Journal of Business Studies Quarterly
2015, Volume 7, Number 2 ISSN 2152-1034

Journal of Business Studies Quarterly jbsq.org

Re-Engineering Investment in Students' Accommodation in Public Universities through Public-Private Partnerships in Kenya

Beth Wambui Kimani, Karatina University, Kenya
Kennedy Munyua Waweru, Cooperative University College of Kenya, Kenya
Humphrey R. Omondi, Karatina University, Kenya

Abstract

The purpose of the study was to evaluate the role of PPP in investment in student accommodation in public universities in Kenya. The investigative issue was whether the perceived bridging of the financing gap and risk sharing occasioned by PPP has any effect on investment in student accommodation. The study employed a survey research design and both multinomial ordinal logistic regression analysis and factor analysis. The population comprised 115 university staff and 42 investors. 34 respondents from universities' upper and middle management and 6 investors were sampled. The findings indicate that while bridging of financing gap occasioned by PPP does not have a statistically significant effect on investment in student accommodation at 5 percent significance level, it does have a positive effect. Amongst the indicators of risk sharing, both skills and expertise and types of risk were found to have a significant effect on investment of student accommodation. Generally however, though risk sharing through PPP was found to have a positive effect, this effect was not statistically significant in influencing the investment in student accommodation at 5 percent significance level. Factor analysis results showed that PPP model choice is highly influenced by policy guidelines and investment cost. Universities therefore need to put in place clear policy guidelines on PPPs spelling out how the different types of risk are shared and the level of skills and expertise required. Future research may be done to evaluate the role that PPP could play in the development of on other infrastructural projects in public universities in Kenya besides investment in students' accommodation

Keywords: PPP, Student Accommodation, Risk Sharing, Finance, Public University and Private Investors

Introduction

Public Private Partnership (PPP) is an arrangement between a public and a private sector entity, for the provision of public assets, through investments being made and/or management being undertaken by the private sector entity (Yescombe, 2007). This is usually for a specified period of time, where there is well defined allocation of risk between the parties. Roger (2002) states that private partner receives performance linked payments that conform to specified and