

RESUMO

Recentemente as parcerias público.-privadas (PPP) têm vindo a reconstruir a visão internacional dos cuidados médicos um pouco por todo o mundo incluindo na China. As organizações operam numa sociedade alargada e estão afectando ou sendo afectadas por grupos de interesse de muitas maneiras diferentes. Com base na teoria dos grupos de interesse (*stakeholders*), as empresas devem estabelecer alianças estratégicas com grupos de interesses e ser responsáveis para com a sociedade na qual operam sendo as PPP um veículo importante através do qual podem cumprir as suas responsabilidades sociais corporativas (RSC) para promover serviços de saúde pública com a colaboração entre os sectores público e privado. Centrando-se na China, este estudo explora a natureza real de tal cooperação entre grupos de interesses e aponta para uma nova maneira de estudar os relacionamentos de colaboração entre os sectores público e privado numa perspectiva de aliança estratégica, combinando os contratos formais e contratos implícitos. Desde que tenha em conta a cultura específica chinesa, as PPP poderão ser um veículo ou ferramenta da RSC permitindo uma melhor utilização dos vários recursos para solucionar problemas de saúde pública. Através do estudo de casos actuais, exploramos as características, mecanismos de controle e efeitos da colaboração estratégica dos cuidados médicos na China. Sob o tema geral das PPP, esta tese retira oito conclusões principais relativas ao controle formal e ao controle baseado na confiança durante o processo de implementação deste tipo de colaborações estratégicas. Explica ainda que o controle baseado na confiança tem um impacto significativo na eficácia de colaborações estratégicas, e que é fundamentalmente diferente do controle formal que se estabelece através de contratos explícitos. Este estudo explora não somente vários aspectos teóricos, mas fornece também alguma orientação prática para colaborações estratégicas para outros sectores.

Palavras-chave: Grupos de Interesses; Responsabilidade social corporativa (RSC); Parceria público-privado (PPP); Saúde pública; China

JEL: M14 - Governação empresarial; Responsabilidade social

Abstract

Today, including China, global Public-Private Partnership (PPP) has been rebuilding international healthcare vision. Companies operate in the broader society and are affecting or being affected by stakeholders in many different ways. Based on the stakeholder theory, companies should establish strategic alliances with stakeholders and be responsible for the society in which they operate. PPP serves as an important vehicle through which the companies may fulfill their Corporate Social Responsibilities (CSR) in China, to promote public health services through the collaboration between the public and the private sectors. This research focuses on the genuine nature of such cooperation among stakeholders and points out a new way to study the collaborative relationships between the public and private sectors from the perspective of strategic alliance, combining the formal contracts and implied contracts. Based on the specific cultural background of China, PPP as the CSR vehicle or tool in better utilizing the various resources to tackle healthcare issues has been effective. Through research on actual cases, we explore the characteristics, control mechanism and effects of strategic collaboration of healthcare in China. Under the general theme of PPP, this thesis will elaborate on 8 characteristics which affect the formal and trust-based control during the process of implementing this kind of strategic collaborations, and elucidate that the trust-based control has a significant impact on the effectiveness of strategic collaborations, yet they are fundamentally different from the formal control through explicit contracts. This study not only explores its various theoretical aspects but also provides some practical guidance for cross-sector strategic collaborations.

Keywords: Stakeholders; Corporate Social Responsibility (CSR); Public-Private Partnership (PPP); Healthcare; China

JEL: M14 - Corporate Culture; Social Responsibility

Executive summary

Recently the concept of Public-Private Partnership (PPP) has been rebuilding the vision of international healthcare in China and worldwide. Companies operate in the broader environment and affect or are being affected by stakeholders in many different ways. Based on the stakeholder theory, companies should establish strategic alliances with stakeholders and be responsible for the society in which they operate. PPP serves as an important vehicle through which companies may fulfill their Corporate Social Responsibilities (CSR) to promote public health services. This research focuses on the China case and examines the genuine nature of such cooperation among stakeholders pointing out a new way to study the collaborative relationships between the public and private sectors from the perspective of strategic alliances, combining formal contracts and implied contracts. Based on the specific cultural background of China, is PPP a vehicle or tool for CSR in better utilizing the various resources to tackle healthcare issues? Through research on actual cases, we explore the characteristics, control mechanisms and effects of strategic collaboration among healthcare agents in China. Under the general theme of PPP, this thesis will elaborate on the following eight characteristics which affect the formal and trust-based control during the process of implementing this kind of strategic collaborations:

1. If stakeholders have common interests in public healthcare issues, for instance, in mental healthcare, in terms of vision/mission/values/culture and goals (by alignment or by establishing contracts), they can cooperate by establishing a public-private partnership contract. The direct effects, innovation effects and social effects would have a positive impact in their overall cooperative performance;
2. When stakeholders have incentives, when they have achieved their objectives on the contractual terms, they would likely continue with the partnership. Legal relationship may help to secure the result;
3. A mutual trust among stakeholders would have a positive impact on their overall cooperative performance;

4. If stakeholders have the collaboration contract, but interests are not embedded and cultures are unfit, trust will likely erode, and the direct effects, innovation effects and social effects would have negative impacts on their cooperative performance;

5. Organization learning and skill substitution will be important motivations for the cooperative partners. In recognizing their partnership performance trust will be increased, the partnership will likely continue and when stakeholders, according to the stakeholder theory, bestow altruism, social responsibility and citizenship, they will likely continue the partnership relations;

6. Value creation from the partnership communications is key to the success of the corporations. Two case studies illustrated the processes and key elements for value creation;

7. The critical successful factors for partnerships in China include: same objectives; right partners; effective cooperative experiences; support from organization leaders and right partner selection;

8. The partnership incentives for cooperation in the Chinese environment may include: acquisition of resources and a creation of a good public image for the partnership organizations;

This study not only explores various theoretical aspects but also provides some practical guidance for cross-sector strategic collaborations concluding that the trust-based control has a significant impact on the effectiveness of strategic collaborations although it is fundamentally different from the formal control exercised through explicit contracts.

Keywords: Stakeholders; Corporate Social Responsibility (CSR); Public-Private Partnership (PPP); Healthcare in China

JEL: M14 - Corporate Governance; Social Responsibility

Acknowledgements

First of all, I would like to express my profound appreciation to my supervisors, Professor Nelson António and Professor Virginia Trigo. They both are experts on China-related issues as they once worked at Macao for a long time and they have kept academic cooperation with Lingnan (University) College, Sun Yat-sen University. Professor Nelson António was also a visiting professor in Xi'an Jiaotong University Management School from September 2007 to February of 2008. During this period, Professor Nelson António visited Beijing Minister of Health (MOH); State Food and Drug Administration (SFDA) and China Medical Association (CMA); China Doctors Association (CDA) as well as Medical University hospital; Xian Pharmaceutical packaging company; Thiebaut Pharmaceutical Tubes Company; and Janssen Pharmaceutical (XJP) Company where I am working. Professor Nelson António and Professor Virginia Trigo, together with Professor Gerard Cliquet and Catherine Sarlandie De La Robertie, collaborated with Professor Wan Difang of Jiaotong University Management School and organized a seminar for Ph.D students. More than 8 students including myself reported our progress for the study and professors gave us many instructive comments. It was indeed a great experience. Through their encouragement and support, I started my Ph.D study in the fall of 2005. Therefore, I have had great opportunities to learn the various theories about CSR that I am interested in. During the process of this study, their encouragement and amicability has touched my heart, especially when I was invited to visit Lisbon and their beautiful home.

Secondly, I would like to express my deep thanks to Professor Anne Tsui. She organized research methodology training in Xi'an Jiaotong University for one week with worldwide famous professors in July 2005. She offered me the opportunity to join the training program and it was really beneficial to me since most of lectures were in Chinese. I learned a lot. Professor Anne Tsui has been teaching in Peking University so I have had many opportunities to talk to her and seek her instructions or suggestions. I also would like to express my great appreciation to Professor Katherine Xin of China Europe International Business School. Despite her extreme busy schedule she helped to review

my thesis draft and gave me instructions. I am also very grateful to Professor Wan Difang from Xi'an Jiaotong University Management School who gave me many enlightening instructions. I knew him since my company has engaged in management cooperation with him for years. He organized the seminar with Professor Nelson António and Professor Virginia Trigo for their students learning and sharing.

Thirdly, many thanks go to my good friends Mrs. Cao Liya from training center of SFDA who was the director of Drug Re-evaluation Center (DRC); Dr. Xiao Zeping who is the director of Shanghai Mental Hospital; Dr. Xie Bin who is the vice director working with Dr. Xiao Zeping; Dr. Ma Hong from Beijing Mental health Hospital who provided much information and helped for my case study.

Also, I would like to express very special acknowledgments to my dearest friend, a Ph.D student Miss Zhang Zhe from Xi'an Jiaotong University Management School. She is a very hard working student with warm heart. She gave me many encouragement and help, and shared learning materials with me. We also did questionnaires together. I also received many helps from my schoolmates Mrs. Zhao Di and David Ma. They are working in Lingnan (University) College, Sun Yat-sen University and started their Ph.D one year earlier than I did. They always helped me in collecting information and sharing their learning experiences so that I can learn from them. I also would like to express my appreciation to my colleagues Mrs. Kitlin Fung; Miss Wang Ying; Miss. Xu Jing; Mr. Yang Jiawei and Miss Chen Siying for helping review and edit the English versions. Luckily just before finalizing my thesis, through Mrs. Guo Lin, I had the chance to know Mr. Sun Lizhe, who has almost the same experiences as I did during the Chinese Cultural Revolution and helped me with the English editing of my thesis.

Last but not the least, my family has given me so much support during the course of my study. My nephew Mr. Gu Yu who is a Ph.D student at the University of Minnesota who helped me finding articles which are not easy to find in China for the literature research also gave me many valuable comments and suggestions for my thesis drafting. My husband, Mr. Nie Duo who is working in Kunming Pharmaceutical Company as a

manager of corporate training and my lovely daughter, Nie Jing, always support my aspiration to reach higher in my career and academic pursuance. My mother's loving expectation to her elder daughter is a strong source of encouragement in my finalizing this Ph.D. program. Because of Chinese Cultural Revolution during my teenage years, I only studied for a combination of 7 years at both the elementary and middle schools and was subsequently sent to the countryside to be a peasant for 3 years. So I decided to continue to study for the rest of my life, completed undergraduate and graduate studies at the university both at home and in Europe and registered 3 times for Ph.D programs. Finally I can conclude it before my retirement.

My heartfelt thanks go to all my professors, friends and family members for their support and encouragement!

Gu Lihong

April, 26th 2008,
Shanghai, China

Abbreviations

ADE:	Adverse Drug Event
ADR:	Adverse Drug Reaction
AMA:	American Medical Association
CDA:	China Doctor Association
CDC:	Chinese center for Disease Control and prevention
CEO:	Chief Executive Officer
CHA:	China Hospital Association
CMA:	China Medical Association
CPA:	China Pharmacists Association
CPIA:	China Pharmaceutical Industry Association
CPC:	Central Party Committee
CSR:	Corporate Social Responsibility
CSI:	Socially Responsible Investment
DRC:	Drug Re-evaluate Center
GMP:	Good Manufacture Practice
HACS:	Hyperactive Child Syndrome
J&J:	Johnson & Johnson
MNEs:	Multi-National Enterprises
MOH:	Ministry of Health
NGO:	Non-Governmental Organization
NPO:	Non-Profit Organization
PMS:	Post Market Surveillance
PPP:	Public-Private Partnership
SRI:	Socially Responsible Investment
UMC:	Uppsala Monitoring Centre
WHO:	World Health Organization
XJP:	Xian Janssen Pharmaceutical Ltd.