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## Public Private Partnership in the Health Sector: Boon or Bane

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### Abstract

Public Private Partnership (PPP) is collaboration between the public and private sector that enables fulfilment of certain common goals by overcoming the visible limitations. Based on studies and sample surveys conducted, the Government has the pivot role of framing health policies and programmes specific to the requirement of each country. However, over the years the health sector has witnessed a demand supply mismatch attributed to a couple of factors. The private sector has served as a catalyst to deliver these services to the people by ways of greater efficiency, better management skills and focused strategies and stronger resource base whether in terms of monetary resources or human resources. This paper aims to give an overview of the evolution of the Public Private Partnership. At the Global Level, it discusses the examples of popular Public Private Partnerships especially in Asian and African states and evaluates its success. Coming down to the National Level, it gives a summary of the existing PPP models in India and further takes up a detailed study of the Chiranjeevi Yojana Scheme in Gujarat. The positives and negatives of the scheme are highlighted. Finally the challenges of PPP in the health sector are assessed putting forth some meaningful suggestions.

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### 1. Introduction

Health should be viewed as not merely the absence of disease but as a state of complete physical, mental and social well- being. (Commission, 2012-2017). With the declaration of the Millennium Development Goals in 2008

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where health was a priority concern, all nations realized the need to revamp the health sector in their respective territories and make provisions to facilitate improvement. However, one of the prominent limitations that most of the nations acknowledged was that they could not stretch themselves beyond a certain point in context to building capacities in the health sector domain. Therefore the need to engage in partnerships was felt.

In normal parlance the term Public Private Partnership (PPP) refers to coming together of the Government Sector and the Private Sector which encompasses all non-government agencies like the corporate sector, voluntary organizations, self-help groups, partnership firms, individual and community based organizations to augment the existing public health system. It would mean a collaborative effort and reciprocal relationship between two parties with clear terms and conditions to achieve mutually understood and agreed upon objectives following certain mechanisms.

This paper basically gives an overview of the public private partnership in the health sector at the Global Level with the help of some examples. It brings out the influence of such a trend on the national level. At the national level, some of the common models are discussed in detail. The shortcoming of the PPP paradigm is highlighted along with the challenges. Lastly with the help of a case study of the Chiranjeevi Yojana Scheme in Gujarat the positives and negatives of one of the PPP model are analyzed.

## 2. PPP at the global level

In the increasing mismatch between demand for and supply of health services, many OECD (Organization for Economic Co-operation and Development) and middle income countries have adopted the PFI (Private Finance Initiative) model wherein the private sector is held responsible for providing infrastructure including well equipped hospitals where as the other core health services are to be rendered by the public sector. In other cases Governments have favoured PPP model whereby the responsibility of full service delivery is shouldered by the private sector. This kind of collaboration is important because the focus of problem is not merely lack of updated equipment but also lack of professionals. Both of these factors complement each other to ensure a smooth functioning of the health sector.

Partnerships as mentioned have been of numerous types. At the Global Level Partnerships are usually between a multinational company and a donor mostly research organizations. A typical example of this is a drug donation program where drugs for a specific purpose is given for free or at a subsidized rate to some international organizations for having utilized in the most appropriate way- subsidized prices for drugs for HIV/AIDS.

Apart from this, organizations like The Bill and Melinda Gates Foundation have fostered partnerships between private and public entities to develop better ways to deliver health interventions such as vaccines or health treatments. The growing importance of international private health foundations with their strong ties to the private sector makes it quite evident that there will be a substantial increase in the number of such partnerships in the future.

According to the Report by the Ministry of Foreign Affairs of Netherlands it has been observed that the Dutch Government is involved in PPPs in African states like Mozambique, Rwanda and Burundi as well as in Asian states like Indonesia and Mongolia. They have undertaken projects which are of the nature of coalitions between organizations like Global Alliance for Vaccines and Immunization (GAVI), partnerships with individual companies like the Dutch energy company Nuon in the Foundation for Rural Energy Services (FRES) in Mali and Product Development Partnerships (PDPs). Apart from this the Dutch Government spent 48, 3 million euros on 54 PPPs. (Netherlands, 2013)

Table 1: Dutch spending in Public Private Partnership in 2011

Theme	Number of Projects	Spending (in million euros)
Food security	17	8.7
Water, sanitation and hygiene	15	13.5
Healthcare	13	24.5
Innovative finance	6	0.3
Climate and energy	3	1.3
Total	54	48.3

Source: Tweede Kamer, 2011-2012 32 503 nr, 6

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