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## Public–private Partnerships for Health: A trend with no alternatives?

JUDITH RICHTER

**ABSTRACT** *Judith Richter argues that the public–private partnerships per se are not necessarily positively innovative, but that many of them carry large risks that are neither highlighted nor addressed due to the positive connotation of the term. The main novelty of public–private ‘partnerships’ is not so much the type of interactions but the framework of thought underlying this policy paradigm. She suggests that there are better and safer alternatives to the uncritical spread of the partnership-with-business paradigm. She asks that these are urgently considered if we are serious about the core mandate in the international health arena: the protection, respect, facilitation and fulfilment of people’s fundamental right to the highest attainable standard of health.*

**KEYWORDS** *transnational corporations; UN; WHO; negotiations; public interest; risks*

### The new trend

Public–private partnerships (PPPs) are now top of the United Nation’s list of approaches to enable UN agencies to be more effective and efficient. The trend of working more closely with the commercial sector in the name of partnership started over a decade ago during the run-up to the 1992 UN Conference on Environment and Development (UNCED), dubbed the Earth Summit. Major transnational corporations and political leaders began to state that it was time for all those concerned with the environment and development to move forward, away from ‘confrontation’ with each other and towards ‘cooperation’ and ‘dialogue’ to tackle the urgent issues of the day.

For example, Gro Harlem Brundlandt, the World Health Organization’s Director-General from 1998 to 2003, and former chair of the Brundtland Commission whose report *Our Common Future* significantly influenced the Earth Summit Process, said already in 1990:

Partnership is what is needed in today’s world, partnership between government and industry, between producers and consumers, between the present and the future .... We need to build new coalitions .... We must agree on a global agenda for the management of change .... We must continue to move from confrontation, through dialogue to cooperation .... Collective management of the global interdependence is ... the only acceptable formula in the world of the 1990s. (Lohmann, 1990: 82).

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The year 1997 marked another turning point in UN-business relations. In July 1997, the new Secretary-General of the United Nations, Kofi Annan, 'unveiled a long-awaited [UN] reform proposal that ... stated openly that the relationship of the UN system with the business community was of 'particular importance.' (Tesner with Kell, 2000: 33).

Today, there is hardly any UN agency that does not actively promote and seek out some sort of partnership between itself and the corporate sector. The pursuit PPPs has now become integral to the policy of intergovernmental agencies such as WHO and UNICEF, as indicated by their core policy documents and processes.

Those who advocate critical scrutiny of this policy trend are told that they are not in tune with current times, that they follow 'outdated mental models,' that they risk causing 'unnecessary suffering ... to those who ... would have benefited but now will not.'<sup>1</sup> PPPs are presented as *the* innovative policy approach of the new millennium with no acceptable alternative. But:

- Are PPPs truly a positive innovation?
- Are there no better policy approaches to achieve Health for All, in particular for the marginalized and vulnerable people of this world, than those based on 'partnership' with industry?

### What are PPPs?

The first question that arises in this debate, is what is understood by the term public-private partnership. Even though many UN leaders have been promoting closer interactions with the commercial sector and wealthy business figures under the partnership label for years, there is in fact no single agreed-upon definition within the UN system.

According to a report commissioned by the UN Global Compact Office on cooperation between the UN system and the private sector, 'there has been a tendency, within the United Nations system and elsewhere, to use the concept of partnership very loosely to refer to almost any kind of relation-

ship' (Nelson, 2002). For clarification the following definition was suggested:

'Partnership is a voluntary and collaborative agreement between one or more parts of the United Nations system and non-State actors, in which all participants agree to work together to achieve a common purpose or undertake a specific task and to share risks, responsibilities, resources, competencies and benefits' (Nelson, 2002: 47).

The most commonly used definition in the health arena is that proposed by Kent Buse and Gill Walt. These academics from the London School of Hygiene and Tropical Medicine define a global PPP for health as:

a collaborative relationship which transcends national boundaries and brings together at least three parties, among them a corporation (and/or industry association) and an intergovernmental organization, so as to achieve a shared health-creating goal on the basis of a mutually agreed division of labour (Buse and Walt 2000a: 550).

I do not dwell on comparing the various PPP definitions and categorizations.<sup>2</sup> If the aim is to move debates about the value of PPPs forward, the most important step is to always clearly distinguish between:

- PPPs as a policy paradigm; and
- concrete public-private 'partnerships'/interactions.

This theoretical distinction is an indispensable precondition for bringing some clarity into the picture. It helps, for example, to separate discussions about whether or not it is reasonable, and in the public interest, to recommend abandoning the PPP paradigm from discussions about the nature, value, costs and risks of specific public-private interactions. Without this distinction, debates will remain eternally confused and needlessly polarized.

### Are PPPs a positive innovation?

PPPs have been introduced on the basis that they are a positive innovation. However, many of the so-called PPPs are in fact anything but new. Cur-

rently lumped together under this term are diverse categories of public–private interaction such as:

- fundraising – requesting or accepting corporate donations in cash or in kind,
- negotiations or public tenders for lower product prices,
- research collaborations which are, in fact, often publicly subsidized,
- negotiations, consultations and discussions with corporations and their business associations (e.g. regarding their willingness of salt manufacturers to iodize salt),
- co-regulatory arrangements to implement ‘voluntary’ (legally non-binding) codes of conduct,
- corporate social responsibility projects, many of which are cause-related marketing- or other strategic sponsorship projects; and
- contracting out of public services, such as water supplies.

Subsuming such widely differing issues as fundraising from transnational corporations and privatization of water supplies under a common label of PPPs not only makes little sense but obscures important distinctions.

While many of the arrangements now termed PPPs are anything but new, there are some newer types of public–private interactions. Some analysts have suggested looking at newer types as ‘social experiments’ (Buse and Waxman, 2001). They include the so-called global health and nutrition alliances such as the Global Alliance for Vaccines and Immunizations (GAVI), the Global Alliance for Improved Nutrition (GAIN) and the Global Fund to Fight AIDS, Malaria and TB. They also include high-level interactions between the UN and corporations, such as the Global Compact.

I do not provide a detailed analysis of social experiment initiatives.<sup>3</sup> Rather I limit myself to pointing out that global health partnerships which follow the GAVI model, usually involve the enrolment of business representatives in key decision-making positions. For example, the Global Fund to Fight AIDS, Malaria and TB grants voting rights on the Governing Board to a business representative, but none to representatives of WHO, an institution representing 192 Member States.

The main novelty today is above all the ‘new mental model,’ the framework or thought underlying PPPs. As a book on building UN-business partnerships suggests, one of the key constitutive features that distinguish partnership from other interactions with the private sector is the *shared process of decision-making*:

In the most strategic partnerships, the partners will work together at all levels and stages, from the design and governance of the initiative, to implementation and evaluation (Nelson, 2002: 47).

### What is new about PPPs?

The PPP paradigm is based on a number of assumptions, implicit or otherwise that:

- interactions with business actors should preferably be conducted as ‘partnerships’ which are based from the outset on ‘trust’ and should aim at ‘mutual benefits’;
- public–private ‘partnerships’ are a ‘win–win’ situation (or even ‘win–win–win’ in the case of tri-sector ‘multi-stakeholder’ interactions);
- this policy paradigm is the policy innovation of the new Millennium, or simply that it is an unavoidable necessity.

For example, Gro Harlem Brundtland, one of the prime movers behind the surge of the partnership paradigm in the health arena, stated categorically a year before leaving office as WHO Director-General:

In a world filled with complex health problems, WHO cannot solve them alone. Governments cannot solve them alone. Nongovernmental organizations, the private sector and Foundations cannot solve them alone. Only through new and innovative partnerships can we make a difference .... Whether we like it or not, we are dependent on the partners ... to bridge the gap and achieve health for all (Brundtland, 2002).

Accepting these assumptions at face value carries large risks. UN agencies may not examine corporate donations or joint ventures carefully enough to check for problematic conditionalities attached to the arrangement. They may not adequately check for potential negative outcomes of

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the arrangements nor for problematic hidden agenda of the commercial party. Overall, the trend towards 'partnerships' with business has resulted in sidelining and neglect of conflict of interest issues.

There are undoubtedly some interactions in which all parties have something to gain and which are fully in the public interest. Nonetheless, the stress on 'win-win' situations leads to a partial and possibly biased assessment.

A more appropriate description would be 'who-wins-what' and 'who-loses-what?' and to check whether the gains or 'wins' for the commercial sector are based on, or result in, losses from a public interest-perspective.

### A 'win-win' paradigm?

These losses, trade-offs and concessions can indeed be far reaching. Some broad and well-established risks for society of the policy trend towards partnerships between the public and private sector include:

- commercial actors using the interaction to gain political and market intelligence information in order to gain political influence and/or a competitive edge (over companies which are not interesting enough as 'partners' for UN agencies);
- business actors using the interaction to set the global public agenda;
- business actors using the interaction to 'capture' and/or sideline intergovernmental public agencies;
- UN agencies developing an internal climate of censorship and self-censorship, and
- a weakening of efforts to hold transnational corporations publicly accountable to society for their practices and actions.<sup>4</sup>

For business partners, the balance between the potential gains and risks in an interaction with a UN agency (or public interest group) looks very different. Already a few years back, an article published in the *Bulletin of the*

study on Global Public Private Partnerships for Health:

For the corporate sector, partnerships have (1) increased corporate influence in global policy making and at the national level; (2) brought direct financial returns, such as tax breaks and market penetration, as well as direct financial benefits through brand and image promotion; (3) enhanced corporate authority and legitimacy through association with UN and other bodies ... (Buse and Walt, 2000b).

As the authors point out 'the costs for the private sector seem to be relatively small in relation to overall gains: a potential small loss of resources if programmes do not work but huge benefits in public relations when they succeed' (Buse and Walt, 2000b: 706).

For the for-profit sector, in particular for those corporations who 'partner' with UN agencies, the UN's shift towards accepting the PPP paradigm has already paid off well – from a public interest perspective, however, many of the gains for the corporate sector can be seen as losses in particular if one looks at the ability of WHO, its member states, and the world's citizens to exercise control over decision-making processes in the area of health policy making, standard setting and advocacy of public interests. The problem is that many analyses of PPPs focus either on the benefits or on specific public-private initiatives – broader issues linked to the paradigm shift still do not receive the attention they deserve.

One of the most substantive losses of the partnership paradigm is perhaps the loss of crucial distinctions between the roles and obligations of the different actors in the international health arena due to the indiscriminate use of the term 'partner' for UN agencies, governments, transnational corporations and their business associations, and public interest NGOs alike. This has important political consequences. A recent study that analysed the partnership paradigm as part of a more general shift of international relations thinking pointed out:

It is problematic to use the term 'partnership' to characterize the relationship between state and non-state actors, because what the term suggests is an ... equal status for the actors involved. This relativizes both,

the special political status of governmental institutions under international law and their (democratic) legitimacy. The use of terms like 'partnerships' is ... not just a matter of stylistics, it has eminently political significance. It implicitly downgrades the role of governments and intergovernmental organisations and upgrades the (political) status of private actors, in particular of the transnational corporations involved in these cooperation models' (Martens, 2003: 26).

### **What are the alternatives to the PPP paradigm?**

Today, it is not uncommon to find statements which affirm that 'in an increasingly interconnected world it is impossible for any sector to work in isolation' (Mannar, 2003). Such statements foster the understanding that there are no alternatives to the shift towards PPPs.

However, they are based on a great misunderstanding and needlessly confuse the debate. Calling for an abandoning the PPP paradigm and calling for a moratorium on and potential halt of some concrete partnership initiatives is not the same as a wholesale call for abandoning interactions between the public and private sector. None of the critics advocate this. They know that these two sectors have always interacted with each other, be it in research collaboration or in public efforts to regulate, for example, harmful marketing practices of pharmaceutical, alcohol, tobacco and (infant and/or junk) food industries.

However, until the partnership model came along, it was common knowledge that some of these interactions were useful, others harmful and best avoided, and that all interactions with business actors need to be carefully hedged.

### **Putting public-interest central stage, 'calling a spade a spade', establishing effective safeguards**

The most fundamental alternative to PPPs consists in asking what can be done to ensure that public interests remain at the centre of all financial relationships, joint ventures and other interactions between UN agencies and the commercial sector or wealthy corporate donors.

The first concrete step in this endeavour consists in replacing the PPP policy paradigm by a policy paradigm that is centred on public-interest. As already stated, this does not mean abandoning interactions between public and commercial actors. Rather, it requires much more critical policy reflection where increased interactions between public and business actors is likely to positively and negatively IMPACT ON the achievement of health for all. And it requires adopting the well-proven policy paradigm in which public-private relationships are seen as potentially problematic interactions between two separate spheres. It means being very clear about the purpose of business actors – which is to make a profit for their companies. It is about asking 'who wins what?', 'who risks what?', and about exercising appropriate caution.

The following measures can help to better ensure due diligence when the public sector is interacting with business actors:

- re-name PPPs as public-private interactions or similar, less value-laden terms,
- identify the category or subcategory of the interaction that best facilitates identification of conflicts of interest; and
- establish clear and effective institutional policies and measures that put the public interest at centre stage in all public-private interactions.

### **Open up spaces for independent, public examination and debate**

If the guiding principle in health policy making remains achieving health for all and if one of the UN system guiding principles remains the promulgation of more democratic processes, then it is urgent to actively open up spaces for critical examination and debate about the merits and risks of the 'partnership' paradigm and its various manifestations. This would include examining concrete public-private interaction-types from a broad perspective, and asking whether some of them are not too risky to engage in.

The idea of increasingly financing the UN system through corporate funds, for example,

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needs to be much more widely debated and questioned: Are the risks for the independence, integrity and reputation of the UN not too great?

### Notes

- 1 These were the value judgements contained in a presentation advocating the adoption of the PPP approach in the nutrition arena by MGG Venkatesh Mannar, President of the Micronutrient Initiative (see Mannar 2003).
- 2 On the question of definitions, see, for instance, Buse and Walt (2002) and Ollila (2003, pp. 42–43).
- 3 For analyses of Global Health Alliances with further references, see example Ollila (2003), Richter (2003a). For analyses of the Global Compact see, example Bruno & Karliner (2002); Utting (2002), Richter (2003b); Zammit (2003), Martens (2004; [www.evb.ch](http://www.evb.ch)).
- 4 See for example, Utting 6 April 2004 (2000, pp. 32–34); HAI (2001; [www.haiweb.org/campaign/PP1/Seminar200011.html](http://www.haiweb.org/campaign/PP1/Seminar200011.html)); and the summary of criticisms in Buse and Waxman (2001, pp. 750–751).

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