

# **Examining role of the State in health care: A study of Motikhavadi-Special Economic Zone (SEZ-Jamnagar)**

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This paper examines the health services provided by Reliance Industries in the village, Motikhavadi, which comes under the Special economic Zone- Jamnagar to scrutinise the role of the state, especially the monitoring mechanism. While analysing this (Community Health Centre, Reliance) unusual model of Public private partnership, the paper asks the critical question of conceptual transparency - whether the State looks at public health as a need based commodity or basic right of the individual, which has to be ensured.

The paper argues, Health, if looked from capability approach deserves different treatment from any other infrastructure ppp. While analyzing this particular case of Reliance health centre, the attempt has been made to explore scope and limitation of PPP and important issues in Indian public health scenario.

## **Materials and methods**

A qualitative study has been done making use of un-structured interviews of the public relation officer of the Reliance Industries, two doctors working in the clinic for past 15 years, District programme coordinator of health department of government and the Sarpanch of the village. Interviews with four patients were carried out to understand the perception of services by Reliance clinic. The oral permission to publish the names has been taken after explaining the intention of my study. Some of the information has been given on the condition of anonymity. An interview with a social worker of an NGO in Jamnagar was conducted as they run AIDS programme in collaboration with GSAC and Reliance.

A considerable amount of time was spent (6 hours, spread over a week) observing execution of daily duties by the staff and behavior of patients.

## **Discussion**

Jamnagar is located in Saurashtra region of western Gujarat which has been famous for brass products, (bandhani) tie-dyed fabric, and handicrafts. Jamnagar district has around 34 medium and large scale industrial units involved in production of solvents, edible oils, cement, yarn, agriculture equipments, soda ash, salt, fertilizers and petochemicals efinaries. There are two special economic zones-of Reliance and ESSAR and nine *Gujarat Industrial Development Corporation*, GIDC industrial estates.<sup>1</sup>

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\* Women's wing-Western Region, ANaRDe Foundation

<sup>1</sup> Source: Industries Commissionerate, Government Gujarat.

[www.vibrantgujarat.com/district\\_profile/detail/jamnanagar.pdf](http://www.vibrantgujarat.com/district_profile/detail/jamnanagar.pdf)

Motikhavadi, a small village of Sauashtra became a eventful as it is situated near the project site of Reliance refinery which is an ambitious project. With the completion of the RPL refinery, Jamnagar has emerged as the 'Refining Hub of the World' with the largest refining complex with an aggregate refining capacity of 1.24 million barrels of oil per day in any single location in the world. According to RIL Group President Parimal Nathwani company had so far received 1,381 acre of government land(as in 2007) besides private land for the 11,000 acre Special Economic Zone to be set up. The work on Rs 35,000 cr SEZ in Jamnagar along with infrastructure development, villages surrounding the Jamnagar SEZ - Navagam, Kana Chhikari, Dara Chhikarni, Nani Khavdi, Kanalus, Padana, Moti Khavdi, Sikka and Meghpar was expected to be done.

In Motikhavadi, there was never a primary Health centre run by the government. The community health center by Reliance in a rented house , one of the biggest corporate houses was started in 1995 in a rented house. However, after three years, panchayat gave this common land to run the clinic. Most of the employees have been working here for past 10 to 15 yrs.

The clinic has an impressive data showing 1,06,080 OPD reports, along with 915 Indoor reports, 2128 Vaccination, 69 ANC from April 08 to Mach 09.

There is also a service of mobile dispensary given by this centre for five villages near by. From April -08 to Mach-09, mobile van has given service to 20,923 patients.

The working system of reliance is extremely professional. Every week there is an audit where senior officials of Reliance and doctors from the occupational health centre(which is inside the township of employees)come to have a meeting of entire staff in which all important subjects , including bio waste are discussed . According to the staff, any demand for medicines, equipments is granted almost immediately. This clinic serves at least 300 patients everyday. For referrals, they have an ambulance service which is free of cost. All landlosers and the family members have the files of medical history and the medicines s/he has been taking. Labors from neighboring villages, road accident cases also come for treatment as the clinic is open 24/7.

Though in day to day affairs, the contribution of government is nil, vaccination and DOTS (Directly Observed Treatment, Short-course for Tuberculosis) run in collaboration with the government. AIDS programme run in collaboration with GSAC(Gujaat State AIDS Control Society). There is an NGO(Sarvodayee Mahila Udyog Mandal) working in Motikhavadi for past 4 years under GSAC. According to the social worker of the NGO, as Reliance has money and the NGO has manpower, they have been working together in awareness programmes. The photographs show the collaborative efforts in implementing the programme. The Reliance clinic has 104 HIV positive patients , but targeted intervention has become a matter of concern as Motikhavadi and surrounding villages has a large number of migrant single men .

Before analyzing the role of state, understanding the perception of people and employees about the clinic is important to The services provided by the Reliance Industries are free of cost and there is no Primary Health Centre of government, people look at the clinic as

charitable trust. In this region, the mobile dispensaries by government which is a good feature of Gujarat's primary health service do not run. Reliance and Essar, another industrial group have mobile dispensaries for the villages around Jamnagar Refinery.

A young woman (Varsha Chatanitya who has been staying here for past 6 years, comes to the PHC of Dwarka (her parents' place) and doesn't stop listing out the good points. According to her, the behavior of the staff is nice, even if one comes at 2 AM. For Dayaben Sagathiya, the diagnostic camps with all specialist doctors after every six months are very helpful.

The nearest Primary Health Centre is in village Sikka, some 15 kms from Motikhavdi. Patients never visit that PHC, on the contrary, patients from all nearby villages come to this clinic. The cleanliness and quality of services are considered superior and patients do not seem to be interested in the discussion regarding the government's duty.

The staff is satisfied with the work culture and salaries. The lab technician Geeta Ghadia was offered a government job but preferred staying here as the salary was good. She is satisfied here as she gets the latest equipments to handle and gets to do all kinds of tests.

I was intrigued by the general consensus about the deteriorating status of government services. According to the staff, little bit of involvement of government has not been satisfactory. A couple of examples were given on the condition of anonymity-Like, for vaccination programme, clinic gets vaccines from the government. However, the refrigerator given when got some problems, it was never repaired. It occupied the space for a long time and finally was moved by the staff. Now, they have a separate refrigerator for vaccines. For DOTS and AIDS, there was a lab technician appointed. Within a few months, he disappeared and no one was appointed then onwards. The person was giving information in matter of factly manner without a tone of complain. The annual expenditure of the clinic is around 60 lakhs per annum and it gets 50,000Rs for the DOTS. The per patient (indoor) cost of the patient of the clinic comes around 28 Rs which is less than CHC which is believed to be spending 40Rs/patient.

The apathy of government is taken for granted without demanding any improvements. Reliance clinic is anyway a private clinic, the people cannot demand any services.

So, I want to ask the critical question of conceptual clarity on behalf of government :

Whether the State looks at public health as a need based commodity or basic right of the individual, which has to be ensured.

*But tell me, this physician of whom you were just speaking, is he a moneymaker, an earner of fees or a healer of the sick? Plato, The Republic*

It can be stated that in this particular area, the attention of government is lacking. Though the District Programme coordinator (DPC appointed under NRHM) is supposed to visit and monitor the PHCs in the district, Reliance clinic is an exception. The new geo political entities of SEZ might have an unconventional feature of public private partnership. However, there is a need to study whether the lack of government

machinery in day to day life as well as in an significant field of health can lead to the erosion of respect for the state.

No one is unhappy about the state of affairs in Motikhavadi. Infrastructure is good, with some aesthetic sense. Consultant rooms are air conditioned with computer. Whenever, there is a power cut, generator works. The staff has to be regular. From 8.30 to 6 two doctors, all nurses are present. During night, there is another doctor and a male nurse. For mobile dispensary, there is one doctor whose duty ends at 1 p.m. Now, instead of ppp it appears to be complete privatization of tertiary services. However, if one looks at Public-private partnerships are contractual arrangements between government and a private party for the provision of assets and the delivery of services that have been traditionally provided by the public sector, this is a form of ppp.

In this case, the tax concessions are enormous and noninterference of government is phenomenal in creating the 'zone of excellence.' Against the backdrop of agitation over land issues, gains for the corporate house might be other than monetary. No monitoring occurs at any level in functioning of the centre and the need to keep a record of social cost benefit in terms of health hazards in one of the largest petrochemical hub in the world has not been recognized.

The accessibility of the primary services is very significant and in our country, making use of whatever available to ensure accessibility can be justified. As a welfare state, in principle, there is an understanding that health care should be provided irrespective of his/her ability to pay for it. So, public private partnership can be seen as a pragmatic approach in the current scenario.

The concept of public private partnership has different connotation regarding health sector. The literature review shows little consensus about the precise meaning of the phrase. The term has been used in a narrow sense to describe the cooperation between the public and the private sector in the provision of public services and infrastructure. It is also used to describe a multitude of cooperative activities.

A study<sup>2</sup> conducted in Indian Institute of Management-Ahmedabad discusses the forms of ppp, from service management contracts, asset leases, concessions, and asset divestitures, Service contract based and acknowledges the complexity of engaging with private sector. They differ in allocation of risks and responsibilities, and in where they assign asset ownership. This report emphasises the importance to consider the degree of enforceability of the ppp agreement and a legal framework acceptable to all partners, clarity on the commitment of resources, roles and responsibilities of each partner, as well as accountability to provide a given set of services at a desired level of quality and affordable user charges. This kind of a partnership refers to the sharing of resources needed to work together towards a common goal while respecting one other's identity. Negotiations among all the partners would give rise to a clear understanding of each others roles and responsibilities(Macou G, 1997)

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<sup>2</sup> Public private partnership in managing urban healthcare: A study of Ahmedabad City Using GIS Methodology by Ramani KV, Dileep Mavalankar, Amit Patel.

Peter V. Schaeffer and Scott Loveridge (2002) express the concern over the widespread use of the term public-private partnership which hides important differences between forms of PPC and that the emotional connotation of the term partnership conveys an image of egalitarian and conflict-free decision making. Differences between the public sector and the private sector make it likely that conflicts of interest exist. Such conflicts are to be expected and need not prevent mutually beneficial cooperation. Their inclusion in the analysis is important for an understanding of the nature of PPC, however. The term partner is used for a spouse, tennis or dancing partner. In these contexts, the term conveys the existence of mutual trust, complete interdependence, and shared goals.

However, an important question needs to be addressed. If the purpose of partnership is private provision of public goods, one shouldn't forget health sector is different from any other infrastructure.

In her recent article in Frontline, 'publicness' of health Jayati Ghosh (sept, 2009) argues that the notion of public has gradually receded from the consciousness of the elite. Citing the WHO ranking in terms of public health spending (fifth from bottom, which is significantly below sub saharan counties), she argues that affluent in India have found ways of avoiding , bypassing or simply transcending the need to respond to external conditions o access to public services.

So, with ever decreasing budget allocations for health, current discourse of ppp in primary health by government is bound to get criticism.

Sudhir Anand(2004) argues that health should be treated as a special good because it is prerequisite to a person functioning as an agent . Inequalities in health thus constitute inequalities in people's capability to function –a denial of equality of opportunity. (pg 4, 'public health, ethics and equity' ed-Anand, S., Peter, F., Sen, A.) Access to health care is certainly important but the element of equity is critical.

If we apply Amartya Sen's framework, health has both intrinsic as well as instrumental values. Health is among the most important conditions of human life and a critically significant constituent of human capabilities which we have reason to value. (Pg 23 *ibid*)

If we look at health as special good, the responsibility of the state increases by many folds. Health is not one time welfare activity but involves a sustainable engagement. Public Health is largely dependent on the state as it cannot a compartmentalized fom issues of poverty, sanitation, food –nutrition. Though for the purpose of this paper, we are going to focus on the tertiary services only, the role of government's involvement been phenomenal if we consider the medical education , research, drug industry, rules and laws. Influence of privatization is evident on each of these and Ramesh Bhat(2000) demand clarification by the government about its policy towards the private sector and a structure of subsidies and incentives for such partnerships. Access to Primary health care has to be ensured by government mechanism. I understand that to say outcome of PPP and seeking private partnership in health sector is simply an abdication of state's responsibility would be to simplistic. Without analyzing the implications of the deep

economic interdependence influencing the governance of social responsibilities of the State, it will be too uncomplicated to draw the conclusion.<sup>1</sup>

Gill Walt(1994) in her book titled 'Health policy:An introduction to process and power' engages with issues of political systems power and influence and peoples' participation in policy making.<sup>2</sup> Political system provides mechanism through which people are encouraged or discouraged to participate. In India, being the largest democracy, can we claim the effective participation by people or civil society in policy making.? There was an experiment of rogi kalian samiti which again depends totally on the interest of district collector in public health.

The scarce resources and ever increasing demand compel us to look for alternatives. However, while presenting the case of Andha Padesh, K V Narayan(2003) argues that the private sector in medical care forms a very strong bureaucratic and political lobby and would manipulate the state and further weaken the public health care system by draining out the resources. Immediate attention of the government should be on enforcing the provision of free care to the poor by the private hospitals, which utilised the financial incentives, land grants, etc.

Baru and Nundy (2008) argue that the experience of PPPs in health services shows that these partnerships have been built without the organisational and administrative preparedness that is required, which raises questions regarding their role, accountability and effectiveness.

There is another global dimension about the privatization of health services . The World Bank and IMF are criticised for putting forward privatisation as their major policy response to government failure and poor public sector performance, and critics are deeply suspicious of attempts to engage with the private sector in health. Others consider engagement to be a pragmatic response to the existing status quo in many countries, where private health care use and expenditure outstrips that in the public sector.<sup>3</sup>

## **Conclusion**

After analyzing the case of Reliance clinic in motikhavadi, I would say that PPPs should not be viewed as alternative for good governance. Good governance is an important

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<sup>1</sup>However, it is argued that equality has been achieved within a publicly financed primary health service by Jostein Grytten, Gunnar Rongen, Rune Sørensen1995 in Can a Public Health Care System Achieve Equity? The Norwegian Experience. pp. 938-951 Published by: Lippincott Williams & Wilkins Stable)

<sup>2</sup> She has rightly pointed out that though health care services are very important, health is also affected by many policies which have nothing to do with health care services such as environmental pollution, insecurity, instability(caused by unemployment-violence), economic regulation, and de regulation , contaminated water and poor sanitation.

<sup>3</sup> An Overview of Changing Agendas in Health Sector Reforms Author(s): Hilary Standing Source: Reproductive Health Matters, Vol. 10, No. 20, Health Sector Reforms Implications for Sexual and Reproductive Health Services (Nov., 2002), pp. 19-28 Published by: Reproductive Health Matters)

precondition for the success of PPPs. Reliance clinic appears to be running well as far as accessibility (both physical and affordability), but the way government has disappeared from the scene raises critical questions. The lack of interest by government in providing health care, monitoring the services given and keeping the important data for future cost benefit analysis in such vitally important petrochemical hub is a matter of concern.

The emergence of new geopolitical entities within the State and ad hoc autonomy given to private players will lead to further inequity. Because, such big corporates would not go to the region where they won't get any benefits-monetary or otherwise. In India, there have been experiments regarding pps at many levels in Health sector. The ad hoc approach by the state without formulating proper regulations, roles and responsibilities will not serve the purpose in long run.

It would be justified, if we demand the conceptual clarity on behalf of the state regarding perception of health while formulating policy. Whether it is perceived as a basic right or just any other commodity service. If health is perceived as basic right then the ownership of any such attempt as well as defined roles, regulations, monitoring has to be prescribed.

The ad hoc policy in health shows the issue of accessibility is vital for government. As in the case of Reliance clinic without proper monitoring mechanism in place, it has overlooked the aspects of responsibility, leading to erosion of respect from the community.

There is also necessity to inquire into the concept of ppp also. As Mitchell-Weaver and Manning( 1991) argue, rather than being the centre-piece of a development strategy, are primarily a set of institutional relationships between the government and various actors in the private sector and civil society and the terminology, PPP gives no idea what the actors are to do, how they plan to accomplish it and most importantly, the PPP designation gives us no concrete idea of how the relationship between the actors is different from what they would have been if no "partnership" had been formed.

As we see in this case, merely contracting out for private sector service provision in utilities do not form a proper partnership.

As Frank P. Grad(cited in 'Law and Public health' by Lee Breckenridge, Lawrence O. Gostin, Wendy E. Parmet, Sidney M. Wolfe in           ) has said, public health could not exist without a sound legal structure. The simple notion of incorporating the best of both sectors needs to be scrutinized. A lot of research needs to be done taking into consideration the experience of different countries. The law also should not only prescribe the missions, purpose but also indispensable services of public health agencies

Though, National health bill-09 addresses important , however government is silent about the fate of the bill.

Public health hardly becomes a political issue in India. Rather than blaming government alone, there has to be an active civil society engaging in discussions and demanding transparency at every level of policy making process.

Amidst all the arguments pro and against private involvement in health sector, one shouldn't forget the ground reality of Indian health scenario, where private sector exists with its roots deep. Pragmatic approach would be to make use of whatever we have but while addressing the issue of accessibility, matter of accountability should not be forgotten.

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