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1 Introduction

The End of Aid

> Official development assistance (ODA) flows to countries and territories on the DAC [Development Assistance Committee] List of ODA Recipients and to multilateral development institutions are: i. Provided by official agencies, including state and local governments, or by their executive agencies; and ii. Concessional (i.e. grants and soft loans) and administered with the promotion of the economic development and welfare of developing countries as the main objective. (OECD, 2022c)

The summary definition of development aid (or, in formal terms, official development assistance – ODA), established by the OECD Development Assistance Committee based on development objectives and concessional financing, may be familiar to many readers. Aspects of the contemporary history of aid are also often widely known: large-scale aid programmes emerged in the aftermath of World War Two as a tool for pursuing political and economic interests. The United States of America's (USA) aid-based strategy against communism in Europe – the Marshall Plan – set a precedent, and other governments from the geopolitical 'West' were drawn into the provision of aid in the 1950s and 1960s, partly because of US pressure and partly as an attempt to bolster their own international standing and trade. For former imperial powers such as the United Kingdom (UK), France and the Netherlands, aid offered a chance to maintain some semblance of influence and authority in the face of independence movements, vocal opposition to past imperialism and the dissolution of their empires. Governments in West Germany saw aid as an opportunity to bolster trade and boost German exports as they transitioned out of reparations payments (Schmidt, 2003), while Australia, New Zealand and Canada promoted social and economic development in the countries of the newly formed Commonwealth to promote trading within this group of states and buttress against the perceived threat of communism (Davis, 2011; D. Morrison, 1998). From an early stage the Japanese government, which by 1989 had become the world's largest contributor of development aid in absolute terms (USD 9.0 billion as compared to USD 7.7 billion committed by the USA – Katada, 2002), used aid for explicitly economic purposes such as boosting exports and securing flows of raw materials, combining it with various forms of non-concessional and private financing (Yasutomo, 1989).

Some of those political and economic motivations faded from view in the late twentieth century as the OECD's community of 'donors' converged around a set of shared moralities that recast state motivations for development financing along philanthropic lines. Though some governments have long prized ideas

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More Information

around poverty and sustainability in their development financing, for example those in Scandinavia (Selbervik & Nygaard, 2006), such ideas have tended to ebb and flow with other concerns depending on the domestic and geopolitical climate (van Dam & van Dis, 2014). By the turn of the century, development aid policies appealed to domestic audiences in liberal democracies who had grown to support aid quite widely, while at the same time signifying national leaders' global status and liberal values (Clarke, 2018; Honeyman, 2019). The sector was galvanised by visions of progress and hope, as economic growth and attainment of basic human needs in the Global South were not only desirable but realisable. States were 'graduating' from aid-recipient status to become aid senders in their own right, including 'Asian tiger' economies Singapore, Taiwan and South Korea, and many of the oil-exporting nations in the Middle East (OECD, 2022b). Development aid was endorsed as a way for the world's wealthiest states to fulfil moral obligations emanating from the 'Earth Summit' sustainability agenda and from the Millennium Development Goals.

But that narrative soon frayed. A wave of 'South-South Cooperation' was taking shape in which states varyingly referred to as 'rising powers' and 'emerging economies', and amongst which China is prominent, offered their own financing to other countries in the Global South. With varying degrees of concessionality, and often not reported to the OECD as ODA, these forms of development financing have faced accusations from Western counterparts that they prioritise nationalist economic and political agenda over development concerns (see special issue by Gray & Gills, 2016, for a range of perspectives on this). At the same time, the Global Financial Crisis shifted the domestic political landscape in many OECD countries, placing pressure on governments to justify aid budgets to an electorate at a time of cuts to other areas of public spending. There were significant incentives to use aid to pursue political and economic agendas, resulting in a phase of renewed economic nationalism in which aid is presented as a tool for 'national interests' and 'mutual benefits' (Gulrajani, 2017; Keijzer & Lundsgaarde, 2018; Mawdsley, 2017), and aid programmes focus on increasing demand for domestic goods and services (Mawdsley et al., 2018), and smoothing the path for companies to enter new foreign projects and markets (S. Brown, 2016). Humanitarianism and claims of philanthropy persist, but states also look to route their development financing through a range of instruments and institutions that operate on more commercial-like terms, 'beyond aid' (Janus et al., 2015).

For some time, commentators have predicted the 'end of aid' (Gill, 2018; Riddell, 1999), and we are now at a point where that end is increasingly tangible, even if it has not (yet) been fully realised. There are a growing number of states who have largely 'graduated' from aid-recipient status and who seek

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More Information

(and offer) new forms of financing to fuel economic development. At the same time, OECD states are moving away from an idea of aid that is narrowly defined instrument and has ostensibly philanthropic purposes, and towards a wider range of development financing instruments and motivations (Mawdsley & Taggart, 2022). The end of aid may be partial and incomplete, but in many contexts it has arrived. The aim of this Elements volume is to begin drawing attention to these changes and their implications as they play out in the arena of global health and its financing.[1]

The Study of Global Health and Its Financing

The biggest debates that have unfolded in academic literature on global health financing tend to be limited to the measurement of effects in one form or another: Has aid in the health sector led to improvements in health? And has it displaced funding from other sources such as those of governments in recipient countries? Development agencies make bold claims about 'lives saved' due to their funding, but in the scholarly literature the answers to these kinds of questions are more often contested, complex and contingent (see for example Coyne & Williamson, 2014; Feeny & Ouattara, 2013; Herzer, 2019). Much attention has been devoted to examining the effects of specific interventions so that these can be prioritised as targets for funding, in other words 'getting on with what works' (O. Campbell & Graham, 2006), yet this concern with producing evidence of effect becomes deeply problematic when it overlooks other systemic and social effects, and fails to consider the actors and interests whose interests are most advanced by these interventions (for examples of broader and more illuminating approaches, see Keshavjee, 2014; Pfeiffer, 2013). Health vouchers, on which I conducted research in the early-mid-2010s, are a powerful illustration. These were in vogue in parts of the global health community from the mid-2000s to mid-2010s, and organisations such as the US Agency for International Development and the Bill and Melinda Gates Foundation devoted significant resources to trialling and evaluating them in a range of settings. Systematic reviews that I and others performed on the resulting glut of evidence found positive *short-term* effects on uptake of some healthcare services, but also noted that the narrow design of evaluations meant *long-term* effects on healthcare usage, healthcare systems, and

[1] 'Global health' is a contested term with wide-ranging definitions that have been the subject of detailed examination elsewhere (see for example recent contributions by Hoffman & Cole, 2018; King & Koski, 2020; Salm et al., 2021). In writing the Element, I follow Lakoff (2010) and others in studying 'global health' not as a technocratic and politically neutral field of practice for improving health across borders, but rather as a global terrain of actors pursuing various interests through engagements with health-related projects and programming.

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More Information

indeed health, were unknown (Hunter et al., 2017). Little attention had been paid to the exclusion, marginalisation and gendered relations that were built into some programmes by design (Gideon et al., 2017), and the market-based models for welfare provision which incentivised exploitation of low-income users and programme workers (Hunter et al., 2020).

Instead, it is social science scholars whose work has offered more revealing insights into global health financing and its evolution. 'Global health governance' scholarship, and related studies on the interactions of organisations in international and other fora, have shed critical light on the influence of actors such as states, civil society and corporate interest groups and their ability to promote particular interventions or models for health (Cooper et al., 2007; Harman, 2012; Kay & Williams, 2009; Maclean et al., 2009; McInnes et al., 2014). Commentary in this area has tended to focus on the relative ascent/decline in influence for specific organisations and their global health activities: for example the World Bank (Baru & Jessani, 2000; Harman, 2009; Rao, 1999; Sridhar et al., 2017; Youde, 2012), Gates Foundation (Harman, 2016; Mahajan, 2018; McGoey, 2015; Rushton & Williams, 2011; Youde, 2013) and World Health Organization (T. M. Brown et al., 2006). This has taken place within a broader context of neoliberal capitalism (Schrecker, 2020; Sell & Williams, 2020) where dominant actors in global health governance are able to promote their preferred models for health and development within the global health community; vouchers are one example, but others include infrastructure public-private partnerships (Bayliss & Van Waeyenberge, 2017), performance-based financing (Gautier et al., 2019), abstinence from sexual intercourse (Santelli et al., 2017), and a host of technological solutions (McCoy & McGoey, 2011). Geopolitical shifts are reflected in growing attendance to the activities performed by governments in countries varyingly grouped and labelled as 'Global South' (Bartsch, 2009), 'Asian' (Tan et al., 2012), and 'BRICS' – Brazil, Russia, India, China and South Africa (Gomez, 2009; Harmer & Buse, 2014; Huang, 2020; Lisk & Šehović, 2020), with the Chinese government's activities attracting particular attention (Chan et al., 2009; Cheng & Cheng, 2019; Grépin et al., 2014; Husain & Bloom, 2020; Wang & Sun, 2014; Youde, 2018a, 2018b). This body of literature reveals the interplay of multilateralism, philanthrocapitalism and geopolitics within wider networks of global health governance, but has so far focused heavily on aid relations, offering limited insight into the end of aid and its implications for global health.

This Elements volume addresses one activity emerging at the end of aid: how a set of states from Europe and Asia are using their state-owned financing institutions to invest in the healthcare systems of other countries. What is the background to these activities and how have they grown and evolved? What is

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the stated rationale for investment, what forms does investment take and which institutions are involved? Where are these investments being directed and what are the implications for healthcare provision and for global health? In addressing these questions, I argue that this phenomenon is gathering pace at the end of aid, bringing new sets of financial services and actors into global health, and driving specific models for healthcare provision that undermine already strained progress towards equitable access in healthcare. I show how public and private actors come together to expand healthcare provision models with little, if any, attention to issues of health equity; where they are discussed, they appear to be at best secondary concerns compared to business expansion and financial returns. In this the Element contributes to a small, but growing, body of literature on 'beyond aid' activities amongst OECD states (Doherty, 2011; Hamer & Kapilashrami, 2020; Hunter & Marriott, 2018; Hunter & Murray, 2015; Wemos, 2020), and on global health engagements by Asian states (Huang, 2020; Lisk & Šehović, 2020; Tan et al., 2012).

Structure of the Element

In the next two sections I set out the conceptual basis for the analysis. Section 2 uses key academic literature from the political economy study of development to show how recent trends for cross-border investments by states have been understood in terms of changes in aid policy and of the advent of 'new' state capitalisms. I use that as a springboard to set out a cross-cutting perspective that studies investor states: the institutions, activities and justifications through which states engage *as*, *with* and *for* investors in other countries. Section 3 reviews recent trends in the financing of global health and the accompanying shifts in its governance, and then outlines what has been documented so far in global health literature regarding the role of state investments.

Sections 4–7 present the empirical material in the form of a series of country cases. They show the growth trajectories of state investments and the state-owned financing institutions and private healthcare projects involved: the development finance institutions (DFI) of France and the UK (Section 4) and Sweden and the Netherlands (Section 5), national development banks of South Korea and Japan (Section 6), and sovereign wealth funds of Singapore and Malaysia (Section 7). These are financing institutions that invest in companies and projects using various mechanisms such as loans or purchases of equity; they tend not to work through the kinds of grants and concessional loans that are more commonly associated with the aid agencies of OECD states. The cases have been selected as illustrative of current trends and reflect a range of mechanisms to productively deploy national wealth, ranging from making returnable investments, to supporting national champion

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companies to expand overseas. The case studies build on a decade of my work studying development financing in healthcare. In each section the analysis is based on desk research conducted during July 2021–August 2022 and which involved detailed examination of policy documents, organisational reports and business press media coverage. The former provided official narratives, details of projects and investments and shifts in strategy; the latter complemented this with details on key events and announcements, 'puff piece' interviews revealing more implicit motivations and considerations, and less flattering information about disputes and losses that might be omitted from official publications. I collated these materials through examination of the websites of relevant organisations, supported by online searching in the Google search engine, using the names of projects and investors.

Common threads are then brought together in Section 8 with a summary of the cases and discussion of comparisons between them. The section then reflects on the nature of this emerging financialised regime for global health, the models of healthcare provision being expanded and areas for future research.

2 States and Development across Borders

The Elements volume draws inspiration from scholarship spanning two bodies of literature on the political economy of development and the cross-border activities of states: one primarily examines recent trends in development aid and its use by (typically OECD) donor states; the other examines the ways in which (typically non-OECD) states have engaged with the global economy. I briefly review key ideas from each of these literatures below, before setting out the cross-cutting concept of 'investor state' that informs the analysis of empirical materials in later sections.

Development Aid, Pluralism and Financialisation

The recent history of development aid is marked by key interrelated trends of growth, privatisation and financialisation. After a trend of decreases in annual aid commitments amongst OECD member states during the 1990s following the end of the Cold War, the 2000s saw a reversal in which total aid commitments nearly doubled between 2000 and 2015; jumping from USD 77 billion in 2000 to USD 129 billion by 2010 and USD 140 billion by 2015 (OECD, 2022c). The trend was driven by the aspirations of the Millennium Development Goals, and the development component of the United States of America's (USA) War on Terror (Mohan & Mawdsley, 2007), and has been dominated by the largest OECD economies of USA, Germany, UK, Japan and France, which contributed a combined USD 113 billion in development aid in 2020 (OECD, 2021).

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More Information

With that growth in aid, however, came concerns with coordination and accountability, as well as heightened awareness that aid was increasing at a slower rate than other forms of financing and was likely to reach a ceiling level.[2] The traditional donor-driven model for aid programming came under increased scrutiny and a series of policy discussions and events took place during the 2000s, framed around the issue of better designing and delivering aid in pursuit of 'aid effectiveness'. By the early 2010s, and the Fourth High Level Forum on Aid Effectiveness in Busan (2011), development *aid* was being repositioned as development *cooperation*, placing greater emphasis on partnership and mutuality (Silva et al., 2021). This move also appealed to the non-OECD states whose own development financing did not necessarily conform to OECD standards for reporting ODA but was being seen as part of a movement for 'South-South cooperation' that could avoid the kinds of neo-colonial donor-recipient power asymmetries that have undermined the West's development aid paradigm (Quadir, 2013).

The Busan conference on aid effectiveness was also notable in its embrace for private sector participation in development financing. Such participation is not new, as aid programmes over the past forty years have been designed and implemented by private consultancies, with the USA and its 'development-industrial complex' leading the charge (Roberts, 2014). Private industry has been positioned as a valid target for development aid, with development organisations loosely dividing activities into private sector *development* (building up private enterprise as a pathway to economic development, job creation and wealth) and private sector *engagement* (encouraging leading national and international businesses to incorporate ideas around human development into their strategies and practices). Initiatives like the United Nations Global Compact encouraged participation by multinational corporations in global policy processes, and by the time of the Busan High Level Forum on Aid Effectiveness, they had become embedded within this sector (Mah, 2018; Mawdsley et al., 2014).

A range of forms of privatisation in development have been bundled together through the language of 'public-private partnership' that took hold in the early 2000s. Partnership was a notion enshrined by Millennium Development Goal 8 (to develop a global partnership for development) and could be applied as an umbrella term for public-private arrangements ranging from corporate social responsibility programmes to global fora such as the UN's Global Compact (Buse & Harmer, 2004; Languille, 2017). The term also provided cover for

[2] The growth of alternative resource flows such as remittances and foreign direct investment has outpaced development aid and accounts for the vast majority of funds received by low- and middle-income countries (Silva et al., 2021).

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public-private arrangements that might be more controversial, such as the widening involvement of for-profit organisations in social sectors like healthcare and education (Gideon & Unterhalter, 2017). It is a term that not only masks the underlying transfers in resources taking place, and the newfound policy influence private organisations can gain, but does so using neutralist terminology (of partnership, cooperation and engagement) that is 'appealing and seductive' (Verger, 2012).

The third trend, and perhaps most pertinent to note here, is that of financialisation. The social science concept of financialisation refers to the 'increasing role of financial motives, financial markets, financial actors and financial institutions in the operation of the domestic and international economies' (Epstein, 2005, p. 3). The concept's use in the study of global development has been valuable in highlighting the growing range of sectors, actors and phenomena that are subject to, and distorted by, the logics of finance (Mader et al., 2020; Storm, 2018). It is a process that sees life and society transformed in ways that individualise and collateralise, creating new zones for investment and producing saleable assets that can be traded by financial actors and in financial markets.

With regard to development financing, a financialisation lens draws attention to the growing role of private financial capital within the development practitioner community, and the latter's reorientation to attract, deliver and recompense said private capital (Mawdsley, 2016). Momentum has been growing since at least the Global Financial Crisis to embed the practices and agents of financial services industries into development financing systems, and these ideas began to appear in outcome documents from influential global conferences such as the second International Conference on Financing for Development in Doha (2008) and the Busan High Level Forum on Aid Effectiveness. The idea that aid could be used to 'leverage' or 'catalyse' private investment began to attract the interest of a financial services industry that saw the commercial value of positioning as socially oriented investors focusing on 'emerging markets'; one of the most prominent was Dubai-based Abraaj Capital, whose Chief Executive Officer Arif Naqvi championed the idea of 'partnership capital' – public and multilateral loan guarantees and risk mitigation that would subsidise participation by private investment companies (Naqvi, 2016).[3] But it was at the Third International Conference on Financing for Development in Addis Ababa (2015), timed to run alongside the Sustainable

[3] Abraaj Chief Executive Officer Arif Naqvi was a darling of the development financing world in the early-mid-2010s, receiving plaudits for working in emerging markets and appearing at World Economic Forum events in Davos, and he reportedly kept a picture of him with Bill Gates on his office desk (S. Clark & Louch, 2021 p. 172). But accusations of fraud in 2019 resulted in

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Development Goal (SDG) discussions, where the idea really gained traction (United Nations, 2015). The notion of a sustainable development 'financing gap' – an estimated USD 2.5 trillion annual shortfall in financing needed to achieve the SDGs – was becoming increasingly accepted amongst much of the development community, along with the assumption that aid flows would never be sufficient to fill this gap (see the *Billions to Trillions* report published in the run-up to the conference by World Bank and International Monetary Fund, 2015). Pressure was building to pursue alternative resources such as domestic resource mobilisation (primarily in the form of taxation) and private finance, with the latter becoming more prominent since.

The narrative now championed by multilateral and private financial actors is of a 'financing gap', a private finance solution and the need for states to reorient towards attracting and subsidising that private finance. It has met a receptive audience amongst OECD states where an economic nationalism engendered by the Global Financial Crisis had already seen development aid reframed along overtly self-interested lines. National DFIs – institutions that historically used equity investments, loans, loan guarantees, risk insurance and sometimes grants to support manufacturing companies in low- and middle-income countries on the premise of economic growth and job creation and which existed largely on the fringes of mainstream development financing (Savoy et al., 2016) – were being handed larger budgets and expanded remits to cover new geographies and sectors (see Table 1 for a list of European DFIs by size). OECD states, as part of a 'modernisation' process for development cooperation, began to press for new definitions and indicators that could incorporate a wider range of development financing beyond ODA. A set of reporting arrangements were agreed for 'private sector instruments' (primarily loans and equity investments made by DFIs), while progress has been made to formalise a new indicator – 'total official support for sustainable development' (TOSSD) – that will capture a wider range of development financing commitments than just ODA. States can even report private finance as part of TOSSD as long as 'a causal link between the provision of the private finance and the official intervention can be documented' (OECD, 2022d, p. 15). Wrapped in language of partnership and mutuality, these moves have sought to legitimise a pivot towards financial interests and practices, and towards the kind of self-interested provision of development financing that aroused concern when associated with non-OECD states.

The current scenario has been described by Gabor (2021) as reflecting a 'Wall Street Consensus' paradigm in which states function to 'de-risk' private

a spectacular fall from grace that saw Abraaj collapse and Naqvi facing fraud charges and 291 years of imprisonment in the USA.

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Table 1 List of European DFIs by investment portfolio value

Country	Development Financing Institution	Portfolio value, as of end–2021 (EUR millions)
UK	British International Investment (BII) (formerly Commonwealth Development Corporation and CDC Group)	9,993
Germany	Deutsche Investitions und Entwicklungsgesellschaft (DEG)	9,242
France	Proparco (formerly Société de Promotion et de Participation pour la Coopération Economique)	8,740
Netherlands	Financierings-Maatschappij voor Ontwikkelingslanden (FMO)	8,448
Norway	Norfund	2,695
Spain	Compañía Española de Financiación del Desarrollo (COFIDES)	1,884
Austria	Oesterreichische Entwicklungsbank (OeEB)	1,466
Finland	Finnfund	1,140
Denmark	Investeringsfonden for Udviklingslande (IFU)	1,134
Belgium	Belgian Investment Company for Developing countries (BIO)	807
Switzerland	Swiss Investment Fund for Emerging Markets (SIFEM)	796
Sweden	Swedfund	696
Italy	Cassa Depositi e Prestiti (CDP) and Società italiana per le imprese all'estero (SIMEST)	626 and 338
Portugal	Sociedade para o Financiamento do Desenvolvimento (SOFID)	12

Source: Association of European Development Finance Institutions (2022)

investments. In a global policy context where attracting private finance is increasingly seen as paramount for development, the role of the state has become one of engineering policy and infrastructure to produce the asset classes into which global finance can invest. Gabor's analysis focused on the states in which the infrastructure projects take place (i.e. financing recipients), and the

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