped down on their activities. Once you are compelled to bring your car here, we are sure the right thing is done and the state of vehicle for that matter your safety is not compromised.*

- **Financial Rewards**

In addition to the above, DVLA has also observed a boost in their internally generated funds. Unlike previously where the test and inspection were conducted at the cost of the Authority, currently motorists are charged fees for testing and inspecting their vehicles. The fee schedule according to the Director of PME is regulated by the Ministry of Finance to avoid arbitrariness.

The Director of VIR stated that, *“DVLA is also getting some financial reward for the services we provide aside the personnel, equipment and infrastructural support received*

*through this partnership.*” The divisional head of the DVLA within VITO S-Class Services also noted that *“As part of the advantages, the government also generates funds from the services provided here at Vito.”* How the DVLA derives financial benefits from the PPP is shown below.

The private company VITO recovers its investment and operating expenses in return for its services through user fees that are paid by customers. This is a widely used mode of payment to reimburse private companies for services rendered on behalf of the government in most PPP arrangements (Kakabadse, 2012). It is interesting to note that, another PPP arrangement has been made between DVLA and ECOBANK-Ghana as the only recognized revenue collectors deployed to receive payments on behalf of the authority from clients of VITO S-Class Services.

Generally payments made are principally divided into three parts; non tax revenue that belongs to the government and DVLA and revenue after tax that is later transferred to VITO S-Class Services. The non-tax revenue comprises the road worthy fee component that belongs to the DVLA. After this is deducted and tax also duly deducted, the net amount which is the net inspection fee is paid into the accounts of VITO S-Class Services. However a sample report of summary of financial activities of VITO S-Class Services for a four (4) day period revealed that, 5% of the net amount that belongs to VITO S-Class Services is labeled DVLA. Follow up to ascertain what this amount represents proved that this amount is deducted and paid into the road fund account. It was also gathered reliably from the C.E.O of VITO S-Class Services that some eight percent

(8%) of the amount due them is deducted by the DVLA into a separate account for welfare purposes although this component is not clearly stated on the summary of financial activities of VITO S-Class Services submitted to DVLA. Table 4.3 below is a sample report of summary of financial activities of VITO S-Class Services over a four-day period in 2015.

**Table 4.3 Summary of financial activities of VITO S-Class Services**

S-CLASS SERVICES LTD (VITO)								
SUMMARY OF FINANCIAL ACTIVITIES FROM 2 <sup>ND</sup> MARCH 2015 TO 5 <sup>TH</sup> MARCH 2015								
DATE	AMOUNT	DVLA RD WD	NET VEH. INSPE.	NET OF VAT	VAT/ NHIL	DVLA	VITO	VAT \$ VITO
2/2/15	11,435.08	5,770.00	5,665.08	4,821.34	843.74	241.07	4,580.28	5424.01
3/2/15	11,443.02	6,061.00	5,383.02	4,580.44	801.58	229.02	4,351.42	5,153.00
4/2/15	12,939.75	6,061.00	6,878.75	5,854.26	1024.49	292.71	5,561.54	6586.04
4/2/15	11,114.55	5,955.00	5,159.55	4,391.11	768.44	219.56	4,171.79	4939.99
<b>Total</b>	<b>46,932.40</b>	<b>23,847.00</b>	<b>23,085.40</b>	<b>19,647.15</b>	<b>3,438.25</b>	<b>982.36</b>	<b>18,664.79</b>	<b>22,103.04</b>

Source: VITO S-Class Services, 2015

VITO S-Class Services gets reimbursed from the DVLA after a weekly report on the summary of financial activities is submitted to the DVLA at the end of every week. The format used spells out which portion of the total amount belongs to government and the DVLA with respect to road worthy fee, the net vehicle inspection fee accrued to summary of financial activities of VITO S-Class Services, the VAT/NHIL component as well as the 5% amount to the DVLA. The authority after a period of time officially corresponds to summary of financial activities of VITO S-Class Services concerning

transfer of lodgments to the following accounts; Vito (Dome); Vito (VAT); GOG (non-tax); road fund account; DVLA (GOG Returns); Road fund returns; and the operations account. Table 4.4 presented below depicts the distribution of funds after returns from VITO S-Class Services are reconciled by the DVLA.

**Table 4.4. Transfer of lodgments from DVLA to respective accounts for the period 16<sup>th</sup> February, 2015 to 21<sup>st</sup> February 2015.**

NAME	AMOUNT (GH₵ )	ACCOUNT NO.	BANK
VITO(DOME)	20,003.00	0-0210103390017	CAL BANK HEAD OFFICE
VITO (VAT)	3,684.76	0-0210103390017	CAL BANK HEAD OFFICE
GOG(NON TAX)	1,600.37	0-1230500121-45	GOG-BOG
ROAD FUND A/C	16,403.30	1-011130023314	GCB-HIGH STREET
DVLA(GOG RET)	282.42	0-530134460551901	ECOBANK REINSURANCE
ROAD FUND A/C	2,894.70	0-530134454783901	ECOBANK REINSURANCE
OPERATIONS A/C	7,920.00	0-530134454809601	ECOBANK REINSURANCE
<b>TOTAL</b>	<b>52,788.55</b>		

Source: VITO S-Class Services, 2015

It is evidently clear from the above findings that from a rational choice theoretical perspective, the DVLA-VITO partnership has yielded some expected financial benefits for the DVLA. What is not easy to establish is whether or not the DVLA has been able to maximize the expected financial returns from the partnership. Officials of the DVLA were unwilling to provide further evidence and information on their financial returns for rigorous cost-benefit analysis.

#### **4.4.2 VITO S-Class Services Perspective**

VITO's expectation of this partnership can be seen from different angles. The first outcome can be discussed with regards to profitability of the company. The private sector

is characterised with the motive of profit making being their main objective. As rational actors, VITO S-Class Services agreed to this partnership particularly because having weighed all options available, this partnership is a line of business that proved to be very profitable to the company. All interviewees selected from VITO S-Class Services affirmed that vehicle inspection was a very good business venture to enter into despite the numerous hindrances in their way.

The C.E.O, hinted that despite the increasing operating cost, the company is still in business. In as much as the company is poised to contribute to effective vehicle management in the country, the profit making orientation is what has kept them in optimising their core purposes to augment the work of the DVLA. The C.E.O stated that,

*What has kept us going is the profits we make. The core of every business is profit making, survival and growth. We have been able to solely finance the construction of this new administration block and provided all the necessary fittings and furniture.*

It was also discovered that, the construction of the Kumasi branch of VITO S-Class Services has been completed, however DVLA is yet to issue a letter of authorisation for commencement of vehicle testing and inspection at the Kumasi branch of VITO S-Class Services. This when granted authorisation to operate in full swing will further increase the profit margins of the company significantly. The C.E.O again stated that,

*Our Kumasi branch is completed. All the necessary equipment to be used both in offices and at the testing bay has been provided. All we are waiting for is the letter of*

*authorisation because we already have the license and as part of the license, we are to operate in a maximum of four regions.*

The second outcome is the level of improvement in the services rendered to the public through the use of modern and scientific equipment that conforms to international standards. The C.E.O of VITO S-Class Services stated, *“I can confidently affirm that the partnership, despite being marred by some impediments has on the whole lived up to its expectation”*. Ample evidence of the financial rewards derived by VITO S-Class Services is provided by tables 4.3 and 4.4 above.

The third outcome is that the partnership has provided VITO S-Class Services the DVLA’s legal framework to operate its activities. With regards to the legal framework that provides some support to the activities of the VITO S-Class Services, the C.E.O of Vito indicated,

*The most important thing is that, there is a comprehensive legal framework backing to this partnership because any client whose car is rejected as having failed the test can take VITO S-Class Services on to the courts and demand explanations. This explains why we strictly adhere to the standards that have been certified by the appropriate authorities within the country and are conducting the test with the state of the art equipment to provide genuine service as opposed to the previous time which were marred by activities of the Goro boys.*

The Operations Manager of VITO S-Class Services also indicated that the standards set are not compromised in any form. It was observed that, the computer has been programmed in a way that, the results cannot be easily altered by any of the attendants.

The system has been programmed in such a way that, the scientific reports generated, for instance on the side slip is converted to an easily readable and understandable format. Observation from their quarterly reports also affirms that, VITO S-Class Services has a good maintenance culture. This is evident in their conformity to the quarterly calibration of their equipment. The Director of VIR also affirmed this view as follows,

*To a large extent VITO S-Class Services is performing very well in adhering to the tenets of operation given them. We are generally pleased with what they are doing if not we will have shut it down by now.*

In addition, the issue of value-for-money is assured to all clients. The Director of Administration and Finance at VITO S-Class Services indicated that,

*Considering the current inspection fees charged, clients are currently entitled to more value for than the money they are charged. It is interesting to note that since the establishment of this PPP, our inspection and testing fees have not been increased however that of the DVLA's road worthy component has been increased. Again considering the current economic situation in the country and increase in our operational cost I believe it is high time for DVLA to consider increasing our inspection fees to match the value of services rendered to our cherished clients.*

The C.E.O of VITO S-Class Services added his voice to this issue he hinted that, “We have submitted a proposal/ petition to review inspection fee upwards to the Ministry of Finance (MOF) for consideration through the DVLA.”

The Director of VIR also affirmed this in his interview. He explained that,

*We were doing the test free of charge for motorist and anything done free of charge you cannot guarantee quality, we needed to have a way of charging inspection fee to ensure sustainability and quality assurance, so the introduction of the PPP was a way of starting a fee paying regime for vehicle inspection to guarantee value-for-money and quality of service, however we have submitted a proposal to MOF to consider an increment to the costs clients are expected to pay for services rendered since the current charges needs revision especially considering our current economic situations.*

Also worth mentioning is the fact that, it was agreed that, as and when necessary the user fees will be adjusted to reflect the corresponding economic situation, however the study found that, attempt by VITO to have the user fees adjusted upwards have proved futile.

#### **4.4.3 Clients of VITO S-Class Services Perspective**

Customer satisfaction has also considerably improved. As observed from the Focus Group Discussion held with eleven (11) clients, it was evident that on the whole, clients were satisfied with the services provided. Some of the clients particularly the commercial drivers who are required by law to renew their road worthy certificate every six months attested to the fact that, the operations of VITO S-Class Services has been beneficial to them. All the clients of the Focus Group Discussion confessed to have ever been victims of Goro Boys knowingly or unknowingly, however the introduction of the scientific testing system has improved their compliance to ensure their safety as well as that of their passengers. One of the clients observed that,

*Frankly speaking, it has improved. My problem at first used to be the long waiting time at 37. This discouraged me or most of us. So instead of wasting a whole day at the station waiting for your car to be tested we were used to activities of the Goro boys. Well it was not genuine but at least it saved our time. But now we are more interested in saving our lives that explains why we all come here. Additionally once it is detected that you have previous fake documents you are compelled to a penalty fee, so why waste your money because the fake documents will definitely be detected.*

Another client also indicated that,

*Over here, we are sure that once your car has a problem there is no way you can pass the test and get the roadworthy sticker. Because currently the computers are doing the work that was previously done by the technical officers at the DVLA. So the results are not based on any human judgments but on the information the computer displays for example about your brakes or back axles. I can say that it is now genuine, faster and I believe more accurate. Once you get your number from the gate you enter and then follow the process. There is no protocol business here.*

Some of the clients also indicated that, this exercise undertaken every six months affords them the opportunity to put their vehicles in order, this they believed increases the life span of the vehicles. However their frustration was with the issuing of the sticker. They expressed dissatisfaction at the long hours clients are kept waiting. In line with this issue, one of the clients emotionally stated that,

*Initially it was very fast, but for about six months now it is slow, the reason being that DVLA has now gone biometric with the roadworthy sticker. After they are done inspecting and testing your car you now have to wait for over an hour before you are*

*called to come for your documents and car keys. You can imagine our frustration when our cars are parked here and our car owners are waiting for the car sales at end of the day.*

Most of the clients engaged in the Focus Group Discussion were oblivious of the fact the DVLA staff had been deployed at the premises to play the supervisory role of issuing the certificates after the test are conducted. One client iterated that,

*To a large extent they [VITO S-Class Services] are doing well except for the long waiting time in getting your sticker after the test. The test takes less than 10 minutes but then you would have to wait for more than an hour or two at least before getting your sticker. I was here yesterday but I had to go away after the test because I knew they would waste my time. I am here now and its 11am and I still don't have my documents. What is the difference between this people and DVLA then?*

Despite the aforementioned outcomes of the partnership, some challenges seem to hindering the smooth implementation of the partnership. The challenges are therefore discussed in turn.

#### **4.5 Challenges Affecting the Implementation of the DVLA-VITO PPP**

Bardach, (1977:3) states “It is hard enough to design public policies and programmes that look good on paper, it is harder still to formulate them in words and slogans that resonate pleasingly in the ears of political leaders and the constituencies to which they are responsive, and it is excruciatingly hard to implement them in a way that pleases anyone at all, including the supposed beneficiaries or clients.”

The challenges with respect to this partnership are explained from two perspectives; the DVLA and the VITO S-Class Services. DVLA's main challenge has to do with resource capacity. The inadequate resource capacity of the DVLA and how it has impacted on the partnership are discussed below.

#### **4.5.1 Inadequate Human Resource Capacity**

A key respondent within DVLA alleged that the human resource capacity of the Authority was inadequate. Another key respondent who believed that there were inadequate human resources observed that although there were enough supporting staff, the technical competence of the staff were inadequate. Two participants shared this view in their various responses. The DVLA divisional head at VITO observed,

*For me, I can say we do not have enough staff with the right skills, competence and abilities to handle the work load in this office. That is why personally I have to be going around doing certain things because the young not so experienced staff here cannot afford to them. Besides their work load is already huge not to talk of additional tasks. Effective December 2014, DVLA has moved from manual road worthy certificates to electronic certificates and this has to do with building data so the data about the vehicle and the vehicle owner has to be keyed in our data platform. Permit me to say that some of the personnel who input the data are not trained typist, they have trained on the job as such the speed at which they work does not match up with the pressure of work. This has made the introduction of the e-sticker to slow down the process a bit, but this will improve with time.*

The second respondent, a junior technical staff of DVLA at VITO also observed:

*There are only three staffs working in this department. It is much low considering the kind of work we do here. I believe that if we had had the right staffing numbers in accordance with the skills and competences needed, we would overcome our challenges easily. We don't have the requisite staffing levels and that is why sometimes we are unable to meet our quota for a day. Maybe we can consider using national service personnel since most of these persons usually are computer literates, but the challenge will be how long you can continue to train the service persons, after all they will leave after their service year is over.*

The foregoing discussion demonstrates the frustration some of the staff of DVLA deployed at VITO S-Class Services had to go through in performing their tasks as a result of inadequate required staff with the requisite skills and technical know-how. Among the three staff deployed to work at Vito, only two can effectively use the computer. This has been a challenge since the whole system has currently been computerized and roadworthy certificates issued currently are biometric. One of the two computer literates is a senior technical officer as such his duties require more of technical work than entry of data. In accordance with the above he stated that,

*Our work here is not only limited to issuance of stickers. When vehicles come here we examine them, we have physical examination when there are physical defects say smashed break light, smashed wind screen, Rickety body, worn out tyres, all this are identified and apparently that is my responsibility as the technical person here at VITO S-Class Services representing the interest of the DVLA.*

This implies that, DVLA has lack of trust that VITO S-Class Services can handle the job. Another junior staff of the DVLA at VITO S-Class Services also shed light on the human resource challenge of the department. He explained that one of the reasons for the

inadequate staff was as a result of inadequate office space and also the inability to attract the right competent staff. He further explained that, their current office space was provided by Vito.

#### **4.5.2 Inadequate Logistics**

The officials from DVLA deployed to work on the VITO S-Class Services premises, reported that the DVLA did not have adequate logistics to ensure optimum service delivery. They reported several contributing factors to this situation. The inadequate office accommodation, inadequate computers, printers and the lack of basic office equipment was hampering their performance. In accordance with the above, one of the officials of the DVLA observed,

*As you can see we have inadequate equipment to work with. There are three of us here with only two computers and one printer.*

This situation has compelled the use of a laptop computer belonging to one of the workers to be used for activities of the organization.

Apart from identifying inadequate staff with the requisite skills and capabilities, the study also found out that the inadequate staff was partly responsible for the delay in issuing the biometric roadworthy certificates to the clients and the inability of the DVLA division to clear the back log of certificates to be issued to clients whose cars have already been tested between the period of one to three days.

Just as the DVLA is constrained by some factors that have been enumerated above, the private company, Vito equally has some few issues also constraining the smooth running of activities at the garage. These are discussed below.

#### **4.5.3 Lengthy Delays in Negotiating**

Despite the fact that proposals for the establishment of such a facility was presented to the Authority as far back as 2002, the project was only considered and implemented in 2011, that is eleven (11) good years afterwards. During this nine year period, the private company was subjected to a series of negotiation talks with the government agency in order to convince them to buy into the idea of engaging a private company to undertake testing and inspection of vehicles on behalf of the authority.

It was revealed that, the license to operate the private garage to inspect and test vehicle on behalf of the DVLA was granted as far back as 2007. This suggests that, the project was expected to take off fully in 2007. However this could not materialize as a result of other negotiations that needed to be done. During the negotiation period, financial advice was sought from Deloitte and Touche to develop a comprehensive business plan and to determine the modalities between the VITO S-Class Services and the DVLA. Due to the risks anticipated, the DVLA had to take some time off to understudy some countries who had already engaged the services of private companies in vehicle inspection and testing (Director of VIR). All these had to be done to ensure due diligence on the part of the government agency. This finding is consistent with studies by Li et al. (2005) and

Cheung et al. (2010) in Hong Kong, that lengthy delay in negotiation in PPP process is a major factor constraining the smooth implementation of PPP projects.

#### **4.5.4 Delays in Reimbursement**

Information gathered suggests that, the guidelines and other documents that spell out the obligation of both parties to the contract as well as the rules and regulations of this partnership are inadequate. It is crucial to have sufficient guidelines, particularly for the effective supervisory frameworks considering the fact that, this partnership is centered on a pure technical area and this calls for a strong regulatory, monitoring and supervisory framework. As noted by Beh (2010) the lack of adequate guidelines may result in a reduction in project quality and an increase in the cost of the PPP project.

The C.E.O of VITO S-Class Services claims that a document which spells out the responsibilities and obligations of both parties exist, the concern is whether the provisions stipulated in this document is abided by. It is glaring that, some of the agreement reached in the contract document are not executed to the core. An example is the re-imburement agreement. Even though it has been established that, the Authority will be the sole revenue collectors with respect to this partnership, within 48 hours upon receipt of the payment, they are to reimburse VITO S-Class Services. However, this provision is not abided by as such it has created an unpleasant situation for the Management of the VITO S-Class Services. Due to this delay in reimbursement, though there is increasing workload, the company cannot afford to recruit additional hands. A key respondent sharing his view on these institutional barriers stated the following:

*You see, we have an agreement that we as parties to a contract are supposed to abide by. It is rather unfortunate that, this is occurring. This is not our fault, it is the doing of the regulators. For me I always make sure that we do what we agreed on and remain loyal to this course however it is only one sided and that is just not fair.*

#### **4.5.6 Inter-organizational Differences**

Weak inter-organizational cooperation and differences in organizational orientations presented a major obstacle in realizing the objectives of the partnership. The study found that, though DVLA had deployed some staff to the premises of VITO S-Class Services, the work was moving at a slow pace. VITO S-Class Services is responsible for the inspection and testing of the vehicle in accordance with the standards set by the DVLA in collaboration with the Ghana Standards Authority while the DVLA division on the VITO S-Class Services premises is responsible for the issuance of the final roadworthy certificate. The DVLA division is inundated with resource constraints. Beginning December 2014, the DVLA initiated the issuance of biometric roadworthy certificates which require that data on each vehicle that passed the test is entered into a database system, however this has created dissatisfaction among the staff of VITO S-Class Services as well as their clients.

To begin, the computers are inadequate. Though there are three staffs working on the documents of clients, there are only two computers in the DVLA office. Also the DVLA staffs working the data entry are not trained typists, although computer literates. As a result of the introduction of the biometric system as such the speed with which they work with is quite slow.

Also worthy of mention is the double data entry situation created as a result of the absence of a commonly shared data base system which can be accessed by both VITO S-Class Services and DVLA staff. This invariably is affecting service delivery as the waiting time of customers is unduly prolonged. Unlike DVLA, VITO S-Class Services has recruited the right caliber of the different categories of staff with the required abilities to work with an appreciable speed. This may be attributed to the fact that, VITO S-Class Services' main aim just like any other private entity is to make profit and remain in business as such staff recruited are inducted and oriented to pursue the profit making goal of the company. The aim of the DVLA is not to make profits but to serve the functions stated in Act 569.

#### **4.5.7 Absence of Information Sharing**

The study found that, both the DVLA and VITO S-Class Services had separate database systems within which information is processed. The separate database systems have created the situation where both parties spent time to enter the same information separately into their respective database. This double data entry also delays the process at the DVLA division within the premises of VITO S-Class Services further increasing the waiting hours of clients. The C.E.O stated that, as part of the agreement, VITO S-Class Services was to provide a database system that will facilitate information sharing by both parties and also provide laptop computers to monitoring officials of the DVLA at the head office. He affirmed that,

*Even though we have developed the database, DVLA is still yet to consider being part of this database. Additionally we have provided the laptops to them, but then they are not being used despite several attempts made to convince them to join the network.*

#### **4.6 Conclusion**

The study found that this partnership exhibits the nature of a contractual PPP and also takes the form of a strategic partnering. This contract has no definite time frame as such it is implied that the DVLA can revoke the license issued to commence testing and inspection on their behalf if VITO S-Class Services is observed to be operating contrary to the conditions stated in the contract document.

The study also found that just like most PPPs implemented, the private entity in this partnership is compensated through user fees. It was also evident that the expectation and objectives for the establishment of this partnership was to a large extent being met, despite a few operational and institutional challenges. During the preparatory stages lengthy delays during negotiation seemed to be a challenge.

During the implementation of the partnership, the study discovered that the DVLA's inability to adhere to the contractual provisions particularly with regards to the financial arrangements seemed to be affecting the smooth implementation of the partnership. Also worthy of mention is the fact that the different organizational orientation was also impeding achievement of targeted outcomes.

## CHAPTER FIVE

### SUMMARY, RECOMMENDATIONS, AND CONCLUSION

#### 5.0 Introduction

The study sought to understand the origins, processes, and outcome of the DVLA-VITO public-private partnership (PPP) in the determination of roadworthy vehicles in Ghana. The study adopted the qualitative research design approach and relied on a semi-structured interview to seek responses from selected respondents within the DVLA and Vito S-Class Services. Official documents and reports also served as useful data in the analysis of the study. This final chapter presents the summary of key findings, as well as make recommendations for practice, policy and research, and then conclude the study.

#### 5.1 Summary of Major Findings

This section summarizes the findings on the nature of the DVLA-VITO public-private partnership, the process of implementation, the outcomes of the partnership, challenges affecting the partnership, and implications of the study for theory and knowledge. The summary of the key findings is presented below.

##### 5.1.1 Nature of the Partnership

The study found that, this partnership arrangement can be classified under the contractual type of PPP. However the interesting thing to note is that, this PPP is both for service delivery at the same time for infrastructural development. The study revealed that in accordance with the rationale for most PPPs, the private company was responsible for

financing the building of the garage and providing the necessary equipment for inspection and testing. The private entity was also responsible for recruiting the right caliber of all categories of staff needed for the implementation of the partnership. These staffs which are made up of both administrative and technical staff are paid by the private company. Contrary to most PPPs in developed countries this PPP arrangement was initiated by the private sector.

In this case Vito S-Class Services after realizing the need for the DVLA to move away from the manual procedure to an automated procedure where results of test will be scientifically accurate, customers waiting time will be reduced and the activities of “Goro Boys” reduced to the barest minimum. The DVLA issued a letter of authorization to commence vehicle inspection and testing for the purposes of establishing the roadworthiness status after being convinced that the set-up of Vito S-Class Services had met the standards set in collaboration with the Ghana Standards Authority (GSA).

Again the study found out that, this PPP arrangement can be likened to what researchers term “strategic partnering”, where this partnership is for a specific purpose however there is no stated and agreed time for the end of the partnership. In other words as long as the activities of VITO S-Class Services meet the requirements and standards set by the DVLA and GSA, they will continue to be in business. On the other hand, if it is observed by the monitoring team of the DVLA that the operations of VITO S-Class Services are contrary to requirements stated in the agreement, the license issued to authorize commencement of the business can be suspended or withdrawn.

With regards to the legal arrangements binding this partnership, the study found that the Driver and Vehicle Licensing Authority Act 56 of 1999 legally mandated the agency to be responsible for the promotion of good driving standards in the country; and to ensure the use of roadworthy vehicles on the roads and in other public places. The Road Traffic Act 683 of 2004 also indicates that the DVLA may authorize other examiners to carry out their mandate.

### **5.1.2 Implementation of the Partnership**

As part of the obligations of this partnership, the private entity is responsible for conducting all the four staged test after which reports endorsed by the operations manager of Vito is submitted to the DVLA staff.

The test conducted includes brake test, suspension test, light and emission test. As per the requirements of this partnership, staffs of DVLA are principally responsible for the issuance of the roadworthy certificates after reviewing the report submitted by VITO S-Class services to their desk. Road worthy certificates are presented to vehicles that pass the test. The study also revealed that not all vehicles tested automatically pass the test however responses from interviewees showed that the pass rate had improved considerably over the period.

With regards to the financial arrangement, the study found that the DVLA had engaged the services of cashiers from ECOBANK Ghana Ltd in the collection of money from the customers. However due to the inability of the DVLA to review the financial reports

submitted by VITO S-Class Services within the 48 hour period, it has been agreed by both parties that, the financial reports will be submitted on a weekly basis for further actions by the DVLA. It was revealed that, though the PVTS was conforming to their part of submitting the reports on a weekly basis, the DVLA on the other hand was still finding it difficult to keep to their part of the agreement.

### **5.1.3 Outcome of the Partnership**

The study found that, the expectation and objectives for the establishment of this partnership was on course. Responses of the DVLA officials interviewed suggest that, Vito S-Class Services had lived up to expectation despite the challenges. It was revealed that, the establishment of this partnership has greatly had a significant impact in decongesting the previously only test station within the capital. The study also found that on average 180 vehicles undergo inspection and testing at Vito S-Class Services. This suggest that, all these cars prior to this partnership would have had to line up at the 37 test station waiting to be inspected and issued road worthy certificates.

Additionally the study found that, the establishment of this partnership has facilitated the decentralization of the services of the DVLA whiles increasing client access. This has to a very large extent if not completely eliminated the activities of the “Goro Boys” which was previously fueled by the long waiting hours customers had to be subjected to in order to get their cars manually inspected and issued road worthy certificates.

#### **5.1.4 Challenges affecting the implementation of the partnership**

The study found that, though the DVLA had received the necessary support from VITO S-Class Services, the human resource capacity and logistics needed for the effective implementation of the partnership was inadequate. This challenge has impacted negatively on the partnership. Again, the study found out that the inadequacy of staff of the DVLA generally slows down the pace of work and this has generated some dissatisfaction among the workers of Vito S-Class Services and vehicle owners.

The study also found that, the DVLA had not completely fulfilled the requirements of the agreement made. Key amongst the issues includes the delay in reimbursement. Another major finding of this study is how information asymmetry has impacted on the activities of both the DVLA and Vito S-Class Services. It is interesting to note that, even though it was agreed that, the whole system will be computerized to enable ease of information sharing, this has not been achieved though the VITO S-Class Services has provided the laptops to the DVLA.

#### **5.2. Implications for Existing Literature**

Various studies on PPPs have examined quite a number of themes including promoting economic development through PPP (Busler 2014; Sharma and Sehgal, 2010), success factors for PPP (Chan, et al, 2010; Pessa, 2010), and determinants of PPP in infrastructure (Hammami, et al, 2006; Reside and Mendoza, 2010; Sharma, 2012). Despite the expanding literature in this area, the issue of assessing the outcomes of PPP projects and arrangements for service provision in relation to the objectives set is yet

to be comprehensively examined in a developing country context. This study focused on examining the nature of the PPP arrangement between the DVLA and VITO S-Class Services for vehicle inspection and testing. The study also sought to examine the outcome of the partnership arrangement and the challenges hindering the smooth implementation of the partnership. The findings of this study confirmed several findings of scholars with regards to implementation of public private partnerships.

First, this study confirms studies by Li (2003) and Cheung et al. (2009) that public private partnerships are usually characterized by lengthy delay in negotiation. Additionally this study supports the assertion by Li (2003) and Cheung et al. (2009) PPPs are usually established to serve the interests of the rational actors involved. That is to satisfy the citizenry pressure in demanding for more facilities from the public sector; to be able to provide high quality of the service required; to appropriately allocate risks to the partner who can best manage it; and, to acquire added value from the private sector while the profit margins of the private sector are continually increased. Findings from this study show clearly that demand for improved services by the motoring public from the DVLA has been solved through his partnership. The risk in the construction of additional garage and infrastructure to deliver the service of vehicle testing has also been appropriately transferred to VITO S-Class Services.

Secondly, the findings of this study affirms the assertion by Babatunde et al. (2012) that competitive procurement process, thorough and realistic assessment of the cost and benefits, developing a favorable framework are critical to ensuring the success of a PPP

project. The findings of this study is again supported by Babatunde et al. (2012) that a well-organized and very committed public sector is vital to the success of a PPP project. The findings of this study are supported by findings of Ismail and Harris (2014) that PPPs results in higher charges to direct users although the service is improved.

### **5.3 Implications of the Study for Theory**

Rational choice institutional (RCI) theory has been found to be very useful in explaining the behavior of actors in implementing public policies (Sabatier, 2007). In accordance with the RCI theory, this study has established that self-interested actors will rationally be committed to agreed terms in order to maximize their self-interest. The study interestingly found that the DVLA although poised to maximize their interest did not act entirely according to the provisions made in the agreement with the VITO S-Class Services. This raises questions about the claim by RCI theory that actors will always act within rules that promotes and maximizes their self-interest. As emphasized by (Boudon, 2003), actions are caused by reasons and the reasons to any given action is derived after the actor has successfully considered the consequences of the action to be taken.

### **5.4 Recommendations for Effective Implementation of the Partnership**

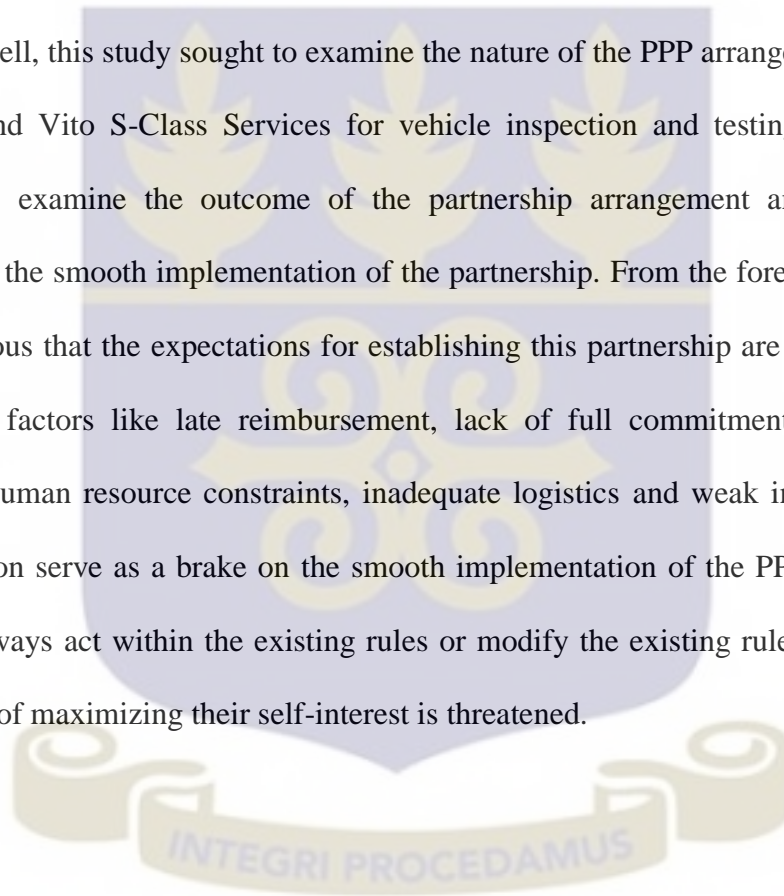
The recommendations given here are based on the research findings and the foregoing discussions. The recommendations are to policy practitioners, policy researchers, and stakeholders involved in the negotiation and implementation of PPP.

- First, in order for effective implementation of the PPP, Government must show credible commitment to adequately resourcing the DVLA. This would include making adequate logistics available and recruiting the needed staff with strong emphasis on the persons qualification and capabilities. In addition, Government must show credible commitment to ensuring that the actions of the DVLA are in conformity to agreements made prior to the establishment of the partnership by removing all forms of interferences and allow for professionalism and transparency in the administration of the DVLA. Successful implementation of public policies usually involves an equitable contribution from all stakeholders that is the implementers and the beneficiaries of the policy. VITO S-Class Services should likewise contribute their quota to ensure smooth implementation of the partnership by conforming to all requirements and standards set.
- Secondly, a common platform to facilitate the sharing of information and effective monitoring and supervision should be established.
- Third, there is the need to establish an independent monitoring team comprising of technical officers, financial advisers and administrative officers. This team will be tasked to periodically monitor and evaluate the activities of both the public agency and VITO S-Class Services to ensure conformity to provisions made in the contract agreement. This team will additionally evaluate the user fee charge with respect to prevailing economic situations and be in the best position to advice.
- Finally, Government, parliament and other stakeholders of formal-legal public policymaking in Ghana should collaborate to speed up the passage of the PPP bill into a

legal act to give a clear legal framework for the negotiation and implementation of PPPs in Ghana. Lack of a clear legal framework for the negotiation of PPPs makes existing open-ended PPPs like the DVLA-VITO partnership unstable in an environment of frequent changes in government.

## **5.5 Conclusion**

In a nutshell, this study sought to examine the nature of the PPP arrangement between the DVLA and Vito S-Class Services for vehicle inspection and testing. The study also sought to examine the outcome of the partnership arrangement and the challenges hindering the smooth implementation of the partnership. From the foregoing discussions, it is obvious that the expectations for establishing this partnership are largely on course. However factors like late reimbursement, lack of full commitment from the public agency, human resource constraints, inadequate logistics and weak inter-organizational cooperation serve as a brake on the smooth implementation of the PPP. Rational actors would always act within the existing rules or modify the existing rules especially when their aim of maximizing their self-interest is threatened.



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## APPENDICES

### Appendix 1

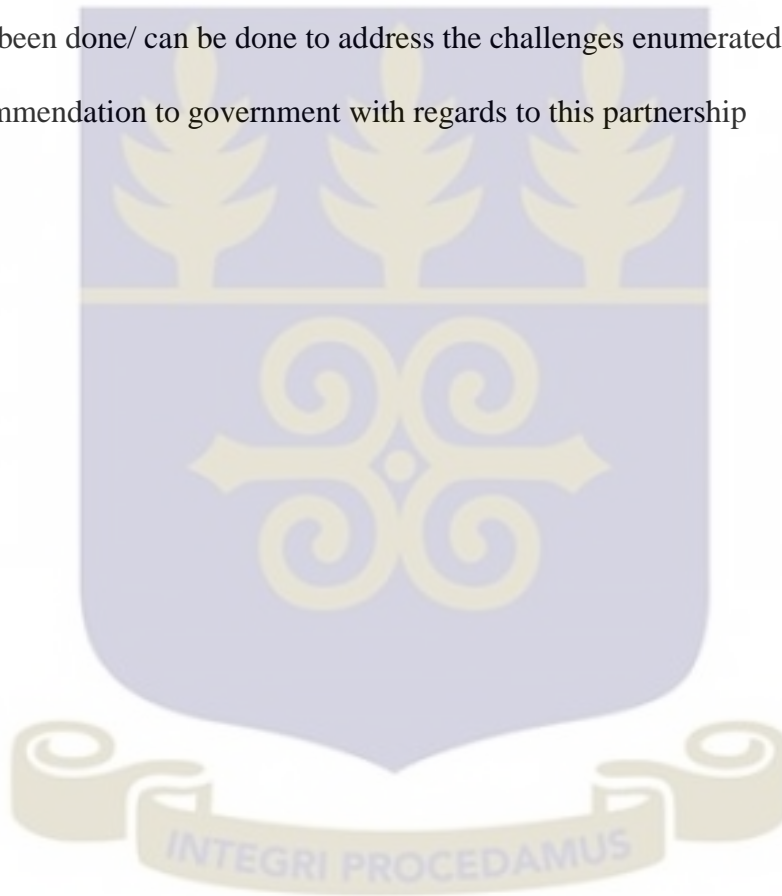
#### Interview guide for selected respondents at the DVLA

These questions are to gather data on the partnership between the DVLA and VITO S-Class Services, in partial fulfillment of the requirement leading to the award of a Master of Philosophy in Public Administration from the University of Ghana Business School, Legon. Being a wholly academic exercise, any information given me shall therefore, be held in strict confidentiality. I count on your co-operation. Thank you.

#### Interview questions

1. What kind of partnership or arrangement exists between DVLA and VITO S-class services?
2. What is the objective for the establishment of this partnership/ arrangement?
3. What kind of government policy or program is this partnership in line with?
4. What are the legal or regulatory frameworks that are backing the partnership?
5. Which agencies or institutions provided some sort of technical or financial advice for the establishment of this partnership?
6. Was the private sector consulted to determine their capacity and willingness?
7. What are some of the preparation and planning that was done towards this arrangement?
8. What were some of the challenges faced during the preparatory stages of this partnership?
9. What are the clear roles and responsibilities for each partner, which is DVLA and VITO?
10. In what ways have your partners lived up to your expectation with regards to their roles and responsibilities?

11. In your view has the objective for the establishment of this partnership/ arrangement been achieved?
12. What are some of the ways by which your achievements can be ascertained?
13. What are some of the challenges you have encountered so far in your partnership with VITO?
14. How has the challenges affected your operations?
15. What has been done/ can be done to address the challenges enumerated?
16. Any recommendation to government with regards to this partnership



## **Appendix 2**

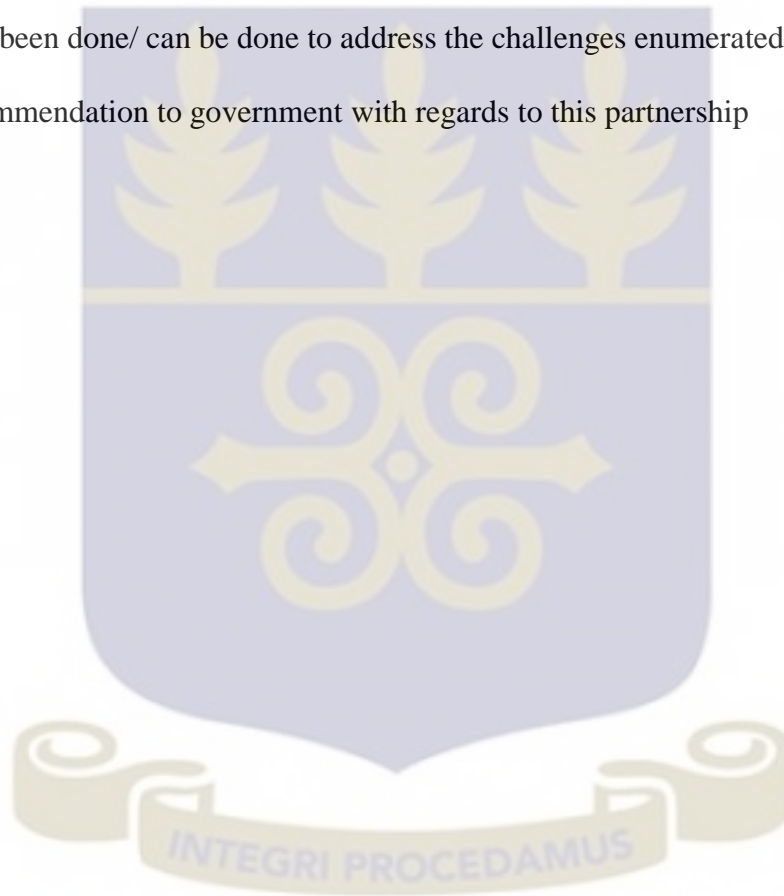
### **Interview guide for selected respondents at the VITO S-Class Services**

These questions are to gather data on the partnership between the DVLA and VITO S-Class Services, in partial fulfillment of the requirement leading to the award of a Master of Philosophy in Public Administration from the University of Ghana Business School, Legon. Being a wholly academic exercise, any information given me shall therefore, be held in strict confidentiality. I count on your co-operation. Thank you.

### **Interview questions**

1. What kind of partnership or arrangement exists between VITO S-class services and DVLA?
2. What is the objective for the establishment of this partnership/ arrangement?
3. What kind of government policy or program is this partnership in line with?
4. What are the legal or regulatory frameworks that are backing the partnership?
5. Which agencies or institutions provided some sort of technical or financial advice for the establishment of this partnership?
6. Was the private sector consulted to determine their capacity and willingness?
7. What are some of the preparation and planning that was done towards this arrangement?
8. What were some of the challenges faced during the preparatory stages of this partnership?
9. What are the clear roles and responsibilities for each partner, i.e. DVLA and VITO?
10. In what ways have the DVLA lived up to your expectation with regards to their roles and responsibilities.

11. In your view has the objective for the establishment of this partnership/ arrangement been achieved?
12. What are some of the ways by which your achievements can be ascertained?
13. What are some of the challenges you have encountered so far in your partnership with DVLA?
14. How has the challenges affected your operations?
15. What has been done/ can be done to address the challenges enumerated?
16. Any recommendation to government with regards to this partnership



### **Appendix 3**

#### **Focus group discussion guide**

These questions are to gather data on the partnership between the DVLA and VITO S-Class Services, in partial fulfillment of the requirement leading to the award of a Master of Philosophy in Public Administration from the University of Ghana Business School, Legon. Being a wholly academic exercise, any information given me shall therefore, be held in strict confidentiality. I count on your co-operation. Thank you.

#### **Questions**

1. Do you know of any private company that DVLA has engaged to carry our services on their behalf?
2. What kind of services do these companies undertake?
3. What do you think of the partnership?
4. How do you find the current activities of Vito as opposed to that of the DVLA previously?
5. Are you satisfied with VITOs services
6. What do you think can be done to improve upon service delivery?
7. Is there anything you would want to add?

