Caveat partner: reflections on partnership with the private sector

TREVOR HANCOCK

First, let me begin by stating that I see nothing inherently evil in the private sector, nor anything inherently wrong about partnership with the private sector. After all, the private sector grows my food, builds my house, creates employment and in a myriad of ways meets our basic and no-so-basic needs. However, I do believe that there are some very difficult challenges to face in developing partnerships for health promotion with the private sector, as detailed below.

THE BOTTOM LINE

The motivation that underlies the private sector is very clear—profit. The motivation that underlies the health promotion sector is also very clear—better health for all and a narrowing of the health gap between rich and poor. These motivations are not necessarily incompatible, but nor are they necessarily compatible. The private sector has five main options for maximizing profit that may conflict with the goal of better health for all. Those options are:

- producing and selling more of the product, which may result in resource depletion and unsustainable development;
- reducing the cost of production by paying low prices for raw materials or low wages, thus maintaining poverty;
- reducing the size of the workforce needed to produce a product or service, thus increasing unemployment;
- providing inadequate protection to workers, the community or the environment, thus increasing occupational and environmental problems and costs;
- increasing the price of a product or service, which may make it unavailable to some of those who need it.

In short, the corporate agenda, which also includes the globalization of trade and the reduction of taxes, often has a tendency to harm the health of people, communities and the environment.

FIRST, DO NO HARM

This is a fundamental precept of public health and of medicine. But if it were to be applied as a principle of partnership, how many private sector—and for that matter public sector and even NGO—organizations would meet the test? For that matter, how many of us would meet the test individually?! It would depend in part upon how broadly we cast the net. For example, when a large phone company in the USA ‘downsizes’ and lays off thousands of people in the name of efficiency, their health is damaged. When a mining company provides less safe working conditions in its operations in the South than in the North, it hazards the health of its workers, even while creating work for them.

When an oil company lobbies against carbon taxes and other mechanisms for reducing carbon dioxide emissions, it encourages global warming, which threatens our long-term health. When a sporting goods or clothing company pays low wages or employs young children through its subcontractors in the South, it damages their health. When a manufacturer moves its operations to the South to avoid environmental or occupational health regulation, it damages the health of both the workers who lose their jobs in the North and those who get the new but more dangerous jobs in the South. Which of these companies should
we work with, and which should we not work with—and why?

‘TAXES ARE THE PRICE WE PAY FOR A CIVILIZED SOCIETY’

So wrote American jurist Oliver Wendell Holmes in the early years of this century. Yet the private sector has succeeded in recent years in obtaining, and continues to push for, a reduction in both its share of taxes and the overall level of taxation. It does so on the grounds that low taxes are good for the economy, and that the private sector is more efficient than the public sector. But the public sector invests in education, health care, social services, the justice system, environmental and occupational protection, consumer product safety, the development and maintenance of roads, sewers, water supply and housing—and these and other public sector activities are all of fundamental importance to the health of a society and to the operations of the private sector. Moreover, as we can see all too clearly in the USA—the world’s most inefficient health care system—the private sector does not have a monopoly on efficiency or effectiveness.

The dis-investment in these vital determinants of health that is being forced upon us by the private sector is resulting, among other things, in a reduction of the resources available for health protection and promotion in both the public and NGO sectors. The private sector argues that it can help by providing financial support to health promotion, in partnership with government and NGOs. But we already have a well established mechanism for securing a contribution from the private sector; it is called taxation! Taxation ensures that contributions come from everyone, without creating the perception or the reality that the contributions are made in exchange for favours. The private sector needs to acknowledge that taxes are indeed the price we pay for a civilized—and a healthy—society, that they are well worth paying and that they have to pay their fair share.

THE SPECIAL CASE OF THE PHARMACEUTICAL INDUSTRY

While on the face of it the pharmaceutical industry and other health care sector industries might seem to be obvious partners, sober second thought suggests that this is not the case.

- To begin with, at root the pharmaceutical industry is dependent upon ill-health, not good health, for its existence. If we all lived in perfect health to a ripe old age and then dropped dead, the pharmaceutical industry—and for that matter the rest of the health/medical care industry—would not be necessary. So we have to question just why this industry would be interested in health promotion.
- Second, the industry is very firmly based in an individually oriented biomedical model that is in many ways the very antithesis of health promotion. Thus there is a danger that they will tend to individualize and medicalize health promotion.
- Third, the pharmaceutical industry is ruthlessly engaged in many countries in a variety of campaigns and even legal actions to protect their own interests. These include measures to secure very long periods of patent protection and prevent the marketing of low-cost generic substitutes, opposition to essential drug programs and generic substitution programs, and many other issues. Thus their role as partners with WHO and with national governments may place them, and their public and NGO sector partners, in a perceived or actual conflict of interest.

All this is not to argue that we should not partner with the pharmaceutical industry, but rather that they are not our natural or first choice partners.

PARTNERS FOR HEALTH

So who should we partner with, and on what basis? Based on a recognition that the motivation of the private sector is to improve profit, while the health promotion sector seeks to improve health, in particular by addressing the determinants of health, I suggest the following categories.

(1) Those who stand to profit economically from better health:
- the life and health insurance industry, for whom longer, healthier lives means fewer pay-outs;
- the leisure and recreation industry, for whom fit and healthy people are a natural market;
- the tourism and travel industry, for whom safe and healthy environments, food and water are essential;
- in a sense, all industries, in that they benefit from higher productivity.
(2) Those who are ‘the producers of health’:
- the agri-food industry, especially the retail sector, who increasingly see a market for healthy, low fat, organically produced products and who push the producers to meet those demands;
- the housing and urban development industry, who can build safer, healthier homes and communities;
- the renewable energy and resource conservation industries, whose activities protect our resources for future generations;
- the environmental protection and industrial safety industry, whose activities create safe environments and workplaces for us;
- the banking and financial industry, to the extent they engage in ethical practices in support of the above industries;
- in a sense, all industries that create healthful employment.

At a global and national level in particular, we need to partner not with individual companies, who might wish to use that partnership for competitive advantage, but with industry associations. At a local level, where there may well be a sense of loyalty to place that is absent from multinational corporations, it may make more sense to partner with local businesses, including both local operations of multinational corporations and small businesses, although here too working with the local Chamber of Commerce or Business Improvement Association would perhaps be a better option.

ON WHAT BASIS SHOULD WE PARTNER?

Even if we were to confine ourselves to those industries that I have mentioned, it is still the case that within those industries there are both good and bad actors. So we need a set of ethical criteria to guide us in our selection of partners.

One useful place to start would be to work with the ethical investment funds (such as Calvert) that have emerged in recent years. These funds only invest in companies that meet their ethical criteria, which by and large match the concerns of health promotion. Both the funds themselves and the companies they invest in are thus potential partners.

Secondly, we should look to businesses—or, even better, to industry associations—that have already adopted codes of practice that meet our concerns. It is unrealistic to expect potential private sector partners to already meet our highest expectations to do no harm, but it is realistic to expect them both to accept the principles and values of health promotion and ethical corporate practice, and to demonstrate that they are making continual progress in implementing policies and practices in their own operations that promote health.

Thus health promotion principles for partnership might include a commitment to:
- ensuring that the activities of the corporation and its sub-contractors are increasingly environmentally sustainable;
- providing safe and healthy working conditions for their workforce and ensuring their subcontractors do the same;
- paying a fair wage, providing reasonable benefits, recognizing the right to collective bargaining and minimizing layoffs, and ensuring their sub-contractors do the same;
- paying their fair share of taxes and ensuring that their economic activities do not increase poverty;
- ensuring their operations do not endanger consumers or the communities in which they operate and that the public’s right to know about potential hazards is fully realized;
- respecting human rights and ensuring their sub-contractors do the same.

CONCLUSION

Given the very different motivations that underlie the work of the private sector and the health promotion sector, partnership can be difficult. But if there is a clear recognition of the responsibility of the private sector to contribute to health and well-being through its operations, and a commitment by the private sector to increasingly operate in a manner that meets the ethical principles inherent in health promotion, such partnerships are not merely possible, they are desirable if we are to achieve health for all the people of the world.

Address for correspondence:
Trevor Hancock
28 Napier Street Box 428
Kleinburg
Ontario
Canada L0J 1C0