Mixed Health Systems – the Mongolia Experience

Wealth or Health?

The Nossal Institute for Global Health

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Mixed Health Systems are Ubiquitous – Universal?

- **Definition**

  *Mixed health systems have centrally planned government health services that operate side-by-side with private markets for similar or complementary products and services, which often existed long before the creation of national health ministries and have grown organically.*

  (Gina Lagomarsino, Stefan Nachuk and Sapna Singh Kundra. Results for Development and Rockefeller Foundation, 2009)

- **Features**
  - Both public and private funding
  - Both public and private provision
  - In infinitely variable proportions
Mongolia: 2.8 million population; 1.2 million in Ulan Bator
Mongolia’s Health System & its Challenges

- Access: Coverage (equity)
- Access: affordability (equity)
- Funding
- Rising and bifurcated demand: rich/poor; urban/rural; “modern”/traditional
- Emergence of new chronic diseases (cardiovasc, neoplasms, injuries/persistence of “old” ones (alcoholism)
- Emergence of new communicable diseases (HIV/AIDS)/persistence of old ones (upper respiratory)
Funding of Health in Mongolia

› Health funding has been rising; but as % of GDP not very much:
Examples of Public-Private “Partnerships”/Mixed Economy of Health in Monglia

- Shared stock company: abandoned
- Sale of public assets (hospitals): abandoned
- Privatisation of “Family Doctors”: did not achieve intended social benefits; funding altered
- Social health insurance: mixed results

New opportunity:

- Private sector participation linked with mining economy
Severe Winters and Fitful Economic Progress since 1991
Mining – the Catalyst of Growth in Mongolia’s Economy

The South Gobi contains an abundance of minerals:

- Gold
- Coal
- Copper
- Iron ore
- Tin
- Molybdenum
- Unranium
- “Rare earth metals” – Lanthanum (battery-electrodes; refining catalyst; yttrium (YAG lasers; superconductors); lutetium (PET scan detectors)
Mining Codes of Practice

In addition to OH&S for miners:

- “HIV/AIDS Guide for the Mining Sector A Resource for Developing Stakeholder Competency and Compliance in Mining Communities in Southern Africa” (CIDA)

- ILO

- IFC: Critics Weigh In as IFC Tightens Mining Rules

Mining pollution in the Philippines:

WASHINGTON, Sep 10, 2007 (IPS) - The International Finance Corporation (IFC) faces pointed criticism in coming days as an effort to lessen the damage wrought by large mining projects enters a new phase. “At issue are updates and enhancements to environmental, health, and social guidelines from the World Bank's private sector arm. Green groups and international charities say the proposed changes lack adequate standards in critical areas such as water contamination and the disposal of toxic waste.”
Common Health Issues Associated with Mining

- Accidents and injuries
- Dust-related illnesses
- STDS and HIV/AIDS
- Alcoholism
Wider Public Health Issues Associated with Mining

- Environmental impact hits entire ecology: animals, humans. Ex: water (170 litres as predicted? Or 2x?)
- Environmental impact moves (at best) or annihilates (at worst) people and culture. Ex: relocation; coal dust
- Unplanned-for change: urbanisation; socio-cultural distortions; dramatic economic change to fully-monetised society. Ex: truck drivers; other contract workers and their families; road accidents
- Clash of cultures embedded in co-dependence: China-Mongolia. Ex: Export
- Rapid industrial infrastructure development: rail
Reputational and Commercial Issues

September 30, 2004

“The Ranger Uranium Mine, operated by Energy Resources of Aust Ltd (ERA), a 
**Rio Tinto subsidiary**, will front Darwin Magistrates Court on October 11 to face 
landmark charges, which have been brought for the first time under the Northern 
Territory Mining Management Act 2001.”

**Rio Tinto subsidiary Bougainville Copper** - 53.58% owned by Rio Tinto 
Limited; 19.06% The Papua New Guinea Government; public shareholders 
remaining 27.36%.

Late 1988 operations of Bougainville Copper Limited (BCL) came under attack; 
damage to some facilities....origins = dissatisfaction of some villagers with their 
share of income from the mining operation, and part of a wide-spread issue about 
how income from mining operations in Papua New Guinea should be distributed.
“In 2010, over 10,000 coal trucks transporting coal to the Western part of China from Inner Mongolia were blocked in a 120km traffic jam for around nine days.”
International Coal Association
25 March 2011:

“A South Korean consortium has signed a $3 billion preliminary deal to build a railway serving the world's largest untapped coal mine in Mongolia.” (TT. Tavan Tolgoi)
Other Human and Environmental Issues

- 1991: UNESCO designated the Great Gobi as the fourth largest Biosphere Reserve in the world

- Clash of cultures embedded in co-dependence: China-Mongolia. Ex: Export

- Rapid industrial infrastructure development. Ex: rail
Signing of Oyu Tolgoi Investment Agreement. Image courtesy Rio Tinto
IPO for Tavan Tolgoi

Welcome Mat
Mongolia is opening its Tavan Tolgoi coal deposit to foreign investors

Largest estimated coal reserves

<table>
<thead>
<tr>
<th>Mine (country)</th>
<th>Thermal</th>
<th>Coking</th>
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<tbody>
<tr>
<td>Shengli (China)</td>
<td>6.6</td>
<td></td>
</tr>
<tr>
<td>Tavan Tolgoi (Mongolia)</td>
<td>4.6</td>
<td>1.8</td>
</tr>
<tr>
<td>Morupule (Botswana)</td>
<td>5.1</td>
<td></td>
</tr>
<tr>
<td>Ishchinskoye (Russia)</td>
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<tr>
<td>Beryozovsky (Russia)</td>
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<tr>
<td>Tashan (China)</td>
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<tr>
<td>Grootegeluk (South Africa)</td>
<td>2.8</td>
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Sources: Raw Materials Group, Stockholm; Erdenes MGL LLC
Note: 1 metric ton is roughly 1.1 short tons
The Actors and their Roles

- The mining companies – Government-owned (TT*)
- New large mines: Ivanhoe/Rio Tinto**; Ivanhoe/BHP***; “new TT”
- “Ninja mines” (“artisan mines”)
- The Government
- Donors
- Civil society – “OT Watch”

*Thermal coal
* Coking coal/gold
**copper/molybdenum/gold
The Expansion of Mining and Governance for Health

2-part Opportunity

- Avert or mitigate deleterious impacts

And

- Improve public health
Oyu Tolgoi: A Governance Policy Case Study in Progress

Why is OT a turning point?

- Scale – it will fundamentally transform the Gobi and Mongolia
- Public health impact: stewardship requires that Government act
- Significance for economy (Mongolia AND Australia)
- Model for longer-term “collaborative governance” for health:
- “Good” Governance:
Government has a unique opportunity – to choose

- What role, if any, can government play?
- Ministry of Health only – or “Whole of Government”?
- Government only – or broad spectrum of actors?
- “Health” – or broader range of factors that affect health?
- Mine workers? Their families? Local communities/region? The nation as a whole?

*Government’s choices about “governance” has profound and enduring consequences.*
Health – or Wealth…. 

Or Both?