Public-private partnerships in the health sector – a call to action

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At a time when the global health sector is seeing a range of new business and funding arrangements, this article outlines the background and the imperatives for structuring public-private partnerships (PPPs), both to provide sustainable health outcomes as well as to enhance the capacity of countries to deliver social services and strengthen the social policy fabric in a free market context. The types of public-private interface within the health sector are examined in terms of global coordination and country health systems, and also with a focus on the challenges at ethical and operational levels. The paper concludes with recommendations for policymakers in the Commonwealth to capitalise on a collaborative opportunity to develop globally acceptable principles and operational frameworks with careful attention to ethical, methodological, sustainability and governance-related issues.

The Commonwealth includes a quarter of the world's population and although there is no charter or treaty, the collaborative intent presents a unique opportunity for the member countries to deliberate on matters of mutual interest. Differences notwithstanding, countries within the Commonwealth have notable similarities in their legislative, social welfare and parliamentary systems, owing to their common evolution from the British Empire. Of particular relevance is the impact of free market principles and policies promoting liberalisation, privatisation and deregulation on the social sector. These broad changes in the macro-economy, which move back the borders of the state and reshape the way the government does business, also impact on the discourse over public goods and the role played by governments in the delivery of social services.

Several Commonwealth countries are now exploring mixed arrangements for the delivery of social services; this represents a fundamental change from the way governments have been functioning in the past decades as *financiers*, *deliverers* and *providers* of services to a role that entails financing a certain set of services, playing a stronger normative, regulatory, stewardship and oversight role. Here it must be recognised that the most important role of the state lies in raising revenues to pay for welfare; however, when it comes to services the system can be organised for welfare provision to harness the capacity of other partners, which can go beyond the institutions of the state completely. Being a financier of welfare and only partly responsible for delivery of services has important consequences for the way a welfare policy is made, and will mean that the government will have to interface with a wider range of organisations in the delivery of care. It is this concept that forms the rationale for building public-private partnerships.

Some Commonwealth countries are advanced in institutionalising these mixed approaches; in the UK the public sector has been developing PPPs in a wide range of sectors such as health and education; these represent an investment of around a $100 billion. However, a majority of the countries need guidance on how to structure these arrangements in a procedurally and ethically acceptable manner, and it is here that the Commonwealth can provide an opportunity to capitalise on sharing of experiences at a policymaking level.

Interface arrangements

Public-private partnerships are interface arrangements that bring together organisations with the mandate to offer public good and those that could facilitate this goal though the provision of resources, technical expertise or outreach. *Partnership* refers to long-term, task-oriented and formal relationships that need to be differentiated from *privatisation*, which involves permanent transfer of control through transfer of ownership right, or an arrangement in which the public sector shareholder has waived its right to subscribe, and from *contractual arrangements*.

In this context, the most useful classification of public-private partnerships is by the purpose they serve in health systems. Two types are worth considering separately: those that are global or transnational in configuration and

Table 1: Examples of transnational partnerships

	Purpose	Partnership
1	Product development	Global Alliance for TB Drug Development (GATBDD), International Aids Vaccine Initiative (IAVI), Medicines for Malaria Venture (MMV) and Malaria Vaccine Initiative (MVI)
2	Improving access to healthcare products	Global Polio Eradication Initiative (GPEI)
3	Global coordination mechanisms	Global Alliance for Vaccines Initiative (GAVI), Global Alliance for Improved Nutrition (GAIN)
4	Strengthening health services	Alliance for Health Policy and Systems Research
5	Public advocacy and education	Alliance for Microbicide Development
6	Regulation and quality assurance	Anti-Counterfeit Drug Initiatives

are intended to address broad questions of sustainable healthcare provision (see Table 1 for examples); and those that are relevant to country health systems and have to do with mainstreaming the role of the private sector to assist the state in healthcare delivery.

Global transnational partnerships

In recent decades, a new breed of partnerships involving the public and private sectors has emerged on the global public health scene. With a focus on infectious diseases and within the context of global coordinating mechanisms, such partnerships present a mechanism for achieving a range of desired health outcomes by leveraging the strengths of partners. These partnerships are known to have improved access of poor populations to 'products' and 'services' by focusing on product development, addressing impediments to access, enhancing global coordination mechanisms, strengthening health services, engaging in public advocacy and education, enhancing regulation and assisting with quality assurance. Such partnerships include a variety of complex arrangements of various sizes, forms and scope.

Public-private partnerships in traditional health systems

A number of arrangements can evolve as a result of interfacing the roles, responsibilities and prerogatives of the public and private sectors in traditional health systems. For example, at a service delivery level, primary healthcare services can be *contracted out* to the private sector, completely or in part; alternatively, the public sector can also *contract in* private sector expertise and entrepreneurial talent to manage health facilities. Also at a service delivery level, the public sector can take advantage of the expertise and contacts of private sector healthcare providers, traditional healthcare givers and NGOs to deliver a package of health services which they commit to delivering as public good to their citizens.

At a health financing level, the private sector can provide alternatives to tax revenues; for example, the private insurance industry can be a source of finance for healthcare in countries where the formally employed sector is predominant; communities can contribute to social insurance pools, and individual philanthropy can be channelled into social protection funds.

At a governance level the private sector can be represented on autonomous governance boards of hospitals; whereas at a basic healthcare level, communities can be involved in institutional decision making.

Challenges and issues

Within the health sector, public-private partnerships are the subject of intensely fuelled debate. Several examples highlight the potential for addressing difficult problems by leveraging the strengths of different partners; however, these also illustrate complex issues, as such arrangements bring together a variety of players with different and sometimes conflicting interests and objectives, working within different governance structures.

Ethical challenges are largely generic across the range of public-private partnerships. These relate to a notable lack of norms and agreed principles within which public health goals can be pursued in a partnership arrangement.

First, there is a concern that if public-private partnerships are not carefully designed, they may reorient the mission of the public sector, interfere with organisational priorities, and weaken capacity to uphold norms and regulations. Such a shift is likely to displace the focus away from the marginalised, and may therefore be in conflict with the fundamental concept of equity in health.

Secondly, it is increasingly argued that engaging in a partnership mode provides the public sector with an opportunity to renounce its responsibilities; this in a sense may lead to withdrawal of social safety nets and may result in a laissez-faire attitude, prejudicial to the interest of the most vulnerable groups.

Thirdly, there are also concerns that such partnerships redirect national and international health polices and priorities and have the potential to defeat crucial local and national efforts; partnerships generally tend to aim for short-term high profile goals and tend to pick the easiest fruits. Partnerships cannot be held accountable for synchronising their activities with emerging processes aimed at developing health systems. Therefore if they are not strategically placed within a long-term context, they have the potential to fragment the healthcare system by instituting independent vertical programmes.

And finally, many partnerships are initiated on the premise that they fulfil a social obligation, and can involve good intentions on the part of individuals and organisations. However the basic motive that drives the for-profit sector *demands* that these involve a financial pay-off in the long term. Within this context, donor-recipient relationships bring in their wake many concerns. These include concerns relating to such arrangements providing the for-profit private sector an opportunity to improve their organisational image by

engaging in cause-related marketing; and concerns relating to these engagements facilitating access of the commercial sector to policymakers.

The call to action

In the world we live in today, global agendas are being increasingly shaped by the private sector, the immense resources of which make it an irresistible partner for public health initiatives. These arrangements can also be mutually synergistic. Governments and international agencies can tap into additional resources to fulfil their mandate, whereas the commercial sector can fulfil its social responsibility, for which it is being increasingly challenged. Additionally, the recent SARS epidemic and bio-terrorist threats should help to make the private sector understand the value of investment in health for reasons beyond fulfilling their social obligations.

As a first step, therefore, there is a need to develop a set of globally acceptable *norms and ethical principles*; a broad-based agreement over these must be achieved. The transnational nature and global outlook of emerging partnerships necessitate that these stem from a broad-based international dialogue.

It is critical that the driving principles for such initiatives be rooted in benefit to society, rather than mutual benefit to the partners, and should centre on the concept of equity in health. Norms must stipulate that partnerships contribute to strengthening of social safety nets in disadvantaged settings and should be set within the context of 'social responsibility', as the idea is not meant for private funds to be put to public use nor to privatise public responsibilities. Global principles must specify that partnerships should be in harmony with national health priorities; they should complement and not duplicate state initiatives and should be optimally integrated with national health systems without any conflict of interest. Norms must make it mandatory for all partners to contribute to common goals, as a true partnership is one in which the partners, though having different motivation and values, have a shared objective.

Global efforts should demand, encourage and assist the development of *policy and legislative frameworks* shaping public-private partnerships *within* countries. This will help to legitimise public-private relationships, lend credence to the approach, help to foster an enabling environment and provide a mandate for the development of ethical guidelines to further direct these initiatives.

Within stipulated legislative and policy frameworks, support must be provided to developing countries to develop specific guidelines to steer such relationships. Guidelines can assist with the development of selection criteria and help specify roles of the public and the private sectors. They can also assist with the development of models that outline combined governance structures, clearly aimed at improved systems of governance. Guidelines must articulate a clear policy on a *participatory approach* to the decision making process, and should be able to assist with developing well-defined *governance structures* to allow for distribution of responsibilities to all the players. Due attention must be paid to balancing the power relationships, ensuring the sustainability of partnerships and ensuring that all players are held accountable for the delivery of efficient, effective and equitable services.

The wider context of PPPs

Often in public-private relationships it is unclear to whom these partnerships are accountable, according to what criteria, and who sets the priorities? To hold partners accountable for their actions, it is imperative to have clear governance mechanisms and clarify each partner's rights and obligations. Clarity in such relationships is needed to avoid ambiguities that lead to the break-up of partnerships. Though an evidence-based approach and ethical considerations must never be compromised in such endeavours, and every effort should be made to ensure that goals are mutually compatible, guidelines also need to be flexible in order to accommodate each partner's organisational requirements and integrity. Moreover, they need to be pragmatic. The public sector needs to recognise the basic legitimacy of the private sector and the profit motive that drives it. It is also essential for the public sector to respect the organisational autonomy and priorities of the non-profit sector. In this context, partnerships and contractual relationships need to be carefully differentiated.

The impetus for driving global and national efforts in creating a transparent and conducive environment for public-private partnerships needs to come from the public sector. This raises the issue of capacity within countries; the gap needs to be bridged by assistance from UN agencies and other multilateral frameworks, which have the mandate of harnessing and coordinating support among a variety of players for global actions. However, the results of such actions will only be as good as governments make them; weak and poorly informed governments cannot remedy their own deficiencies by seeking to yoke the private sector to their own uncertain cart.

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***Heartfile** is a Pakistan-based non-profit, health-sector NGO recognized worldwide for its pioneering contribution in the area of chronic disease prevention, health promotion and health systems strengthening. It is today the most powerful health policy voice in Pakistan, and valued as a model for replication in other developing countries.*

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