PPPs & WOMEN’S HUMAN RIGHTS

Feminist Analysis from the Global South
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INTRODUCTION

PUBLIC-PRIVATE PARTNERSHIPS & WOMEN’S HUMAN RIGHTS
An Exploration in the Global South

by Corina Rodríguez Enríquez & Masaya Llavaneras Blanco
Public-Private Partnerships (PPPs), are defined by the Global Campaign Manifesto as “essentially long-term contracts, underwritten by government guarantees, under which the private sector builds (and sometimes runs) major infrastructure projects or services traditionally provided by the state, such as hospitals, schools, roads, railways, water, sanitation and energy”.¹ They are arrangements that involve some form of risk-sharing between the public and private sector (Romero, 2015). What differentiates PPPs from public procurement is that a private company is responsible for raising the up-front capital for the investment, which is then paid back by the taxpayer (directly, or through the state) over the course of the contract.
by which the private company builds, maintains and/or operates the infrastructure or service. In return, private companies expect a guarantee that they will make a profit on the investment (The Equality Trust, 2019). PPPs are also different from “informal or loose collaborations between different actors, including multi-stakeholder partnerships and short-term outsourcing arrangements for the delivery of goods and the provision of services, for instance, in health or education. They also exclude privatisation schemes, by which previously publicly owned services and facilities are fully transferred (by sale) to the private sector” (Romero, 2015, p. 11).

While PPPs have a longer history in the Global North, they are not really that new in the Global South. However, they are re-emerging as a way of financing for development promoted by regional development banks and the International Financial Institutions as a way to guarantee financing for the UN Sustainable Development Goals. This perspective is aligned with World Bank’s strategy “Maximising Finance for Development” (MFD), which the World Bank claims will “leverage solutions”, and connect and co-ordinate the public and private sectors. “The MFD approach insists that nothing should be publicly financed if it can be commercially financed in a sustainable way. If commercial financing is not forthcoming for a project, a country must promote a more investment-friendly environment and/or provide private sector guarantees, risk insurance and other inducements” (Alexander, 2018, p. 7).

As Alexander (2016) has argued, these plans involve a new paradigm that was described in the 2015 report “From billions to trillions”, built on the following three pillars: i) the use of public money (i.e., taxes, user fees, guarantees) to leverage or catalyse private sector investment, particularly long-term institutional investment (i.e., pension and insurance funds, sovereign wealth funds, private equity funds); ii) a commitment to create “pipelines” of “bankable” projects, with an emphasis on mega-projects (initially in four sectors: transportation, energy, water, and information and communications technology – ICT); and iii) mechanisms to replicate PPPs rapidly, through standardised clauses in PPPs are being portrayed by governments and funders as the new “silver bullet” for building large infrastructure projects and the provision of public services.
contracts, information disclosure requirements, procurement, risk mitigation, etc., as well as updating the legal and financial regulations of countries (i.e., land acquisition, investor protections, etc.) to attract private investment.

PPPs are being portrayed by governments and funders as the new “silver bullet” for building large infrastructure projects and the provision of public services. PPPs are expected to solve the problems of inadequate public financing, technology, and skilled human resources, and to improve efficiency and effectiveness. They are also seen as a great chance for the private sector, representing a new window of opportunity for institutional investors, including Northern pension funds, with high returns and low risk, since most of the projects are backed by sovereign guarantees from states.

For this same reason, a growing critique of PPPs argues that they reinforce the “corporate capture” of the state. It also challenges their supposed effectiveness, transparency, and accountability, and finds it problematic that processes of public provision run the risk of being turned into new profit-seeking market niches. This critique also understands PPPs as an extension of the corporate capture of multilateral systems that has been ongoing since the early 1990s. The insertion of corporate interests in the UN system became clearer in the early 2000s and was emphasised in the Post-2015 development agenda and the expansion of multi-stakeholderism. PPPs are thus a concrete example of how corporate powers have permeated governance processes at global, national, and local levels, undermining long-term and universal approaches (Adams and Martens, 2015; Pingeot 2016).

**PPPs in Practice**

Those who promote PPPs have made efforts to demonstrate their positive impact, albeit with weak results. A study from the World Bank’s Independent Evaluation Group (IEG) confirms that there is little evidence that assures the positive impact of Public-Private Partnerships (IEG-WB, 2012). More critical empirical analysis\(^2\) shows that PPPs are controversial in at least five dimensions. First, the relative financial cost. In many cases, PPPs have turned out to be more costly than traditional public investment for governments in the long run. This is because the conditions set up in PPPs contracts usually imply heavier financial costs than those arising from direct government borrowing. The cost is even heavier in developing countries, where investors expect higher returns to compensate for presumed higher risks. The biggest potential financial cost stems from the possibility of generating contingent liabilities due to the poor design
of the projects whereby obligations are imposed on the state that had not been calculated before are imposed on the state.

Second, efficiency, defined in its “classic” meaning of achieving a goal through the least costly way. IEG-WB (2012) shows the results of an evaluation of twenty-two PPPs that indicated that results were mixed in terms of efficiency. In fact, the most positive results were found in countries that have consolidated frameworks to manage PPPs. That is to say, in countries where the state already had strong institutions and better capacities, which undermines the argument of an improvement of this dimension through the private sector.

Third, PPPs might restrict the access of citizens to services and reduce service quality, thereby weakening people’s rights. This happens when the financing of the PPPs includes user fees, making access to services more costly, even unaffordable, for large parts of the population (Romero, 2014). Being profit-led, PPPs are rarely developed in sectors that are not profitable for the private partner, even when there may be social needs to be met, thus demonstrating the problem of addressing public provision with a private sector lens.

Fourth, poor regulation of PPPs has resulted in serious social and environmental damage. Fifth, PPPs are highly controversial when it comes to transparency and accountability. Most often, PPPs do not go through the normal procedures of procurement, and contract details are not published. They restrict democratic accountability and enlarge the field for growing corruption given that negotiations are often covered by commercial confidentiality. Also, there are few or no mechanisms that facilitate proper consultation with the communities when PPP projects are developed.
PPPs & Women’s Human Rights

DAWN has been developing analyses on PPPs in the Global South, which shows that the trend is part of a neo-colonial imposition of private financing models by IFIs and other players in the global financial architecture. They recognise IFIs and development banks as very influential actors in shaping normative frameworks and institutional arrangements that turn out to be complex, obscure, and non-transparent, often changing, according to circumstances, and definitely closed to monitoring and scrutiny on the part of citizens. They also make it clear how this paradigm is supported by a narrative drawing from media, expert opinions, and historical analysis and coincide in pointing out how the inclusion of the private sector that is moved by its profit interests is modifying the priority setting, reinforced by the lack of participation not only by citizens, but even by users.

Throughout the articles in this publication, we can see the impact of PPPs on women’s livelihoods and rights. These articles highlight the negative impact on women’s access
to health-care services and on how women are experiencing economic loss due to the increase of out-of-pocket fees imposed in order to access these services. Moreover, the quality of health services has been affected, often tarnished by segmentation for different users, based upon their ability to pay.

The impact of PPPs on women’s livelihoods, in terms of displacement, making access to natural resources unavailable, forcing the loss of access to fertile land used for food production, as well as producing water contamination is also evident.

The impact of PPPs on women’s working conditions is evident in terms of the increase in unpaid care work (due to more difficult material living conditions), as well as in the deterioration of paid working standards through the promotion of casual contracts and different degrees of informal work.

Finally, throughout the publication, we will see the importance of collective organising to face and resist the consequences of PPP projects. In particular, they underline the key role played by women and women’s organisations in alliance with social, territorial, environmental, and labour movements and organised resistance has been seen partially to reverse the PPP processes.

This DAWN Informs on PPPs is expected to contribute in feminist analyses on PPPs, and to ongoing debates on the role of public and private sectors in financing for development. The articles illustrate the impact of PPPs on women’s livelihoods and human rights, as well as their effects on other forms of inequality. They are thus a contribution to the improvement of regulatory and transparency frameworks and, most importantly, to struggles for democratic development and feminist resistance to global corporate capture.

References


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Endnotes


2- Eurodad (2018) presents a summary of these analyses from various countries across continents.
PUBLIC-PRIVATE PARTNERSHIPS: Lessons from Experiences of Francophone Africa

by Fatou Sow
Public-Private Partnerships (PPPs) in Africa

PPPs are considered a privileged means of carrying out infrastructure projects such as energy supply (water, electricity), transport, telecommunications, agro-industrial developments, education, and health facilities. Although public-private partnerships existed in the early 1960s, following a colonial tradition (notably, water, electricity, telecommunications), the emerging movement, around the year 1990, is linked to a particular context. Structural Adjustment Programs (SAPs) were designed to bring Africa into a liberal world economy and to push for reforms that corresponded to the theoretical model of the market economy. They prompted states to withdraw from several sectors of heavy investment and to transfer some of them to the competences of territorial communities Abdou Diouf, the President of Senegal (1980-2000), used the slogan “lesser state, better state” during his campaign on regionalisation (1992). The support of the private sector was considered to be useful in filling financial gaps, hence the establishment or the reinforcement of public-private partnerships.

These partnerships were the result of project choices and financial arrangements that were scarcely discussed between the state and the communities concerned. In spite of positive results in several sectors, PPPs have also been a source of challenges, doubts, and multiple corruption accusations. They have given rise to crises between project owners and user groups whose concerns have been marginalised. The partnerships did not always consider the specificities of the potential users of the new infrastructures. They have sometimes ruined economic activities or changed the way in which they are carried out in exclusionary ways that added to the precariousness experienced by specific population groups. In what follows, the example of Francophone African countries illustrates some of the impacts of PPPs on the public, and particularly on women, taking energy policies in Senegal as an example.
Is Francophone Africa a Good Entry Point to Analyse PPPs?

Is Francophone Africa relevant to discuss PPPs? The region groups the African states where French is spoken. These are states that share French or Belgian colonial experiences that vary according to colonial power, country, and region. Independent around 1960, they use French as their exclusive official language (twenty-one) or alongside Arabic and English (six). The use of the European language has been more an indicator of colonial divisions than a partitioning of populations of often common cultures, national languages, and territories, which are always intermingled across borders. Today, colonial borders, despite the challenges posed by their intangibility (OAU 1963), have frequently become rallying points, points of unity, within regional entities. The Economic Community of West African States (ECOWAS) brings together the Francophone states of the region, joined by the Anglophone Gambia, Ghana, Sierra Leone, Liberia, Nigeria, and the Lusophone
Guinea Bissau. These states want to create a West African economic and monetary union. Sharing a common currency is a major political issue, given the diversity of currencies (the Franc CFA used by fourteen countries, the Franc of Guinea Conakry Franc, the Naira of the Nigeria, Cedi of Ghana, the Dalasi of The Gambia, the Leone of Sierra Leone, the Ouguiya of Mauritania, etc.). The Economic Community of Central African States (ECCAS), which has ten French-speaking, one Portuguese-speaking, and one Spanish-speaking countries, has made the same wager. Despite the diversity of their histories, all these countries suffered the effects of the SAPs and globalisation and adopted PPPs with providers that were sometimes from their colonial tradition. In 2019, the African Union launched the African Continental Free Trade Area (ACFTA, FTAA or Zlecaf), to promote trade between states and create a single market for the economic integration of the continent. This complex set of socio-economic and cultural relations must be considered when studying PPPs, in political spaces that are re-constituted beyond language.

The African private sector still needs to be developed on the immense market that is the continent, while foreign companies continue to be preferred.

An Example of PPPs: Energy Supply

Most African states entrusted the energy sector to PPPs, as the management of the existing structures, generally inherited from colonisation, presented challenges. Senegal handed over the public service of urban water supply to the Compagnie Générale des Eaux du Sénégal, a subsidiary of the Compagnie Générale des Eaux (CGE), France, upon the basis of a lease contract (1960-1971). The state nationalised it in 1971 and created the Société Nationale d’Exploitation des Eaux du Sénégal (SONEES). Mixed performance and pressure from international institutions led the state to adopt the PPP formula with two private companies in 1996: Sénégalaise des Eaux (SDE), the Senegalese subsidiary of the French group Eranove (1996-2019) and, since 2020, SEN’EAU of the French Company Suez. These two groups have several branches in French-speaking Africa. Hence, a few questions:
What is the power of the state in the face of these post-colonial structures endowed with skills and technologies? They compete with other multinationals and groups from the West, North Africa, and the Middle East (Morocco, Turkey, Iran), or Asia (China, India, Japan). What is the share of the African private sector in this public-private partnership? While there have been some successes, the African private sector still needs to be developed on the immense market that is the continent, while foreign companies continue to be preferred.

When energy is made available to facilitate economic activities, it is equally important to consider the social, economic, ideological, and religious problems that condition them.

It is necessary to focus on women in energy: there is a whole set of questions related to them that are seldomly raised when discussing energy policies. Energy users are referred to as an undifferentiated mass. Yet, they belong to different rural/urban, political, and economic groups, and to different sexes. The latter difference is rarely considered in meeting the needs of communities, even though they are involved in their daily domestic tasks. Too often, African women, who are socially responsible for caring for the family, use their bodies and muscular strength to fulfil this role. Their product processing activities are still manual, despite ongoing gradual mechanisation. Furthermore, the needs of African women who aspire to participate actively in the digital world also need to be accounted for.

When energy is made available to facilitate economic activities, it is equally important to consider the social, economic, ideological, and religious problems that condition them. Planners of the agrarian reforms implemented after independence barely questioned
the fact that African peasant women rarely inherit land or the right to use it. Women are usually excluded from access to land, because of their gender. So, when dams were built in several countries, the average farmers were given small plots to irrigate, as heads of families. Peasant women have had to negotiate, often as a group, to acquire more than the plot of land allocated to them on marriage. Most of them work in the marital or family field and receive a plot of land for family food consumption and their own needs. Upon divorce, they must give up the use of the land. Once they are widowed, this land, which they cultivated for a long time, returns to the family. They can be completely stripped of it. Of course, with the marketisation of agriculture, patterns start changing, beyond kinship, with the current commodification of women’s labour and their struggle for access to land. But gender still continues to give unequal access to land, equipment, credit, and even training on new technologies. The responsibility of the decision-makers is crucial. Energy policies must account for difficulties regarding access to land, which are primarily linked to poverty. Some people are so poor that they do not have enough energy to eliminate diarrhoea, cholera, meningitis, Ebola fever, and all the poverty-related diseases affecting them. Diarrhoea is one of the major causes of African child mortality, which is a disease caused by insanitary living conditions. These illnesses are caused by a lack of energy to carry out such simple tasks as washing hands, sterilising water, storing vaccines, and providing people with healthy food. Energy policies need to account for the diversity of the population and the factors that may inhibit their access. Experiences of PPPs in the energy sector in Senegal illustrate how these policies may reproduce exclusionary practices.

Fatou Sow

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CORPORATE PENETRATION OF BASIC HEALTH & EDUCATION SERVICE DELIVERY

by Sue Godt
Global corporations increasingly provide basic health and education services. They are encouraged and supported by various multilateral and bilateral funders, financial investors, philanthro-capitalists, and traditional donors. The justification for corporate engagement is that national governments lack sufficient resources to meet the population’s needs; that existing services are not accessible to all and are of poor quality, and that initial corporate efforts show promising results with improved learning outcomes and increased access to health services. The Sustainable Development Goals (SDG) financing for development and multi-stakeholder partnership mechanisms have legitimised and facilitated the market penetration of these global private sector and financial investment actors (United Nations. Inter-agency Task Force on Financing for Development, 2019) (Abshagen et al., 2018).

But how is this new political economy of development playing itself out on the ground, and what are stakeholder concerns? I have had the privilege of meeting with a range of government, civil society, funder, and corporate stakeholders in Kenya and Uganda to explore developments in the health and education sectors. Of particular interest were the Bridge International Academies and their low-fee paying schools,¹ and Royal Philips and its Community Life Centers (Philips, 2017). Both corporations have developed standardised models that integrate digitally-connected devices: Bridge aims to develop the “Starbucks” model of education utilising smart phones and tablets to manage schools and download lessons for scripted teaching; Philips has developed a “Lego model” of various modules integrating diagnostic devices and monitoring equipment that can respond to the available skills and finances. Both corporations see their efforts as contributing to national priorities while ignoring concerns from civil society and public sector researchers and advocates about negative impacts on systems, priority setting and accountability mechanisms.
The Philips Case: Taking Public-Private Partnership (PPP) Development Away from the Public Arena

After testing the prototype Community Life Center model in Kenya with county government (Philips, 2019) and United Nations support (Munford, 2017), the corporation sought to scale operations. The opportunity arose in 2018, when Makueni County Government wanted to explore outsourcing options to address poor quality healthcare services. A partnership agreement resulted in an 18-month pilot project that outsourced operations of three primary health clinics. While the Country retained oversight responsibilities and an NGO, Amref Health Africa, provided health worker training, the Philips company provided infrastructure and medical diagnostic equipment. The Philips Foundation used corporate social responsibility funds to develop the business case for a PPP model for county health care (Philips Foundation, 2018, p.13). FMO, a Dutch development investment bank, contributed financial support as well as legal and business expertise to develop financing options.

According to FMO, by early 2020, the results were very positive and Philips’ participation in designing the clinics and delivering the equipment had been “essential for the successful achievement”. A formal project is currently being designed to expand the consortium of Philips and Amref through involving additional impact investors “that will take over the management of the 233 primary healthcare facilities in Makueni under a public-private partnership-based concession agreement”. FMO sees the project as testing the “model for further roll-out across Kenya and across the continent” thereby pushing for the private provision of health in the continent as a whole (FMO, 2020).

This approach, actively supported by the SDG Partnership Platform which was established under the leadership of the Government of Kenya (UNRC, 2020), raises concerns about weakened public procurement systems. It also embeds Philips “contribution” of digitally-connected diagnostic equipment in the heart of the service delivery model and risks diverting attention from basic health priorities. As one NGO technical advisor noted:

[The] majority of people ...still have serious challenges with [cholera], malaria and diarrhoea. ... Let’s tackle the very basic things that our community health worker (CHW) can do ...

If the Ministry of Water ensures that not only hospitals but the communities have clean water we will have sorted out a large part of our diseases ...
The Bridge Academy Case: Weakening National Systems

Bridge has been widely criticised for operating “non-formal schools” despite receiving over 100 million USD in investment and for initially continuing to operate despite court orders in both Kenya and Uganda to close a number of schools (Riep, 2019). Ultimately, the East African Centre for Human Rights supported Kenyans in lodging a complaint with the International Finance Corporation’s (IFC) Compliance Advisor Ombudsman (CAO) about IFC’s more than ten million USD investment in Bridge. A final report is awaited after the CAO decided to investigate what it considered to be the “substantial concerns” raised in the complaint including “allegations that the majority of Bridge schools are not registered and do not meet guidelines for low-cost private schools … labor and working conditions for teachers … condition and construction of schools … false or misleading information about the costs of attending Bridge schools …” (Compliance Advisor Ombudsman, 2019b: 1) (Compliance Advisor Ombudsman, 2019a). In March 2020, the IFC announced an interim freeze on investments in private-for-profit schools pending a full evaluation.

There is an Alternative

Civil society members have consistently advocated for increased public provision of services, and for using budgets to prioritise sustainable health and education services as a development investment. They have pointed to the growing global support for the civil-society led Abidjan Principles that call on governments to provide public education and to regulate private involvement in education (Abidjan Principles, 2019). As one activist noted:

The fact is we can have access to our money if we curb illicit financial flows. We can set our priorities right. We can hold our governments to account. And our frameworks, our constitution, and our budget processes have the space for that to happen. But when you enter the private sector who are negotiating in closed rooms without any public participation (which is completely counter to our constitution) I think that’s problematic.

Overall, most stakeholders have highlighted the risk that private sector provision could potentially reframe and weaken systems, skew policies and priorities, and capture state resources. An alternative is to support strong national systems that protect public priorities and expenditures and embed accountability mechanisms.
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1- Refer to https://www.bridgeinternationalacademies.com/ [Accessed December 31, 2020]

Sue Godt

Sue Godt now retired, has engaged with others in development work, development education and solidarity activism since the 1970s to contribute to building a more just society. She has lived in sub-Saharan Africa for over 30 years working at community, national and regional levels. As Senior Programme Specialist for the International Development Research Centre (IDRC), she worked with partners to strengthen health policy and systems research programmes, mainly in West Africa, and to draw out lessons from IDRC’s health programme. Sue is now completing her doctorate at the University of Bath, continues collaborating with colleagues and divides her time between South Africa and Canada.
PPPs IN ETHIOPIA: The New Frontier

by Netsanet Gebremichael
State developmentalism is the norm, not the exception, in Ethiopia. The transition from the “developmental state” to the functioning of market-led liberalisation through the development of the Public-Private Partnerships model (PPPs) has led to the previously hegemonic state no longer determining national development, but being relegated to the role of assuming a regulatory function. Thus, it has created a space for inviting international multinational corporations, and foreign and local private sectors to play a central role in the financing of national infrastructural development. PPPs model is been used to privatise – partially or totally – public enterprises in Ethiopia.

The concept of development has served as a permanent ideology and source of legitimacy of the modern Ethiopian state. Prior to the changes in the 1990s, the state was a hegemonic actor which monopolised development management to the exclusion of the public. Previously, state developmentalism implied the subsidising and protection of the public, mainly the poor, against the heavy “invisible hands” of the global market. This “socialist developmentalism” has, however, been displaced by the arrival of PPPs, which, for the first time, allow the private sphere/sector to take up the reins of what had been seen as the state’s “historical mission” to foster social transformation of the country. Ethiopian’s “developmental state”, which is similar to many other states, was born out of a clear understanding of the “role of an activist state in the process of catching up, a role further necessitated by the strong determination and vision to develop Ethiopia” (Arkebe, 2015, p. 4).

The Developmental State (DS) is described as a “leviathan” that stands above society. It is not a monopoly over development management, but involves private ownership in combination with heavy state intervention. The gains of development are a source of legitimacy for the DS. The dominant actors in the Ethiopian economy are state-owned enterprises and foreign firms, the “industrial policy power” lies in the hands of the ruling party, the Ethiopian People’s Revolutionary Democratic Front (EPRDF), and the relation between the hegemonic state and society has historically been very much top-down.
Although State Owned Enterprises (SOEs) were the exceptional feature of the Ethiopian DS during the eras of socialist developmentalism, and the state took a hegemonic and active role in the management of development, with the current iteration of the DS model, this is no longer the case. The new regime, installed in 2018, has embarked upon an “unprecedented program of economic liberalisation” (Zeleke, 2019, p. 179) with the privatisation of many SOEs, including the most successful, in sectors that had been seen as strategic and historically controlled by the state, a control which determined both the ethos and the praxis of the Ethiopian state.

PPPs are the model and the language of the ongoing liberalisation process in Ethiopia.

Development in Ethiopia has been and still is seen primarily as a political process. The change in policy ushered in by new prime minister Abiy Ahmed Ali in 2018 was clearly
welcomed by the World Bank and the International Monetary Fund, and newspaper discussions “of PPPs as a form of public investment highlight the beginning of a change within the Ethiopian DS model”, with the new ruling élite being presented as the bearers of change by both local and international media coverage. PPPs are thus framed as part of the process of enhancing the role of the private sector in public development finance in ways that present Ethiopia as the private international market’s next frontier.

In concrete terms, this requires the liberalisation of the economy and the privatisation of the country’s SOEs, for both local and foreign private actors. The private sector is to be consulted as the primary stakeholder for liberalising the economy, which means less state intervention and the opening up of the economy for the private sector to play a key role. In order for PPPs to be put in motion, according to the policy recommendations of both international and non-governmental organisations, Ethiopia needs to make political, legal, and macroeconomic policy reforms. While the World Bank (WB) and the International Monetary Fund (IMF) recognise the economic achievement of the DS model in Ethiopia, both are pushing for the liberalisation of the economy and the privatisation of the SOEs.

The success of the DS model is seen as a pre-condition for the adoption of PPPs, which is seen as the only policy option available.

This completely ignores the significance of the mass protests against the DS model that resulted in the regime change. As I point out, the use of macroeconomic rationalisation for the shift from state-leaden infrastructural development to the PPP model fails to account for the impact of such a shift on the government’s accountability to its citizens. It also fails to recognise the socio-economic impact of the adding of new profit-seeking actors in a central position to carry out macro-economic reforms.

And this, I go on to illustrate, implies state capture, the fact that external non-state actors are heralding the need for macroeconomic changes to the Ethiopian state can be seen as elements of state capture by international business organisations, and reflects the underlying economic logic of international monetary organisations.
I repeatedly ask the question of who, precisely, is the public in these public-private partnerships? It is certainly not the citizens of Ethiopia, as PPPs can be “more beneficial to the private sector than to the citizens and/or their respective governments”. Moreover, “infrastructure PPPs can actually be more expensive for developing nations”. And I go on to ask: How is the public in the PPP model protected from the possible hegemonic role of the private sector whose primary interest is profit extraction with both the local and the international private sectors?

PPPs re-define the role of the state by relegating it to the role of a regulator with its partners in the private sector, but the dilemma is how the existing macroeconomic challenges of the country, made up of increased debt, inefficiency, and a lack of capital for infrastructure investments, are to be resolved by the involvement of profit-seeking PPPs in its SOEs. If the PPP fails, it is the public sector, the state that has to carry the burden. However, IFIs have always pushed developing nations to privatise their SOEs in order to gain access to national public enterprises as sites for foreign and local investors to realise profit. There is also a sovereignty issue with regard to allowing private enterprises to be controlled by “foreign forces”.

In concluding, I reiterate the danger of state capture by international financial institutions and private enterprises and questions whether there is an alternative to the PPP model which is being imposed top-down on the citizens, whose interest(s) and political engagement is being ignored.

References

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CORPORATE RESPONSIBILITY & WOMEN’S HUMAN RIGHTS: A Feminist Analytical Approach to Public-Private Partnerships

by Marème Ndoye
The Plan Sénégal Émergent (Emerging Senegal Plan) (PSE) is a long-term plan which should make it possible to implement priority economic reforms and investment projects, while clearing the way for growth and preserving the economy and debt sustainability. However, the reconciliation of growth efforts with the achievement of development and poverty reduction are often compromised by social inequalities in the consideration of disadvantaged layers and therefore social inclusion and an optimal distribution of resources for domestic growth at national level is required, not to mention extroverted growth.

Thus, public-private partnerships have come to be seen as a solution to overcome the financial constraints posed by the growth- “debt sustainability” conundrum.

Since 1985, the structural adjustment programs (SAPs) of the World Bank and the International Monetary Fund have forced Senegal to open up the country to international competition as a strategy to accelerate growth. These programmes invariably have included measures aimed at lowering tariffs and removing non-tariff barriers, notwithstanding the fact that protectionist measures have always been an important source of revenue for the country.

Moreover, traditional development aid has been subjected to tight budgetary conditions, and this has gone hand-in-hand with the reliance on new forms of financing and international financial markets, which are private instruments. Since 2015, with the advent of the Sustainable Development Goals to reduce poverty, the issue of financing has arisen more acutely. Indeed, the cost of the investments necessary to achieve the objectives is quite high. It will therefore be difficult “to reconcile the ambitious pursuit of sustainable development goals with the budgetary rigour demanded by the main donors”.

International development partners in the private sector serve to relieve the budget, and thus the private sector has become a key figure in the fight against poverty. Through the PSE, the state has made PPP financing the preferred route for carrying out structural projects of the state.
Senegal has set up an impressive institutional and regulatory framework for PPPs. This reflects the effort on the part of the authorities to encourage private sector participation in PPPs in order to access internationally what is beyond the national private sector, in terms of know-how and financial capacity.

Nevertheless, the policy has its innate contradiction: the combination of the pursuit of economic efficiency and financial efficiency often turns against the national economy. Public authorities, faced with an innovative source of financing, weak human capacities to conduct PPP procedures, and the current need for financing, often arbitrate against national interests.

PPPs can also worsen social and economic inequality, and increase prices, thereby concomitantly reducing accessibility to essential services for the more disadvantaged sections of society. To its credit, the Infrastructure Council endeavours to preserve the balances that condition the sustainability of contractual relations. Thus, the authorities try to consolidate the sustainability of projects, while guaranteeing the investor, who takes the operating risks, and the users of infrastructure services, that state policies as well as administrative decisions will be subject to independent review, in order to ensure transparency (Journal officiel de la République du Sénégal, 2004).

Notwithstanding this, the two case studies show the limits of the PPPs in action. People were displaced and had to be resettled, which brought social and production difficulties. Recreating neighbourly ties was difficult and social support networks were lost. Additional
resources have had to be made available for people who are precarious due old age, disability or because they are below the poverty line.

The PPP for the motorway has proven to be one of the most expensive in the world, in terms of investment cost and the tariff for using the infrastructure. Due to the lack of lighting, the number of deaths through car accidents is high. An incompatibility between Senegalese labour law and the policy promoting road personnel leaves the women in a disadvantageous position, as the law relating to women and pregnant women prohibits them from night work in wide range of work types. Clearly, gender was not taken into account in the projects.

As the author notes about PPPs, in most cases, financing PPP projects turns out to be more costly for public finances than bank borrowing or issuing bonds. This is even more so in developing countries because of the additional returns required due to the higher risks (Romero, 2015). The effectiveness of PPPs is therefore not clearly established and can lead to inequalities and compromise respect for the environment.

Notwithstanding the good intentions of the legal and institutional frameworks, and the attempts to guarantee transparency throughout the process, the interactions with social inequalities, human rights and gender were poor and need re-evaluating to improve the PPP policy.

**References**


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**Marème Ndoye**

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WOMEN’S RIGHTS & PPPs IN SIERRA LEONE’S AGRO-ENERGY SECTOR: A Case Study of Addax Bioenergy Sierra Leone Ltd (ABSL)

by Hussainatu J. Abdullah
Public-Private Partnerships (PPPs) and social development stand in contraposition to one another because the former aims at achieving profit from the provision of a service, while the latter aims to attain long-term social change. As a funding mechanism, PPPs do not promote social development. This is because they are profit-oriented, which is antithetical to the ethos of social development. On the other hand, social development is premised on improving the wellbeing of individuals by providing social services and promoting social justice issues that support women’s rights and gender equality, among others.

Although the main actor behind the use of PPPs to finance the UN Sustainable Development Goals, the World Bank Group, may promote gender mainstreaming in PPP programmes, Sierra Leone’s framework for their implementation remains gender insensitive. Not only is the framework flawed, but it is also, moreover, impossible to use it to promote social development because it undermines it.

The example cited, Addax Bioenergy Sierra Leone Limited (ABSL), failed to supply adequate electricity, paid inadequate compensation to land leasers, engaged in...
involuntary resettlement of project residents, violated the principle of free prior and informed consent (FPIC), and neglected social and environmental standards. Its activities increased poverty, food insecurity, youth out-migration, alcoholism, domestic violence, and the casualisation of labour. The social programmes initiated by the company was poorly funded and could not be sustained.

Regarding women’s rights and gender equality, the company refused to employ enough women in its factories and refused to adopt an employment quota. Other women-specific losses included displacement, loss of access to fertile land, food insecurity and water contamination, which forced the women to travel long distances to fetch water, firewood, and food, thus reducing their time for relaxation and the ability to dedicate themselves to their families.

Thus, far from promoting gender equality and women’s rights, PPPs stifle women’s advancement in society.
The civil conflict between 1991 and 2002 saw the destruction of Sierra Leone’s infrastructure. The Africa Development Bank saw this infrastructure shortfall as a significant impediment to growth. Thus, the government introduced using the private sector to fund public sector projects in the country’s water, power, roads, ports, airports, and telecommunication sectors using PPPs. The government sought the assistance of the World Bank’s Public-Private Infrastructure Advisory Facility to set up a PPP framework. Political, economic, and legal reforms took place to enable PPPs to become institutionalised in Sierra Leone.

Addax straddles Sierra Leone’s energy and agricultural sectors. ABSL is a wholly owned subsidiary of the Swiss Addax and Oryx Group (AOG), formed in 1987 as an oil, gas, and bioethanol exploring and trading company. The PPP with Sierra Leone was to develop a greenfield integrated agricultural and renewable energy product to produce fuel ethanol and electricity.

The project also aimed to help the EU reduce its dependence on fossil fuels and cut its greenhouse gas emissions.

The deal negotiated with the Government of Sierra Leone (GoSL) was incredibly generous, allowing it to lease land for fifty years, granting it tax exemptions, and even making the company exempt from any law or regulation that has a material effect on Addax, its contractors, or its shareholders. It seemed like a win-win situation.

However, the company downsized its operations in 2015, five years after signing the fifty-year land-lease. The project goals had not been met because of low sugarcane yields, low production of ethanol, theft, and sabotage by the local communities. The EU price for ethanol had also fallen by twenty-seven per cent, and the unexpected outbreak of the Ebola virus. Very little electricity was produced as Addax could not produce enough sugarcane to process ethanol and bagasse necessary to generate electricity for the national grid. Addax was sold to Sunbird Bioenergy in September 2016 and resold in May 2019 to Sri Lanka’s Browns Investment.

The “land grab” by ABSL contributed to the countries food insecurity and increased its poverty, leading to further social problems. The company failed to establish or implement a quota for female employment. Women suffered displacement, lack of access to fertile land used for food production. Land clearance and damming damaged the water quality,
and the use of chemicals by the company contaminated the water in the rainy season. Local fish stocks have diminished or disappeared, with the result that the women have to travel to buy fish they once caught.

Displacement means changing cultivation practices, lowering productivity, and increasing production costs, labour, fertiliser, and farm tools. The company’s activities also resulted in a scarcity of firewood, which resulted in their spending more time gathering fuelwood. Food insecurity in the area has led to food rationing for both adults and children alike.

In conclusion, it should be noted that, even though ABSL became a model for large-scale agriculture investment in Africa, and it committed itself to following wide-ranging social and environmental criteria, the company fell short of all its promises and obligations.

The criteria of the new company Sunbird and its business director do not bode well, and many have come to question how a high-profile project with the participation of several DFIs could fail so catastrophically?

Moreover, why Sierra Leone’s government allowed the sale of Addax to a company with such a dubious reputation and lacking the financial means to turn the project around should also be raised.

The PPP was a complete failure, as it did not produce the electricity it had promised, notwithstanding investment from no less than eight DFIs, including two African development banks, and despite the tax incentives provided by the government. It demonstrated that PPPs are not vehicles that promote social development. Instead of a better life, with food security, decent work with the right conditions and wages, the inhabitants were left more impoverished than they had been before the company arrived.

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THE ISTHMUS OF TEHUANTEPEC CORRIDOR: Public-Private Partnerships and Territorial Impacts in Mexico

by Isabel Clavijo
The mega-project for the Isthmus of Tehuantepec in Mexico, a region which joins the territories of Oaxaca and Veracruz, pits national interest(s) against local interests, and the rights of local indigenous people against the territorial rights of the national government with regard to how the territory should be exploited or protected.

The government has elaborated a development plan for the Isthmus of Tehuantepec whose “nodal axis” is the Interoceanic Multimodal Corridor. The programme consists of a set of projects, which include the renovation of the Isthmus of Tehuantepec Railway, the building of the Jáltipan Salina Cruz gas pipeline, and the creation of so-called “free zones”. This is a model of territorial planning which aims to establish specific areas for the setting-up of projects designed to attract national and foreign investment within the framework of public-private partnerships (PPPs).

The territories of Oaxaca and Veracruz form a region which is of economic interest because it is the only point in Mexico that joins the Pacific and Atlantic oceans at a distance of approximately 200 kilometres. The territories, in addition to being indigenous and peasant territories, form an ecosystem of great relevance due to its biodiversity and hydrology.

But while the government sees this as a commercial corridor, the natives see it as a biological corridor.

The local communities have responded to this plan by demanding respect for their right to decide on the territory and to define the activities carried out there. Their main concerns about the project concern its impact on the environment, on the local economy, and the furthering of extractive energy projects in an area which has already suffered damage to the soil, water, and flora and fauna.
Public-Private Partnerships in Latin America had a boom in the 1990s, which was the result of economic liberalisation and privatisation throughout the region. They were pursued in order to implement development policies based upon economic growth, which, according to the neo-liberal approach, was hampered by national regulatory frameworks or, as the World Bank states, by “the limitations of public provision”, such as the “lack of technical skills, [and] slow procurement processes and budget constraints” (Michelitsch and Szwedzki, 2017). Thus, PPPs were seen as a way of stimulating growth, and giving efficiency and sustainability to the provision of public goods and services, including those pertaining to the sectors of infrastructure, energy, agriculture, education, health, and security, among others.

Mexico has two main PPP schemes, namely, concessions, and projects for the provision of services (PPS). Whereas the former consisted of the transfer of the responsibility for a public sector productive asset to a private company for periods of more than ten years, the latter are defined as “sets of technical-economic actions that are developed by a private individual to resolve basic needs and provide the community with the services or functions that are originally the duty of the state to provide, which are indispensable to guarantee the effectiveness of individual and collective rights” (Government of Jalisco, 2008).

But, as I point out:

The profitability or the percentage of profit required by the private sector is much higher than that of the public sector, and, therefore, public finances are affected. The goal of private profit requires profit margins that make projects more costly, which affects the government’s ability to maintain the services offered.

Given that the operation of PPPs depends on the transfer of the rights to public resources, among which land ownership is the primary interest, to the private sector, it is clear that conflicts may arise owing to the fact that the land intended for the projects in Latin America is often owned by the peasants and by indigenous people, and is an autonomous, social, cultural space, which leads to dispossession and the displacement of persons when private interests see it as an “investment opportunity”.

Furthermore, PPPs can favour corporate capture of the state through political and legislative interference, and business-friendly contracts.

The Isthmus Corridor, according to its presentation on 17 June 2019, seeks to put forward a new way of seeing development, in order to reduce the stagnation caused by lack of
investment, to create employment, and to preserve, restore and increase natural resources and biodiversity.

The projects operate through a multimodal corridor, **Interoceanic Corridor of the Isthmus of Tehuantepec**, whose objective is “to implement a logistics platform that integrates the provision of port management services and their interconnection through rail transport”.

The renovation of the railway serves to connect Oaxaca to the ports of Salina Cruz (Pacific Ocean) and Coatzacoalcos (Atlantic Ocean): the main objective of the rehabilitation of the railway line is “to build a 300 km double-track electric train to connect the two ports in three hours, so that shipping companies save time and money” (CESOP, 2019, p. 11).

The aim of the Jáltipan-Salina Cruz Gas Pipeline is to extend the coverage of gas and to supply energy to the ten industrial estates/parks planned along the Corridor.

According to the plan, the Corridor will improve the living conditions of the local population, create an inclusive economy, preserve and respect the identity of the indigenous communities, and will be carried out respecting the environment (SHCP, 2019).
The territories of the isthmus have the highest poverty rates in Mexico, with extremely poor access to health services, lack of access to food, and high levels of unemployment. It is also the area in which the poverty is accompanied by violence and inequality, in which most women ‘have not participated either in school or in the labour market throughout their lives’ (INEGI, 2019), with the highest amount of femicides.

This mega-project has been imposed top-down and the PPP scheme fails to take into account the conflict that it presents for the women of these two areas. Thus, the experience of the struggle against the mining and energy extraction in the isthmus converges with the aim of protecting what - for the women defending the region - is the corridor of water and life. The women have defended the territory against the invasion of the wind, mining, and hydrocarbon extraction companies. They are fighting for their territorial autonomy and sovereignty, which is a struggle not just for their material wellbeing, but also one which includes its history and culture, and their sense of belonging both spiritually and physically.

References


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A FEMINIST & HUMAN RIGHTS BASED ANALYSIS OF PPPs IN GHANA’S MARKETS

by Gertrude Dzifa Torvikey & Sylvia Ohene Marfo
In contrast to the period following the Second World War when the Bretton Woods institutions favoured the involvement of the state in its Structuralist model of development, from the 1980s onward, the Structural Adjustment Program (SAP) of the United Nations (UN) has adopted neo-liberal notions requiring the privatisation and divestiture of state-owned enterprises, the liberalisation of trade, and reduced barriers to Foreign Direct Investment, as conditionalities for new loans and lower interest rates on existing loans.

Ghana was the first country in Africa to accept the market-driven public-sector reform policies of the World Bank (WB) and the International Monetary Fund (IMF), and, from the 1980s, embarked on vigorous privatisation of state entities. Thus, the country moved from the statist development model to state partnership with multinational organisations and international finance institutions (IFIs). By 2005, over 335 State Owned Enterprises (SOEs) had been privatised in agriculture and manufacturing, and Ghana was praised as a SAP success.

However, in 2015, Ghana made the leap from lower-income country to lower-middle-income country, which meant it no longer qualified for certain types of loans available to poorer counties.

PPPss in Africa should be seen as transmitting global standards and regulatory regimes to the national level. They are seen as a model which is able to deliver public infrastructure projects quickly, reduce the financial burden on government, and share the risks. The model is approved by the UN agencies, IFIs, and governments, among others, institutions which see PPPs as a development instrument which offers an alternative to traditional financing. Thus, they are distinct from privatisation. Nonetheless, they remain firmly framed within the equity versus efficiency logics that were behind privatisation.
In Ghana, Public-Private Partnerships are becoming vehicles for public infrastructural financing at global level. Given its reduced access to international loans in the light of gaining lower-middle-income status, the country has had to look to find tax resources internally in order to finance infrastructure projects. With the political and financial de-centralisation imposed by the SAP, local governments not only receive fewer funds from the central government than they did in the pre-SAP period, but also have an expanded role.

This had led the local assemblies to turn to the markets. The informal sector accounts for eighty per cent of Ghana's economy, and local markets have become essential for resource mobilisation, as they are reliable sources for taxation at local level. The local assemblies do not have adequate funding to build or modernise markets, and thus there is increasing use of PPPs to do so. In fact, nine out of eighteen PPPs at national level in 2019 were markets.

In the past, markets were created by women and communities. They enable women to assert both their economic autonomy and themselves as citizens, both social and culturally. Market trading can allow them both an accumulative strategy in good times and a secure space for economical survival when there is a downturn. The market traders have their own leadership organisational structure, made up of commodity associations led by “item queens”, which act as trade regulators, assist their members financially, and settle disputes. They also collect taxes and fees on behalf of the local assemblies.

In the markets, the state is the landowner who extracts rents through the allocation of market space, stalls, and taxes, in return for sanitation amenities, electricity and security.
The Ga East Municipal Assembly decided to re-build the Dome Market in 2013. Whereas the existing structures were built, owned and controlled by the actual traders, the re-building meant that the structures belonged to the assembly. At the place where the new market was planned, 2,300 traders were registered and were to be considered for allocation of the new units once built. But, given that only 1,700 sheds/stalls were planned, this meant that 600 traders would be displaced. In this model, the assembly was to rent the shed on behalf of the financiers and use the revenue to pay the financiers.

In the consultations before the project, the market leaders expressed their views that, given the merchandise sold, the sheds/stalls were too large and that the prices did not take the financial capacity of the women into account. They also affirmed a preference for open sheds/stalls, as opposed to closed, lockable ones.

The women’s suggestions went unheeded and large lockable shops were built at rents beyond the capacity of the market traders. Of the displaced women, only one was allocated a unit. “Foreign” traders rented the new structures from the contractors and from middlemen, and the previous traders found themselves excluded. The market leadership was fragmented and politicised. What was once a female space is gradually becoming a male economic hub in terms of the ownership of the shops/stalls. Moreover, the displaced women complained that the allocation process was not transparent.

The women protested and brought their grievances to the Ministry of Special Initiatives, which made a commitment to investigate the cost of the sheds. As a result, there are now 500 sheds under construction as part of deal negotiated between the women and the state. They will be allocated to the women on a first-come-first-served basis, but the
women have protested and insisted that the government enter into a social contract with them. Thus, they have succeeded in reversing the PPP, and the state has taken over the development of the market.

The new sheds are smaller, and take the products sold into account. However, with the state taking over the construction of the new stalls, from now on, the women are the tenants of the state.

The PPPs in question were not transparent about costs, or renting, and ignored the opinions of the women traders. Furthermore, there was very little accountability. They did not help the small traders of the market, but instead aimed at a capitalist “gentrification”, with the wealthier traders, the middlemen, and the financiers.

Notwithstanding all the defects, the projects included sanitation, a medical facility, and a day-care centre. But the politicisation regarding the allocation of the new units continues to worry the women of the market. What the PPPs did was not to improve the economic status of the traders, but to dispossess them, with no re-settlement or alternative trading spaces. But against this structural exclusion, the women fought back, and forced politics to trump the blind economics of numbers. They forced the government to renew its social contract with the citizens.

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MEDICAL EQUIPMENT LEASING IN KENYA: Neocolonial Global Finance & Misplaced Health Priorities

by Crystal Simeoni & Wangari Kinoti
An undemocratic, neo-colonial and neo-liberal global governance system keeps African countries in an austerity and private finance chokehold, placing corporate and élite interests above the rights of citizens. This exacerbates health-care crises, with women bearing an enormously disproportionate burden, as the primary users of failed public-health systems both for their own health and that of the people for whom they provide care. Women’s out-of-pocket expenditure is systematically higher than that of men, and their lower incomes put private health care out of reach.

Maximising Finance for Development (MFD) is the World Bank’s approach to systematically leverage all sources of finance, expertise, and solutions to support developing countries “sustainable growth” in order to meet the UN Sustainable Development Goals. But the financialisation of development lending, as pushed by MFD, relies on the increased use of securitisation markets, which carries huge risks, including the extensive promotion of privatisation and PPPs, both of which have a poor track record when it comes to the actual cost to the taxpayer, and is evidenced by popular action across the globe aimed at the re-nationalisation and re-municipalisation of public services and infrastructure.

Through the MFD, the World Bank wants to bridge the funding gap caused by the inability of traditional aid-heavy financing
models to meet the goals set by countries. Its “cascade approach” leverages the private sector and recommends that reforms be attempted first, followed by subsidies, and finally by public investments (World Bank Group, 2018).

The major driver of financialisation is the G20, with the G7 controlling the IMF and many multilateral development banks, in a global governance system described as “global apartheid”. Through its Eminent Persons Group, the G20 has advanced a set of proposals to promote financialisation, which has included the strong push for privatisation or PPPs. But none of these proposals nor the global finance architecture make room for civil society, labour unions, or the voices of ordinary citizens, who are strongly critical of globalised neo-liberalism and its harmful macroeconomic policy, the impact of privatisation, flexibilisation, and other global finance policies forced onto the people and communities of the Global South. This is the reality of the “Wall Street consensus” (World Bank, 2021).

MDBs are re-shaping the financial systems of developing countries as MFD constrains them to align themselves to the diktats of global finance. In Kenya, the Managed Equipment Service (MES) programme was launched in 2015, with contracts to the value of 432 million USD being signed between the Ministry of Health, county governments, and private sector providers. The programme was to supply and install specialised medical equipment in a total of ninety-eight hospitals. It was designed to cover the key health-care areas of dialysis, emergency, maternal-child health, basic and advanced surgery, critical care, and imaging services. It was to provide specialised, modern and state-of-the-art operating theatre equipment, sterilisation equipment and operating theatre instruments, renal dialysis equipment, intensive care unit (ICU) equipment, and X-Ray and other imaging equipment. It was to upgrade hospitals including through the training of staff, and suppliers were also to provide regular service, maintenance, repairs, and replacement of equipment at no additional cost.

The companies supplying the equipment/services are from China, India, Italy, The Netherlands, and the USA. Two of these companies are under investigation for suspicious sales and allegations of pay-offs to secure government contracts.

There has been a lot of public outrage concerning the MES programme. Counties expecting to pay ninety-five million KES in 2018 found themselves paying 200 million KES with no explanation being given for this increase. Kenyans are paying three times the market price for some equipment. A lack of transparency abounds. Often the equipment has been
supplied to hospitals which lack sufficient electricity and water to utilise it, and often they lack trained personnel and the equipment remains unused. Some counties received equipment which was not a priority, others already had the equipment in question.

The programme disproportionately impacts upon women because of their lower income which reduces their capacity to pay for private services, their reliance on public services, and their reliance on work in the public sector. Because the income of women is usually lower, they rely more on public health-facilities, especially for primary health care for their children and for maternal care. A re-direction in resources to “non-essential” specialised equipment directly impacts the availability of finance for accessible and affordable primary health care. Given that treatment using the equipment purchased with the PPP comes at a cost to the end-users, that is to say, the patients, even if the equipment is in working order with qualified personnel to run it, women are less likely to be able to pay to access it.

The whole project is skewed towards support for single-issues or perceived needs, such as specialised infrastructure taking up large percentages of working budgets, whereas it needs a broader approach to reflect the interlinkages and interdependencies of the various functions. Unfortunately, we have seen public and primary health strategies fall off the priority lists of governments and into the hands of bilateral agencies (such as USAID) – a phenomenon described by Dr. Richard Ayah as “... our best public health infrastructure (as) foreign owned” (Ayah and Ndii, 2020).
This is a form of “capture”, one which exploits the resources of the state not to furnish it with what it needs, but to find a market for what the companies in the PPP produce irrespective of the local needs.

As the authors conclude, without a robust public and community health infrastructure owned and managed by the state, it becomes next to impossible to implement interventions effectively to keep the population adequately healthy. There can be no healthy populations without access to safe water and hygiene, adequate nutrition, access to vaccines and so on. It is people and community interventions, not financialisation, that must be at the heart of policy-making.

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CASE STUDY ON THE IMPACT OF PPPs THROUGH PUBLICLY-FUNDED INSURANCE SCHEMES ON WOMEN IN INDIA, WITH SPECIAL REFERENCE TO CHHATTISGARH STATE

by Sulakshana Nandi
The largest Public-Private Partnership initiated by the Indian government is the publicly-funded health insurance scheme, entitled the Pradhan Mantri Jan Arogya Yojana or PMJAY. The UN Structural Adjustment programs of the 1990s led to the withdrawal of government from the social sector and damaged India’s public-health sector. Although the United Progressive Alliance endeavoured to reverse this situation from 2004 and made progress in improving public health care through the National Rural Health Mission (2005), the National Urban Health Mission (2013) and other public programmes, the arrival of the National Democratic Alliance (NDA) in 2014 brought this to an end, with the reduction of funding for health and social programmes to the proportions during the Structural Adjustment programs.

Parallel to National Rural Health Mission (NRHM), many Indian states began introducing publicly-funded health insurance schemes with the aim of protecting the poor from catastrophic health expenditure. The Rashtriya Swasthya Bima Yojana (RSBY) or National Health Insurance Scheme (2007) was the first such scheme at national level aimed at insurance cover for India’s poorest citizens requiring hospital care. It was also the first time the government had contracted private health-care providers on a large scale to provide health care.
The RSBY has been expanded by the NDA in terms of population coverage and insurance coverage per household in the Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY). The government pays the annual premium and families do not need to pay for enrolment. Such Publicly-Funded Health Insurance schemes (PFHI) as the PMJAY are governed by contractual agreements between the government and the private sector and are, therefore, considered to be PPPs. Under these schemes, private and public hospitals are empanelled through a contract to provide services and forms of treatment at fixed rates, and the hospitals are not permitted to take additional money from the patients. The Modi government has modified the institutional and governance arrangements of the PMJAY to include the “for-profit” private sector and their organisations, bypassing the Ministry of Health. Health care is no longer viewed as a right, but as a commodity, by the right-wing neo-liberal NDA government.

Health care is no longer viewed as a right, but as a commodity, by the right-wing neo-liberal NDA government.

India’s mixed health system consists of a complex network of public health-care facilities and programmes aimed at providing universal preventative and curative health services at low or no cost. There is also a large formal “for-profit” private health sector working in urban areas on a “fee-for-service” basis. The Rashtriya Swasthya Bima Yojana (RSBY) or National Health Insurance Scheme was designed by persons critical of the public provision of health services, and who had faith in the concepts of efficiency, productivity, competition, and individual choice promoted and provided by the neo-liberal model. Thus, the PHFI schemes became a “business model” which was intended to be profitable for all the parties involved, prioritising profit-making over people’s health. The PMJAY was to help India towards Universal Health Coverage and the Sustainable Development Goals.

In order to complement this scheme, not only have the normal regulatory and statutory compliances been eased for the construction of private hospitals, but the conversion of public hospitals into profit-making hospitals is also planned. This will have disastrous
effects on the poorest, the scheduled tribes and castes, the rural populations, and, in particular, women.

In the promoting, implementing and developing of the PFHI schemes in India, the participation of the private health sector, international agencies, including the World Bank, the World Health Organisation and the International Labour Organisation, philanthropic foundations, and international development banks is very visible. Indeed, the “engagement of national and state governments with the ‘for-profit’ private health sector through the PFHI schemes is on a scale that is unprecedented”. Moreover, private hospitals, especially corporate ones, as well as doctors’ associations have acted as pressure groups, “demanding that the government should increase the rates for the procedures under the PFHI schemes, provide more subsidies, and reduce regulation”. Consultancy agencies, such as PwC, also demand that the PFHI schemes be made more profitable for the private sector. However, in both the regulatory framework and the functioning of the PFHI schemes, there is no formal role for the community, for women’s organisations, or any other civil society entity to participate or have a voice and make itself heard.

The national Clinical Establishments Act was passed in 2010 after intense negotiations with the private sector, but it failed to include some critical aspects of patients’ rights, regulations, and did not even display treatment rates. Although the state under scrutiny in
this article, Chhattisgarh, has an act which does incorporate patients’ rights, they are not adequately implemented. Given that India’s “for-profit” private health sector is known for unethical practices and extorting money from patients, the poor legal framework, lack of transparency, and regulatory failure and failings only serve to exacerbate illegality, not to impose legality. This is further compounded by conflicts of interest in which the officials with the responsibility for fixing the treatment rates and for monitoring the hospitals are themselves involved in private practice and own private hospitals.

Although the objectives of the RSBY were ‘to improve access to quality health care, to provide financial protection from hospitalisation expenses, to provide the beneficiaries with the power to choose from a national network of providers, and to provide a scheme which the non-literate could easily use” (Jain, 2014), in which girl child, women and senior citizens were to be a priority, enrolment does not translate into real access to healthcare for all women and many claims packages have a clear male and geographical bias. Unethical and illegal practices are commonplace in private “for-profit” hospitals, with unjustified operations/forms of treatment, including forced hysterectomies and
unnecessary Caesarean Sections, and “Out-of-Pocket” payments being demanded for services that should be cashless.

The favouring of the PMJAY and the RSBY over the public health system, and the resulting shifts in funding towards the private system, has deprived the public system of the finance for public hospitals, primary health care and other health programmes, which affects women, the young and the old, and the poorer strata of Indian society disproportionately. In response to this, the *Jan Swasthya Abhiyan* (People’s Health Movement) has put up resistance and documented the implications of the PFHI schemes for people, especially the poor, women, and the scheduled tribes (STs) and scheduled castes (SCs) communities. As I stress, women have no role in the decision-making or at any stage of the PMJAY implementation and monitoring, even though they are the ones most affected by it. The under-funding of the public health system in favour of the PPPs only serves to exacerbate this iniquitous situation. With the private sector “cherry-picking” the services that it provides, and the transformation of health from a right to a commodity, the supply or refusal of treatment makes the poorer and weaker sections of society even more vulnerable, and makes health care a business determined by profit, not by medical ethics or patient needs. And, with regard to women, the scheme enables private interests to gain and maintain control over women’s own bodies, which are now seen as a means of making profit, and are subjected to unnecessary procedures and forms of treatment for private gain. This, in the twenty-first century, is simply unacceptable.

**References**


**Sulakshana Nandi**

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THE ALBERTO BARTON-CALLAO HOSPITAL III: A PPP in Peru

by Bethsabé Andía Pérez
This article analyses in depth the case of the Albert Barton-Callao Hospital public private partnership (PPP) and its Primary Care Centre of the network entitled *La Red Asistencial Sabogal de EsSalud* in Peru.

In Peru’s de-centralised health-care system, the Ministry of Health (MINSA) offers free basic health needs for sixty per cent of the population under a programme entitled *Seguro Integral de Salud*, while *EsSalud*, Peru’s equivalent of a social security programme, funded by taxes paid at source by employers, calculated as a percentage of employee wages. It covers twenty-five per cent of the population (Instituto Nacional de Estadística e Informatica, 2019).

*EsSalud* is a de-centralised public organisation, with legal status under domestic public law, attached to the Ministry of Labour and Employment Promotion. Its purpose is to provide coverage to the insured and their beneficiaries, through the granting of benefits that correspond to the Social Security in the Health Contribution System (Law 27056, 1999).

In order to fulfil its purposes, *EsSalud*, according to its founding law, may enter into all types of contracts and/or agreements permitted by Peruvian law, including contracts for the realisation of medium- or long-term investments and services, as established in its Strategic Investment Plan (Supreme Decree (DS) No.025-2007-TR).

From the 1990s onwards, Peru, like many of its South American counterparts, pursued the Washington Consensus, the programme of structural reforms, de-regulation, and the liberalisation of trade, the capital market, the financial system, and the labour market, as well as the privatisation of state-owned enterprises, reducing the presence of the state in the market, which came to be known as market fundamentalism or neo-liberalism, dictated by the World Bank, the International Monetary Fund, and the US treasury. These reforms were to produce sustained growth of the economy based upon private investment and the re-integration of the countries of the region into the international financial market.

The structural changes saw the privatisation of public companies as a fundamental component in the programme of structural reforms to modernise the country, and in the
new constitution of 1993 the state had a subsidiary role in business activities, which was to be left in the hands of the private sector. One of the main instruments to this end is the National Policy for the Promotion of Private Investment in PPPs and Asset Projects, which aims at promoting the participation of the private sector in the modalities of PPPs and Asset Projects, with the intention of contributing efficiently to closing the gap in the country's public infrastructure, to improve the range and quality of public services, to boost the national economy, to generate employment, and thus improve competitiveness of the country.

In the health sector, two laws were passed: the first, the General Health Law (Law 26842), established the responsibility of the state in the provision of public health services and in the promotion of universal and progressive insurance, while the second, the Law for the Modernisation of Social Security in Health (Law 26790), introduced new forms of care for the beneficiaries of social security with the participation of private providers.

In this context, PPPs have been used as a mechanism to expand service coverage. Currently, there are four PPPs in the health sector, one with the Ministry of Health, and the others with the social security programme, *EsSalud*. 
There are “self-sustaining” PPPs and “co-financed” PPPs, and whereas the former demand a minimum or no guarantee financed by the state, the latter require financial and non-financial guarantees on the part of the state, and its resources. PPPs can be the initiative of the state or the private sector, co-financed or self-financed. The four criteria they must have are: value for money; transparency; competition; and adequate risk allocation.

The PPP that EsSalud entered into for the Hospital Alberto Leonardo Barton Thompson was a private initiative, self-financed PPP with the company Callao Salud SAC, which is made up of seven Spanish companies. There was a lack of transparency about the contract, in which the “value for money” criterion was not applied. Oversight controls were weak or nominal, and there were no mechanisms for monitoring or transparency. The initial contract was signed on 31 March 2010, but the operating company, Callao Salud, requested changes in Addenda which were “inexplicably” accepted by EsSalud on 21 February 2011, and, de facto, added twenty-one per cent onto the original proposal, to the detriment of both EsSalud and the Peruvian state. The Remuneration for Investments went from the original 6.9 million USD to 8.6 million USD. The estimated public sector operating cost was foreseen at sixty million USD against forty-five million USD for a specialised PPP operator, but the contract was signed for operating costs of 65.8 million USD, so there was no saving. Thus, in the end, the cost of the PPP was much higher than a publicly operated hospital. And the contract is for thirty years.

Moreover, what was to be a Level III hospital, became a Level II hospital in terms of the health services that it offered, to the detriment of the insured. The increase in investment and in the operating costs directly affects both the coverage and the quality of the services of the insured, since they reduce the possibility of investment in other health services. Assigning categorisation II to the Barton Hospital harms both affiliated and referred patients who exceed the care capacity of the Barton PPP, as these patients will not be seen or treated, and will be referred to other care units.

Of the thirteen quality and outcome indicators that do not meet their goals, six directly affect women’s health, and their numbers are far from the proposed targets, deepening the health gaps that affect women.

Labour rights, too, have not been respected by the Barton PPP, especially with regard to women workers. The right to a continuous working day has not been respected, overtime not included, and the maximum time of 150 hours per month for technical nurses and care assistants infringed. This was detrimental to the workers, as it not only reduced their income, but also made it impossible to balance their home time with their work time,
and it further reduced their possibilities of training or performing other remunerative activities to improve their total income. As a result, they joined a union in order to assert their legal rights.

During the Covid-19 pandemic, the union denounced the lack of personal protection equipment. There has also been resistance to the working practices pursued by the Barton PPP, and the continuing reduction of contracts which harmed women’s working rights. The result has been that the workers have entered into discussions both with EsSalud and MINSA in order to reverse these tendencies and to restore the law. As one of their leaders pleaded on Twitter:

Mr. Vizcarra, no more PPPs. Don’t allow the waste of money on someone who not only curtails our labour rights but also imposes a foreign model that goes against our professional laws. Our laws are not privatised. No more abuse! 🙉

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A FEMINIST APPROACH TO PUBLIC-PRIVATE PARTNERSHIPS (PPPs):
The Case of the Parirenyatwa Group of Hospitals in Zimbabwe

by Nyasha Masuka
argue that Public-Private Partnerships in the health sector do not actively mainstream gender equality in Zimbabwe.

The progress achieved in the health sector in the years following the independence of Zimbabwe in 1980, came to a halt in the mid-1990s with the imposition of the Economic Structural Adjustment Programme (ESAP) that the Zimbabwe government adopted from the World Bank and the International Monetary Fund.

The reforms and investment in health care that followed independence, saw a fall in infant mortality, and increase in life expectancy, and an immunisation programme which covered 80 per cent of the target population. A United Nations International Children's Emergency Fund (UNICEF) report noted these achievements and described Zimbabwe as “a beacon for progress towards child survival and development in sub-Saharan Africa” (UNICEF, 2019).

But slow growth in the 1980s was followed by a crippling economic down-turn caused by a drought in 1992, which brought the high public expenditure on health to an end. The structural adjustment program (SAP) administered under the auspices of the World Bank and the International Monetary Fund (IMF) imposed budgetary constraints which resulted in steep falls in expenditure on education and health. The introduction of user-fees - on the recommendation of the World Bank – as a mechanism for meeting targets to reduce fiscal deficit has excluded the poor from the health system, increasing inequity both socially, and in terms of health and gender, in particular, women’s health.

The adoption of neo-liberal policies did not take into consideration the mainstreaming of gender equality, and had a disastrous effect on access to comprehensive quality health services for women. ... the reduction in spending for public health services and the increase in maternal morbidity and mortality (Nyazema, 2010).

The ESAP focused on public sector reforms, and resulted in liberalisation, privatisation, and a reduction in public expenditure. In the health sector, Zimbabwe adopted a new
National Health Strategy, with the aim of creating opportunities for the private sector, scaling up de-centralisation and contracting out or outsourcing services. Total expenditure on health fell dramatically, and household out-of-pocket expenditure soared, placing significant burdens on individuals. The health sector was subject to a massive brain drain and the system all but collapsed in 2008.

With the regime change of 2017, the mantra “Zimbabwe is Open for Business” is the new regime’s way of encouraging investors to invest in private “for profit” ventures in the country. The Joint Venture Partnerships Act encourages PPPs in every sector to fill the gap in public funding. There are active attempts to engage foreign groups of investors in hospitals to form PPPs with public Central Hospitals for delivering super-specialised care, yet the country still lags behind on Primary Health Care and Universal Health Coverage.

Five examples of PPPs at the Parirenyatwa Group of Hospitals are provided as examples. A PPP for ancillary services, laundry; the “dual practice” PPP with the private wing in the public hospital; the renal dialysis PPP; the Mbuya Nehanda Maternity Hospital PPP; and the pharmacy PPP. The laundry and renal dialysis PPPs are examples of “contracting out” or outsourcing; the “dual practice” D-Floor, and the “hotel facilities” at the maternity hospital reveal the inequity of private versus public treatment/service, and the disproportionate onus that it places on women’s health, and their access to health. It should be noted that:

No attention was paid to the fact that the deterioration of the socio-economic situation in the country had a bigger and worse impact on women because of their disadvantaged socio-economic status (Percival et al., 2014).

But what all five PPPs have in common is that they were “innovative responses to under-funding by the government of Zimbabwe”. Not only do they reveal the inherent weaknesses in the existing regulatory frameworks, they also demonstrate the failure to
enforce them, a lack of enforcement largely attributable to deep-rooted corruption. There is a lack of transparency and accountability throughout the process, and, although Zimbabwe professes to believe in gender equality, it is completely absent in the PPPs.

When the PPPs were entered into no attention was given to gender equality, as it was assumed the women would benefit equally. No consideration was given to the fact that women are already at a disadvantage in terms of education, employment opportunities and income, and therefore were concomitantly penalised with regard to financial access to privatised medical services.

In stark contrast to the improving health coverage in the first decade after independence, the conditions imposed by the introduction of the SAPS by the IMF and the World Bank through liberalisation and privatisation of the health sector with no consideration for gender equality or human rights, resulted in barriers for access to health services and a worsening of health outcome indicators for women. The Acting Minister of Health and Child Care cancelled all PPPs on 7 July 2020.

References


Nyasha Masuka

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PUBLIC-PRIVATE PARTNERSHIPS: Are They a Healthy Investment Model? Lautoka and Ba Hospitals – Fiji a Case Study

by Lice Cokanasiga
Fiji entered into its first Public-Private Partnership (PPP) with an Australian medical firm, Aspen Medical, in order to re-develop one hospital, the Ba Hospital, and construct a new wing to another, the Lautoka Hospital.

The International Finance Corporation (IFC), the private sector arm of the World Bank, in its advisory role to the Fijian government, facilitated the establishment of the first PPP in a Pacific Island country. In so doing, the IFC was joined by the Australian Trade and Investment Commission, which promotes the Australian business opportunities abroad, including the Pacific Islands.

In order to bid for the contract, the Australian company, Aspen Medical, became a partner of the Fiji National Provident Fund (FNPF) to form Healthcare Fiji Pty. The Fiji National Provident Fund, however, is a statutory body, and the only body which manages a compulsory saving scheme for all employees in Fiji, and offers the option of lifetime superannuation or pensions for members upon their retirement. It was on the advice of the London based international law firm Ashurst LLP that the FNPF has risked the pension funds of its members, that is to say, of all Fijian employees, in order to invest in this PPP.

The use of Fiji’s only pension fund to finance infrastructure projects make it resemble a bank which the government can withdraw from to finance investments and projects.

In order to achieve the United Nation’s Sustainable Development Goal no. 3 – “Good Health” – the government of Fiji sought the assistance of the IFC in seeking an internationally-certified hospital operator to re-develop and upgrade the Lautoka and Ba hospitals. The IFC, in its turn, eliminated what it calls “structural bottlenecks”, the domestic public-sector policies which might serve as obstacles to their investment. Thus, it advised the government of Fiji to revise the Fiji Islands Public Private Partnership Act 2006
and had it replaced with the Public Private Partnership Policy 2019. Moreover, Indian Prime Minister Modi, whose country is to provide the high-tech equipment, proposed Fiji as a medical hub for the region, so that the hospitals would operate not only for Fijians, but also attract health tourism, thus bringing revenue to the state. With this arrangement, Fijians would not have to go to Australia and Singapore for treatment, and Fiji would attract patients from other countries.

However, the Fijian Nursing Association (FNA) asks, would the forms of treatment on offer be appropriate for the health needs of the local population? In hospitals geared to health tourism, would there be space for the locals? In privatised hospitals, would the locals have to pay for what they presently receive from the state? Would they be able to afford to use these now private health-care units? As the staffing will be in the hands of Aspen Medical, what fate awaits the public-health workers currently employed? In these PPPs, there are too many unknowns, and the FNA wants to protect not only its workers, but also community health care.

The lack of transparency in the PPPs is noteworthy. The local population was not consulted; no feasibility studies are available; no assessments of the impact of the projects on human health, the environment, or on gender are available. There are already
shortages of doctors and nurses in Fiji, and, with the Covid-19 pandemic, all hospitals and staff are stretched. Is there really a need for these new hospitals? Will the private health-care nurses have to face the dilemma of treating a patient and making sure that the hospital’s profit-target is met? Given that privatisation is geared to profit, this could result in health-care workers changing or having to change their professional training values, both their ethics and their practices, as they might be determined by company profit targets, rather than the health of the patients.

What is known, however, is that PPPs on small islands are risky and have failed in the past. Even the IMF acknowledges this. So what if it fails here? What will become of the pensions of the citizens of Fiji? Will they have to pay more? One thing is certain: Aspen Medical can’t lose. PPPs are “protected guaranteed income for the private sector.

The intentions and motivations underlying the actions of Ashurst LLP, the IFC, Austrade, and the Private Sector Development Initiative should all be scrutinised, especially Ashurst’s advice to the FNPF to invest – and risk - its members’ pensions in this risky health-business model. The key question to which all must reply is whether these contracts ensure Fiji’s communities their basic right of access to health, as guaranteed in the constitution.

The PPPs in Fiji have clear winners: the IFC (and, by association the World Bank Group), Aspen Medical, the Fijian government obtaining revenue from health tourism, Austrade, Ashurst LLP. None of the above can lose. It is the pensions of the Fijians that are at risk, their right to public health care, guarantees for their lives, their health, their families, their futures, even their jobs. It is the needs of the men, women and children of Fiji that seem to have been forgotten - shall we say, “left out of the equation” - in these schemes.

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**Lice Cokanasiga**

Lice Cokanasiga is a researcher and campaign assistant in the Pacific Network on Globalisation and a member of the DAWN GEEJ Network. Her work revolves around monitoring, tracking and critiquing the Blue Economy agenda in the region and its impact on the indigenous peoples environment in the Pacific Islands and research on trade liberalisation and its impacts of extractive industries in the Pacific. She also tracks what donor financing means for the corporate capture of public policy spaces.