

Public-Private Partnerships: A Double-Edged Sword

<http://www.hcs.harvard.edu/hghr/print/features/public-private/>

[Adam Joseph](#) | November 16, 2012 | [0 Comments](#)

The varied financial models for funding global health have caused uncertainty regarding the ideal structure of global health organizations. With a number of interests at stake – including those of governments, profit-driven initiatives, and philanthropic organizations – there are often conflicts between groups whose goals do not align.

Public-Private Partnerships (PPPs) is a term used to describe organizations that are governed and funded by both public and private sector groups. The World Health Organization (WHO) defines PPPs as a “wide variety of ventures involving a diversity of arrangements, varying with regard to participants, legal status, governance, management, policy-setting prerogatives.” [1]

One recently formed PPP, Uniting to Combat Neglected Tropical Diseases (UTCNTDs), combines the financing resources of the Bill & Melinda Gates Foundation, a number of pharmaceutical companies, and the governments of the United States, the United Kingdom, and the United Arab Emirates. By combining their resources, these influential entities are able to contribute a total of US\$785 million through 2020 to research initiatives aimed at eliminating Neglected Tropical Disease (NTD). [2]

UTCNTDs is a perfect example of the underlying power of PPPs. Thanks to the mammoth organizations that are behind the initiative, raising nearly one billion dollars is an seemingly effortless task.

However, criticisms of the PPP model can overshadow its financial power. Consider the donors that are contributing partners to UTCNTDs; they come from the pharmaceutical industry, different world governments, and from non-profit organizations. These donors can have very different goals and priorities. These differences, even when related to the common goal of eliminating NTDs, can have a profound effect on the structure of the PPP. For instance, pharmaceutical companies need to earn a profit in order to cover research expenses from the creation of new drugs. Likewise, the Bill and Melinda Gates Foundation might prioritize technological solutions.

In an interview with HCGHR, Harvard School of Public Health Professor Yuanli Liu stated that, “you have to realize that private sector concerns are legitimate. Making money isn’t just for rich investors – it assures that technological innovation continues.” [3]

However, the non-profit donors might have less interest in profits, instead placing emphasis on providing direct care and training to front-line staff. Though the various motives of donors are legitimate, it is important to note that differing goals can make the dynamics of the partnership less than ideal.

This problem of internal dynamics mirrors the more severe issue of lack of cooperation between the PPP and the host nation. Although they offer huge sums of money that can make significant contributions, PPPs often do not harmonize structurally with their host countries. Harvard School of Public Health Professor William Hsiao stated in an interview with HCGHR that, “It’s a misnomer that it’s a partnership – there is a senior partner – the donors from outside of the host countries. This is what drives it.” [4] The immediate goals of donors are often not amenable to the larger structural problems faced by each individual developing nation. Professor Hsiao stated that, “the immediate problem for low income countries is money. However, I would argue that donors should actually focus on the fundamental social change as well as health changes. These countries need money so the donors can help fulfill this very important role. But that money may not be used very effectively.”

Thus, perhaps the very presence of PPPs distracts from the important issues in global health. Instead of promoting social change within countries and helping developing nations create their own productive healthcare infrastructure, PPPs attract attention to large sums of money that do not solve the underlying problems. For instance, UTCNTDs chooses to focus on NTDs. Although these diseases are a very severe problem, they are

just some of the many health challenges facing developing nations. However, with a large amount of money flowing into fighting NTDs specifically, a number of countries may send their best staff to administer treatments provided by UTCNTDs. Professor Hsiao described the money as gravitational force, warning that “all of this attention would be drawn to NTDs. Maternal/child health could be neglected. Primary care could be neglected.”

PPPs can thus be characterized as a double-edged sword. Although they are able to provide large amounts of money, they do not allow for a holistic view of the healthcare concerns faced by a country.

Professor Liu stressed that PPPs need to create innovative solutions to structural problems faced by developing nations rather than focusing exclusively on delivering healthcare services themselves. His own initiative, Rural Mobile Health Demonstration Project, provides mobile healthcare to marginalized villagers in various regions of China. [3] It aligned its various partners with the Chinese government by approaching the government from the outset to gain its support. The Chinese government enthusiastically supported the project and actively facilitated its development. Liu explained that the Project “donated the vehicle [and] the technicians” while the Chinese government “allocated money to support the personnel of the mobile center.” The Rural Mobile Health Demonstration Project is clearly trying to address the problems of being out of phase with government priorities, but it remains to be seen if this will be an effective way to bridge the gap between funders and the needs of the target population. Regardless, initiatives that harness government support seem to be a step in the right direction.

Perhaps this initiative offers a model that is more sustainable. PPPs, given their huge funds and research power, can investigate ways to establish infrastructure-oriented projects that can be sustained by the government. This would put the nation’s healthcare into the hands of the citizens, and would create less discord between different parties in the PPPs.

Sources:

1. World Health Organization. “Trade, foreign policy, diplomacy, and health.” *Public-Private Partnerships for Health* <<http://www.who.int/trade/glossary/story077/en/>> 24 April 2011.
2. Uniting to Combat NTDs Press Release <http://www.unitingtocombatntds.org/downloads/press/ntd_event_press_release.pdf>.
3. Liu, Yuanli. Personal Interview. 21 February 2012.
4. Hsiao, William. Personal Interview. 17 February 2012.