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***Factors influencing Public Private Partnerships in the South African
Healthcare Context***

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Abstract:

Public private partnerships are fast becoming a sustainable strategy in increasing the quality of healthcare being delivered to a population. A portrait of South Africa's healthcare setting bears striking resemblance to that of Africa as a whole. Public private partnerships (PPPs) are gaining momentum in the South African healthcare sector. This paper aims to study specific factors, which drive the synergies between public and private partners in achieving their goals through the vehicle of PPPs. A qualitative research design was used to examine six public and private partnerships; both public sector as well as private sector partners were studied. The paper aims to contribute to the understanding of the factors that promote or inhibit successful collaboration between partners in the realm of healthcare in an emerging economy. The research will further examine the influence of trust and perceptions on the relationship between public and private partners.

The key findings of this research have allowed the development of a model to illustrate the drivers of trust in PPPs. These were found to be negotiation, mutual understanding and transparency. It was found that effective negotiation requires clear communication, an accommodating nature and the desire for both parties to want to partake in constructive dialogue. The study revealed that respondents were mostly satisfied with the current level of transparency and mutual understanding between public and private partners. It was discovered that negotiation and a spirit of wanting to collaborate, dovetailed really well with the direction inferred from the terms of a legal contract. In addition, negotiation, transparency and adherence to a contract were found to be complementary tools and processes, in working towards successful collaboration. Trust was found to stimulate the acceptance of each partner's objectives and promote the establishment of long-term meaningful relationships.

Introduction

In an increasingly interdependent world, the action of one sector potentially affects another. This necessitates collaboration in order to achieve success. The UN has been campaigning for transsectoral partnerships in order to stem the downside of globalisation that threatens human and labour rights' (Buse and Waxman, 2001).

In many countries, the responsibility for social service delivery has rested with the state. The landscape is rapidly changing as the private sector becomes a more important player in this sphere. Bennet, McPake and Mills (1997), say that governments are thus looking at constructive collaboration to invite private sector participation without compromising the public sector's interests. The World Bank and the WHO are both strong supporters of public-private interaction in developing countries, making it one of their financial and operational imperatives (Buse and Walt, 2000). Private sector skills and funding is increasingly being recognised as a medium for expediting the development of the public sector. The private sector has in many instances welcomed the opportunity to partake in assisting the public sector. The severe shortfall of funds in developing countries puts mounting pressure on the governments of these countries to seek out novel methods of generating funds, such as the development of public private partnerships.

Background

PPPs are gaining momentum and popularity in the South African healthcare sector. This is a very new area of research and the literature relating specifically to the relationship between public and private partners is sparse. The unit under study is the partnership between public and private partners in healthcare alliances. In particular, this study outlines an investigation into the relevance and constituents of trust in the relationship between public and private partners in public private partnerships. Perceptions of each sector's objectives and priorities serve to test the level of understanding and trust between public and private stakeholders. The author aims to provide policy makers, high-level private and public stakeholders, the opportunity to understand the role of trust and perceptions, in successful collaboration between public and private stakeholders.

The South African government has recognised the potential of PPPs and has taken steps to facilitate the process of collaboration. A number of PPPs have been implemented in the South African healthcare sector. While there has been remarkable ambivalence about the success of such ventures, there is in fact insufficient evaluation of them to be able to draw firm conclusions. As stated earlier, this study explores the various dimensions of trust as defined by the relationship between public and private partners involved in PPPs. The study also assesses perceptions between public and private stakeholders, which seek to lend further depth to the views on trust and transparency in these PPPs. PPPs, are a central feature of the global health landscape, and there seems no reason to believe that the current trend will not continue (Castells, 1996 as cited by Buse and Waxman, 2001).

Global Health Expenditure Trends

The World Health Organisation (WHO) Statistics Report for 2007 speaks about the 20/90 syndrome, where 30 of the world's richest countries (also known as the Organisation for Economic Cooperation and Development countries) spend 90% of the world's total health expenditure on a mere 20% of the world's population. These OECD countries spend more than 11% of GDP on healthcare, while African and South East Asian countries spend, on average, 4.7%. On average, the OECD governments spend \$3170 per capita, per annum, while African countries have capacity to spend a meagre \$36 per capita (WHO, 2007). In 1999, The Global Forum for Health Research also highlighted the gross inequities that exist, through the 10/90 disequilibrium. The following three factors illustrate this:

- i. 90% of the global burden of premature mortality is attributable to disease problems in developing countries
- ii. 90% of global expenditure on health research is directed at disease problems of developed countries
- iii. 10% of global expenditure on health research is devoted to health problems of 90% of world's population.

Africa and Public Private Partnerships

African countries battle to tame the fierce, unyielding inferno of disease imposed on their health systems by centuries of inequity, poverty and exclusion from the Western world. The demand for quality healthcare on the African continent is spiralling and fast outstripping the continent's capacity to supply basic preventative and curative services to its suffering. While many evils are being exposed, the problem calls for inventive, sustainable and cost-effective plans to bridge the gap between the demand and supply of healthcare services. Half of the world's deaths are preventable with simple and cost-effective solutions; the obstacle being the lack of knowledge regarding these solutions' availability (WHO, 2004). One such solution has been the introduction of PPPs.

Farlam (2005) reviewed eight large PPPs in operation in Africa and suggested that success in these partnerships rested on thorough planning, good communication, bipartite commitment and effective monitoring. Farlam (2005) highlights that transparency and mutual understanding in PPP relationships are a priority throughout each stage of a PPP. This study will examine some of these concepts in addition to breaking down the constituents of trust in PPPs. It will also lend meaning to the effect perceptions has on a PPP.

South Africa and Public Private Partnerships

In Africa, South Africa has the most experience in developing the PPP concept and has numerous such projects at a municipal level (Farlam, 2005). These projects are of varying size and include numerous sectors such as transport, public works, healthcare and infrastructure development. The Treasury of the Republic of South Africa is spearheading a campaign to promote the utilisation of public-private initiatives. There exists considerable potential for public-private collaboration in constructing an equitable, efficient and high quality health system in South Africa (NHS, 2001). The South African public health sector needs to provide disadvantaged communities with greater access to good quality health

services. This is a major challenge, as budgetary constraints limit expansion and increased efficiency seems to be the only tangible option to achieve this goal (Coburn, Southall and Collins, 1998). As hospital standards have fallen in the public domain, private hospitals have expanded and increased in number. The net result has been a draining of vital resources, doctors and nurses, along with income from the public sector (Coburn, Southall and Collins, 1998). The government responded by encouraging public-private interaction and collaboration to improve equity and quality of healthcare delivery.

At an operational level, the objectives for engaging in public-private health partnerships are to (NDoH, 2001):

- Reduce or contain costs.
- Improve quality of care.
- Improve access to healthcare for under-serviced populations.
- Generate revenue for the public sector.

The Role of Trust, Understanding and Negotiation in Public Private Initiatives

Trust takes on myriad forms and definitions when reviewing the literature (Gilson, 2003; Zitron, 2006; Edkins and Smyth, 2007). “The strength of trust will determine the strength of every relationship”, (Edkins and Smyth, 2007). These perceptions can be reinforced by positive behaviours and outcomes or can generate negative behaviours that result in disappointment (Brockner & Siegel, 1996). By nature, trust involves an element of risk, as the trustor and trustee are uncertain about their partner’s motive, reaction and counter-behaviours. (Coulson, 1998).

Trust encourages constructive engagement and acts like a lubricant in gearing partners towards increasing efficiency (Greiner, Ockenfels and Werner, 2007). Trust also reduces the drive to continually monitor performance in a quantitative fashion, which is often quite a difficult and poorly monitored concept in healthcare. Trust allows the stakeholders to better understand each other’s objectives/expectations and how they can contribute to the overall

success of both partners and the project (Gilson, 1997). At a collaborative level, the partnerships based on trust enables the end user to benefit from a more efficient service which offers a wider range of services to a larger group of people (Gilson, 2003).

Gilson (2003) suggests that the development of trust in healthcare requires some of the following essential factors to be present:

- That relationships at all levels foster a sense of building up trust. This extends to patients, providers, managers and policy makers.
- Managerial platforms be created for open dialogue and engagement in a constructive manner.
- Political support for these managerial platforms that also protect the least powerful and most poorly represented voices.

Deakin and Michie(1997) suggest that trust, and the need for a formal contract, are complementary. Macauley (1963) mentions that trust is what allows one to immediately resolve a conflict through constructive dialogue rather than enter into legal battles.

A number of factors influence the level of trust required in a partnership. Among these are the context, the duration and the influence partners have on each other (Coase, 1994 as cited by Palmer and Mills, 2005). The long duration of PPPs is an important factor that affects the need for a trusting relationship between partners (Edkins and Smyth, 2007). In developing countries, low to middle income countries lack administrative and contract-writing skills, which heavily influence their abilities to function ideally (Appleby, Smith, Ranade, Little and Robinson, 1994 as cited by Palmer and Mills, 2005). Awareness of these factors assists policy makers in guarding against unwanted outcomes (Palmer and Mills, 2005).

Role clarity is required in all PPPs as it promotes accountability and performance evaluation. Contracts should detail plans for most or all foreseeable eventualities. PPPs leave a 'minefield of potential conflicts of interest' that will be minimised by raising transparency (Heymans and Schur, 1999). Even though private and public sector goals may change over

time, this needs to be communicated in order to maintain and strengthen relationships between the partners (Parker and Hartley, 2003). Collaboration does not mean that both parties necessarily need to work towards the same goal. Collaboration refers to the process through which partners enable each other to reach their own goals in a supporting fashion (Cropper, 1996 as cited by Essien et al, 1999). These alliances often excel in difficult market conditions where individual players find it hard to reach their objectives if operating alone (Gray, 1996 as cited by Essien, et al 1999).

Negotiation in PPPs becomes efficient when the key negotiators are known to act in good faith without perverse motives or obscure objectives (Parker and Hartley, 2003). In PPPs, information is expected to flow freely because of mutual dependency. This limits the transactional costs which can prove to be a serious deterrent to private sector involvement (Parker and Hartley, 2003). Research shows that the public sector is particularly weak in consistently managing the interface with the private sector in a manner which promotes trust and collaboration. There is a need for both public and private sectors to move away from relational contracting towards relationship management (Edkins and Smythe, 2007).

Benefits and Risks of Public Private Partnerships

Quick (2001), points out that PPPs can harness private expertise, creativity and resources for the public's benefit. Collaboration allows government to focus on its core role of constructing and implementing health policy frameworks and orchestrating the delivery of quality healthcare to all. The South African Department of Health has acknowledged the potential of the private healthcare industry in fighting the battle against a collapsing health system. Collaboration will result in an increased capacity to cater for more people, raise the quality of healthcare offered and increase efficiencies within the healthcare sector. Buse and Walt (2000) discuss how the private sector is being motivated to increase its involvement with the masses as part its corporate social responsibility. Furthermore, public-private interaction facilitates private stakeholders moving into new markets (Ravindran and de Pinho, 2005).

A number of well-grounded concerns have been raised about PPPs by various role players specifically in the healthcare sector. With the establishment of partnerships, there exists the possibility that the state may 'transfer' its responsibility of catering to the health needs of its people (Pearson, 1999). The South African Institute for International Affairs published the Nepad Policy Focus in 2005. It alludes to the potential for exploitation and corruption by individuals in key positions when large complex government contracts are undertaken without sufficient transparency.

In the South African context, the potential problems of PPPs include too strong a focus on revenue generation and a resultant undermining of equity. Inappropriate design of contracts can result in excessive expenditure from the state (NHS, 2001). Critically, the restructuring that takes place may negatively influence the labour market, with reduced potential for permanent and temporary jobs (NHS, 2001). Unemployment in South Africa is a massive problem. The more the public sector outsources services to the private sector, the more serious the threat to the labour force (Labuschagne, 1998).

Research Methodology

In South Africa, research on PPPs, specifically in healthcare, is fairly limited, and the methodology for this study was shaped by contemporary literature and the insights of experts on the topic. A particularly relevant study by Wadee, Gilson, Blaauw, Erasmus and Mills (2004) proved useful in constructing the research methodology for this paper. In an attempt to gain a holistic understanding of PPPs at strategic and operational levels, a number of data collection methods were used. A questionnaire survey was administered among a range of people with experience in PPPs. A purposive sample was recruited and semi-structured interviews were conducted with the respondents.

The identification of key informants is a recommended process in research (Venkatraman and Grant, 1986). The respondents in this study were selected on the basis of their experience in the field of PPPs and their ability to contribute to understanding the dynamics of the relationship between public and private stakeholders. Although the identification of informants was aided by the author's knowledge of the healthcare industry, it was primarily

based on referrals. Senior government officials from the National Department of Health (NDoH) as well as the Treasury were approached to either take part in the interviews or assist in securing interviews. The twenty respondents who participated in the study came from the following four key groups of people involved in PPPs in the South African healthcare sector: Public Policy Makers, Department of Health officials involved at a strategic level, facility managers and private stakeholders.

The author surveyed the relevant literature with a view to contextualising the concept of PPPs in the South African healthcare sector. This was followed by the administering of a survey that centred on the perceived success of PPPs in the South African healthcare setting. Miller & Glassner (1997) recommend that surveys be administered prior to in-depth interviews, as the latter provides a qualitative dimension to research data that questionnaire surveys generally cannot capture.

The interviews were done as a follow-up to the questionnaire survey. The interviews highlighted contrasts in relation to the prioritisation of objectives between the public and private healthcare sectors. They probed the views of the respondents on the following:

- The role of trust in PPPs as well as their personal experience with relational aspects of PPPs
- The obstacles experienced thus far and possible remedies.
- The operation/strategy of the PPP they were currently involved in.

The data gathered from the questionnaire survey and the in-depth interviews was qualitative in nature. It was analysed using Atlas.ti 5.0 software. The study is grounded in the South African health climate and may therefore have different connotations when viewed from the prism of developed countries.

Results and Discussion

As mentioned before, the unit of analysis is the relationship between public and private partners currently in a partnership delivering healthcare in South Africa.

Responses were categorised by the author, who was then able to develop a clearer understanding of the building blocks that make up trust in these partnerships. In addition,

the interplay between trust and the terms of a contract were examined in the context of South African healthcare PPPs.

It was discovered that trust is built on openness, mutual understanding and the ability and desire to enter into negotiations. Importantly, the author observed an interesting relationship between the development of trust and these building blocks. As trust becomes more established, the ability to be more open, understanding and negotiate constructively becomes easier. Based on outcomes, trust aids the attainment of both parties' objectives and it facilitates the establishment of long term, more meaningful relationships.

Trust

When asking about trust in PPPS in healthcare, 63 comments were recorded that relate to trust. Of these, 24 directly related to trust, 12 related to negotiation, 10 related to openness, 7 related to contract adherence and 6 related mutual understanding.

The negotiation respondents referred to, related to the negotiations that occur prior to PPP implementation, when public and private partners work closely in establishing an agreement. In addition, respondents refer to those negotiations that occur when the PPP is fully operational and minor discrepancies occur between the output specifications of the contract and the realised requirements. There is often minor misalignment between what the contract stipulates and what is really needed from the private/public stakeholder.

Nine of the twelve respondents (75%) reported positively on negotiation as a constituent relating to trust between public and private partners. A number of the respondents mentioned the following as some of the constituents of effective negotiations: Clear communication; an accommodating nature; concern for each other's wellbeing; ability to engage in constructive dialogue.

These sentiments are well supported by the literature. Macauley (1963) as cited by Palmer and Mills (2005) mentions that negotiation between partners often dissolves the conflict that may arise and hamper collaboration unnecessarily. This limits the transactional costs and legal fees, which can prove to be a serious deterrent to private sector involvement (Parker and Hartley, 2003).

“The problems that crop up - it is much easier to manage if people look beyond black and white. It is more the spirit that drives the partnership. There is a lot of give and take.”(8:9)

This respondent makes a strong point about the spirit partners involved in PPPs need to embrace when engaging in negotiations. The respondent was referring to the fact that both partners should avoid using the contract as the absolute rule, but rather, it should be a guide in a relationship that grows with time.

An interesting finding emerged from what three different respondents spoke of. The first respondent suggested that negotiation should happen within a defined framework. The second respondent contradicted this view by suggesting that instead, negotiation is driven more by spirit than by written guidelines. The third respondent suggested a combination of the first two respondents’ perspectives. The suggestion was that negotiation is a process where the rules/terms are set out and then altered by a mutually engaging process. This sentiment is echoed by Dekain and Mitchie (1997).

Degree of Openness/ Transparency

Survey respondents were asked to rate their perceived level of openness with their PPP partners (dependent on whether they were public or private), on a scale of one to five (Likert Scale). They were then asked to rate the level of openness between the other sector (dependent on whether they were public or private) and themselves. These two questions aimed to prove the degree of congruence experienced between the sectors in terms of how open they perceived both themselves and their partners in PPP settings. The term ‘open’ referred to the flow of information, the representation of objectives, and difficulties experienced during the inception and operation of the PPP.

Thirteen of the 18 (73%) respondents, who rated openness, agree that the degree of openness between their own sector and the other sector is equal. Five of these respondents, (27%) rated their counterparts as having a lower level of openness than themselves. They thus perceive themselves to have a higher level of transparency than their counterparts.

None of the respondents in this study mentioned that their counterparts had a higher level of openness than themselves.

The respondents have had mixed experiences with regard to transparency between the partners in healthcare PPPs. Half of those who spoke about transparency believe there is an adequate level of transparency to foster mutual understanding between public and private partners. This finding is congruent with the finding above, showing the high level of perceived transparency shown and received in the partnership between public and private stakeholders.

“I think it is as transparent as it could be.”(6:12)

This respondent and others mentioned that the level of transparency is at a high enough level to promote good relations between public and private partners. The implication is that everything need not be divulged between partners, as this may risk the possible benefits to either party. This raises a dilemma -how does each partner decide which information to withhold. Similarly, how does each partner know what degree of openness their counterparts will be satisfied with? Himmelman (1996) points out that when partners work in unison, there should be a free exchange of information and resources, for mutual benefit and common purpose (Essien, 1996). Again the literature is not prescriptive as to the optimal level of openness one should strive for in PPPs and whether this is any different to other forms of partnering. The following respondent points to the infancy of the PPP concept in the South African healthcare sector, and how the lack of experience should be cushioned by good understanding and open relations.

“We are still in the kindergarten stage - we might have differences in opinion in interpreting certain things within the output specs of the contract - legal contract but one approaches it in good faith and I think there is openness in the discussion around it” (13:8)

Four of the respondents that commented on openness between public and private partners, have voiced their dissatisfaction with current levels of openness experienced. They mentioned that a history of distrust between the two partners precluded a reasonable level of openness and this hampers the process of developing trust.

Past experiences in dealing with the private sector undoubtedly underpins current sentiments by state sector respondents, as illustrated above. This is a well-documented phenomenon and Zitron (2006) highlights that this behaviour may be reinforcing and perpetual. The feeling from the state sector, according to four respondents, is that the state divulges more than what the private sector is willing to. This may well be related to their motives for engagement, as a profit-making entity.

Among the reasons cited for the need for openness and transparency, the following three themes have emerged from more than 5 respondents (20%):

- Openness aids mutual benefit.
- Openness aids understanding between the parties.
- Openness limits the conflict that may arise from contractual stipulations and obligations.

Importantly, from the comments made about openness and transparency, it is clear that in fact there is not a high enough level of transparency between partners. This may be the result of historical differences, a lack of trust based on perceived motives for each party's engagement in PPPs; as well as a passive approach to transparency as alluded to by the last respondent. Historical differences relate to times when both parties felt they were given a raw deal by the other party and hence there is scepticism in pursuing future relationships with each other.

Mutual Understanding

Half of the respondents who commented on mutual understanding report positive experiences with reference to mutual understanding.

"I think we have got an excellent working relationship...We have good communication and I think we've got a good working relations, good routine, shared services, good standard there. It is working quite well."(1:8; 1:9)

These respondents highlight clear communication, good guidelines and the sharing of information as facilitatory towards achieving mutual understanding, despite the difference

in objectives of each party. Successful partnerships require partners who genuinely wish to work together (DoH 2001 as cited by Broussine, 2005).

The other half of the respondents report particularly negative experiences. It was mentioned that governmental structures fail to recognise the skills that the private sector is able to offer.

“They are not very receptive of the advice or expertise that you share with them, mainly because they are just the client forgetting that as much as they are a specialist - they could be a doctor –but you are a specialist in your field...”

Clear communication and sharing of information, facilitate mutual understanding, as do they create a safe environment in which negotiation can occur. A combination of a lack of understanding of private sector competencies and a lack of experience with PPP arrangements on the whole hampers mutual understanding. This contradicts the findings of Hartley and Parker (2003), who feel there is adequate recognition on the part of the government, of private sector expertise in terms of managing projects and budgets in the South African PPP setting.

Trust

Eighteen of the twenty respondents gave trust a 5 out of 5 rating with regard to its importance. The author was convinced of the importance placed on trust after having conducted interviews with these respondents. The author thus probed why respondents felt trust was so important. 9 of the 20 respondents (45%) pointed out that trust was critical to building relationships. They argued that PPPs required partners to be on good terms and in relationships that were constructive and supportive to each other. Furthermore, the lack of trust would culminate in difficult working conditions for both partners. 25% of respondents emphasised the need for trust between partners working in PPPs because the contracts don't specify all the terms and outcomes in a relationship. There is agreement from the respondents that trust between public and private partners is a key ingredient for success in healthcare PPPs. The respondents feel it is important as it facilitates relationship building, it facilitates teamwork and it allows partners to work beyond the limitations of a contract.

Perceptions

In all partnerships, individuals' perceptions shape their commitment and actions taken in influencing the success of a partnership (Clarker 1996 cited by Broussine, 2005). Respondents were all asked to rank the following four objectives in order of importance to themselves and how they perceived them for their counterparts:

- 1) Increasing access to healthcare delivery
- 2) Increasing the quality of healthcare delivery
- 3) Retention of medical staff in South Africa.
- 4) Revenue generation and retention.

Private Sector

There were 8 respondents from the private sector, half of whom identified the objective of increasing the quality of care as being their key objective with the PPP they were involved in.

From the private sector respondents, the following two statements highlight the emphasis placed on improving quality:

“We wouldn't be heavily focused on quality if we didn't think that rated above everything else. Quality around the world - why do people want to go to Harvard? It is perceived to have great quality and to attract great people and that makes the quality even better.”

(11:19)

The fact that the private sector declares increasing quality as its core objective may be due to one of two reasons. Firstly, they may actually not be representing their true objectives for fear of condemnation which they may feel would taint their opportunities for future engagement with the public sector. The other reason the private sector claims to have quality as its main priority, is because they may be moving away from a short-term focus. The literature suggests that too often in PPP settings, the private sector is geared towards short-term profit gains, and this often leads to a breakdown in the relationship with the public sector (Sleeves, 2005). As one respondent commented, it's the high quality in the healthcare industry that drives profits.

Five of the eight respondents (63%) from the private sector rated revenue generation as the least important objective in their opinion. Only one person (12%) from the private sector mentioned this is their most important objective.

Private Sector's Perception of Public Party's Objectives

For this part of the research, participants were asked to rank their partners' objectives. Improving Access and Quality constituted 85% of the public partner's priorities, according to the private sector respondents. The private sector felt the public sector was least concerned with revenue generation (87.5% of respondents agreed). The private sector felt overwhelmingly that the public sector is not interested in revenue generation and retention.

Public Sector

There were 12 respondents in the public domain of whom 7 felt that increasing the quality of services being offered was the key priority in PPPs. None of the respondents felt that revenue generation was the key priority.

"In my view, whatever kind of relationship we have, we need to see to what extent each of the PPPs are contributing towards improving the quality of care, improving access - all of them have value. Each of the PPPs has a role in improving access to health and the quality of health care." (18:8)

The above comment from a public sector respondent was made in reference to the sectors key priorities. Seventy-five percent (75%) of the respondents mentioned that revenue generation in the public domain of these PPPs was least important.

"There is nothing about revenue generation. You don't generate revenue in the public space."(10:22)

Public Sector's Perception of Private Party's Objectives

The public sector respondents felt fairly strongly about revenue generation in the private domain. 50% (6 of the respondents) said that Revenue Generation was most important to the private sector. A number of public sector respondents felt that the private sector simply entered into PPPs to make money. So while the perception is that the private sector is geared towards revenue generation, they (the private sector) are not consistently sending this message out, as is illustrated above.

This obvious difference in what the private sector claims is a priority and the perception of their top priority by their partners raises a number of concerns. Firstly, both sectors claimed they are reasonably happy with the level of transparency and understanding between the partners. Secondly they unanimously agreed on the importance of trust in PPP relationships. However there is an obvious misalignment as to the private sectors perceived priorities and their stated priorities. As this study suggests, this may be due to a lack of understanding and trust between partners. Alternatively, this may be due to misinterpretations in the respective roles of each partner.

The aim of Increasing Quality of Care being delivered to patients featured as the single most important objective for both private and public sectors in the PPPs involved in this study, receiving 50% and 58% of the first rank nominations, respectively. It is clear that increasing quality is receiving a large focus of attention in the current PPP domain. This objective has been stated by the literature as the best possible common objective for both sectors entering into a PPP (Wadee et al, 2003).

Conclusions

This study investigated the relevance and constituents of trust in the relationship between public and private partners in healthcare PPPs. Perceptions of each sector's objectives and priorities served as a test bed in examining the level of understanding and trust that exists between public and private stakeholders. This study provides policy makers, high-level

private and public stakeholders, the opportunity to understand the role of trust and perceptions, in successful collaboration between public and private stakeholders.

In specific reference to trust between public and private partners in PPP relationships, it incorporated the following:

- **Clear representation of each party's objectives** throughout the negotiation and operational phases, even though the objectives may change in the process.
- **A Spirit of Wholesome Engagement** entails the commitment from both parties to support each other in attaining their goals
- **Negotiation** that rests upon the contract as a guide and not the absolute verdict. Both partners need to be willing to engage in this process as output specifications may change.
- **Terms of the Contract and Negotiation** should be viewed as complementary, not mutually exclusive or substitutes for each other.
- **Mutual Understanding** between both partners of each other's strengths and weaknesses.

Trust between public and private partners in healthcare PPPs facilitates the following:

- It reinforces the understanding that both parties need to create win-win scenarios.
- That the ties between public and private partners are viewed as a relationship, and are meant to be long-term and mutually beneficial.
- Trust is complementary to the terms of a contract between public and private partners.

The most important addition to the original conceptual framework, are the finding that trust has a positive feedback loop that enables and facilitates some of the processes that form the building blocks for successful collaboration. For each of the variables (negotiation, openness and mutual understanding), a number of factors were identified which constitute good practice or facilitate constructive dialogue.

It was discovered that these building blocks led to the development of trust between partners, which in turn made negotiation, openness and mutual understanding easier for both parties. Another important finding that influenced the building blocks for successful collaboration was the understanding of a sector's strengths coupled with the recognition of the other partner's strengths. This enabled better role clarification, mutual understanding and thus an enhanced sense of trust between parties. This also resulted in an increased ability to partake in constructive dialogue which helps to strengthen the health sector.

It was found that people have various views on the link between the need for a contract and trust between partners. Reviewing the findings of this study complimented by the literature, it was felt that trust and the terms of a contract work 'hand in glove'. Essentially, the contract is the starting point to building a relationship, but it is trust that allows constructive engagement and the ability to build long lasting relationships that are mutually beneficial. These relationships result in more effective interventions as a result of stronger partnerships. In the healthcare sector, this can be translated into the strengthening of the healthcare sector in South Africa

Two other variables were found to influence the ability of public and private partners to partake in constructive dialogue. Firstly, it was important to consider historical experiences and perceptions of each partner; which undoubtedly influences the two partner's willingness to be transparent and engage in these long lasting relationships in a meaningful fashion. Secondly, it was also important to consider the individual cultural profiles of the public and private partners before entering in a partnership.

This study explored the intricacies of the relationship between public and private partners, allowing both partners to understand the role of trust in PPPs. This study has revealed a number of factors that feed into the development of trust in PPPs. It also highlights a number of inhibitors to successful collaboration between public and private stakeholders in healthcare PPPs.

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