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Title

Exploring the effectiveness of corporate political activity in an emerging market: An
embedded case study

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A research project submitted to the Gordon Institute of Business Science, University of
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with specialisation in International Business.

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Abstract

This study examines how healthcare firms in South Africa engaged in corporate political activity (CPA) to shape the National Health Insurance (NHI) policy amid significant regulatory, political, and institutional uncertainty. By drawing on Resource Dependence Theory (RDT) and supported by research participants' perspectives, the study explores how firms interpret policy risk, manage dependence on the state, and deploys CPA within a politically sensitive and capacity constrained health system. This research adopted a qualitative design, using base the semi-structured interviews with senior private-sector leaders, policymakers, and bureaucrats. The analysis generated six thematic areas namely, regulatory uncertainty; CPA approaches; strategic objectives for engaging in CPA; policy influence and effectiveness; perceptions of legitimacy and appropriateness; as well as contextual and environmental factors.

The findings show that regulatory uncertainty, driven by policy ambiguity, inadequate consultation, fiscal fragility, and concerns about state capacity, was a central motivator for corporate to engage in the political environment marketplace. However, contrary to classical RDT expectations, heightened dependence did not result in assertive CPA. Instead, legitimacy concerns, reputational risks, and South Africa's dominant-party political structure narrowed the range of acceptable tactics. Healthcare firms therefore favoured coalition-based lobbying, informational strategies, and targeted engagements, while litigation was more selectively pursued, by medical insurance firms and hospital groups, than pharmaceutical firms. Influence remained modest and largely confined to technical arenas such as procurement design, health technology assessment (HTA) processes, governance norms and implementation sequencing, while NHI's core redistributive architecture remained resistant to business influence due to ideological commitments and global universal health coverage (UHC) norms.

The study contributes to RDT and international business (IB) literature by demonstrating that CPA in socially salient policy domains is contextual, relational, and legitimacy-mediated. The research also identifies new mechanisms, historical regulatory memory, system-level fragility and global normative pressures, that shape how firms perceive and manage dependence. Overall, the study provides a nuanced account of the possibilities and limits of CPA under conditions of concentrated political authority and contested societal legitimacy.

Keywords

Corporate Political Activity, International Business, National Health Insurance, Resource Dependence Theory, Uncertainty

Declaration

I declare that this research project is my work. It is submitted in partial fulfilment of the requirements for the degree of Master of Philosophy (International Business) at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other university. I further declare that I have obtained necessary authorisation and consent to carry out this research.

Student 24130363

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24 November 2025

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List of abbreviations

Abbreviation	Full Description
AU	African Union
CDC	Centre for Disease Control and Prevention
NHI	National Health Insurance
CPA	Corporate Political Activity
IB	International Business
IPASA	Innovative Pharmaceutical Association of South Africa
BUSA	Business Unity South Africa
HASA	Hospital Association of South Africa
HTA	Health Technology Assessment
MNEs	Multinational Entities
RDT	Resource Dependence Theory
SAMA	South Africa Medical Association
UHC	Universal Healthcare
WHO	World Health Organisation

Chapter 1 – Background to the research problem

1.1 Preamble

The healthcare of any nation hinges on the political will of those entrusted to follow through on commitments made to constituencies. It is therefore an integral part of the well-being of society. In addition to the well-being of citizens, the healthcare sector is a significant contributor to a country's economy, through industries that offer products and services used in the provision of care (Frieden et al., 2023; Mkhwanazi, 2024). The importance of healthcare can be seen in the World Health Organisation (WHO) recommendation that countries ought to spend at least 5% of their GDP on healthcare (Fore & Gurría, 2019; Pauw, 2022). While the African Union (AU) encourages its member states to spend at least 15% of their GDP on health to accelerate solutions that will address the significant health inequities to universal health access to all (Bwalya, 2021). The last few decades have seen a greater emphasis on universal access to healthcare across numerous platforms, with politicians, policymakers and stakeholders across the globe taking interest in how to achieve this (Bwalya, 2021; Fore & Gurría, 2019). Universal health coverage (UHC) is an ideal that envisions all citizens having access to the healthcare they need, at the time they need it, at an affordable cost. Many developed nations, such as the United Kingdom and Australia, have already implemented UHC (Fore & Gurría, 2019; Pauw, 2022; Wagstaff & Neelsen, 2020). Several emerging market countries such as Brazil, Thailand and Ghana, also have some semblance of UHC. How well these systems' function remains a subject of debate among health sciences and policy scholars (Wagstaff & Neelsen, 2020). In South Africa, the discussion on how the country can address existing healthcare inequities led to the formulation of what we know today as the National Health Insurance (NHI) Fund, a form of UHC that seeks to provide care for all South African citizens and permanent residents (Mkhwanazi, 2024; Wagstaff & Neelsen, 2020).

While the development of NHI is noble, the policy formulation process and subsequent provisions are set to fundamentally change how the healthcare sector, its industries and companies operate (Prinsen, 2023). Furthermore, the sustainability of some industries, such as the private health insurance, pharmaceutical industry and hospital industries face significant challenges because of the proposed transformation (Sowray, 2003). It is therefore expected that healthcare companies in South Africa would develop strategies and tactics to mitigate against risk and uncertainty created by the introduction of NHI (Sutton et al., 2021a).

1.2 Research context

1.2.1 South African healthcare sector

South Africa's healthcare system is characterised by a dual public and private system. The public sector, funded mainly through general taxation, serves 80–85% of the population but receives less than half of total health expenditure and faces persistent capacity constraints (Stats SA, 2022; Ataguba & McIntyre, 2020). By contrast, the private sector covers 15–20% of the population yet absorbs more than half of health spending through medical schemes and out-of-pocket payments (CMS, 2023).

This systematic misalignment between need and resource allocation is the central rationale for the NHI. Policymakers argue that a single, strategic purchaser will pool risks across socioeconomic groups, integrate public and private delivery, regulate provider behaviour, and equalise access to quality care (DoH, 2017). However, these proposed changes directly affect private-sector revenue models, reimbursement arrangements, and market structure, conditions that historically trigger intense CPA. From a theoretical perspective, the NHI represents a shift in institutional logics governing market participation, prompting firms to mobilise political strategies to protect autonomy, manage uncertainty, and shape evolving regulatory arrangements (Hillman, Keim, & Schuler, 2004). The South African healthcare market is one of the most advanced in the Global South, comprising multiple interdependent actors whose business models are sensitive to regulatory change.

The NHI proposal, which may limit medical schemes to “complementary cover,” directly threatens the core business model of these firms. This threat generates strong resource dependency dynamics, motivating CPA aimed at influencing policy clarity, legislative scope, transition timelines, and the definition of complementary versus comprehensive cover. The NHI's proposed single purchaser dramatically shifts bargaining power to the state and introduces policy uncertainty regarding pricing, formulary inclusion, HTA processes, tender design, and intellectual property arrangements. These pressures intensify pharmaceutical firms' CPA efforts across lobbying, coalition-building, evidence submissions, public consultations, and relational engagement.

1.2.2 National Health Insurance

In 2011, the South African government, led by the African National Congress (ANC), introduced the NHI through a green paper – the government concept of UHC (Pauw, 2022). The government planned to create a unified health system for all South Africans and permanent residents and in doing so, address the inequalities created by a two-tiered, public and private, health system (Mkhwanazi, 2024; Pauw, 2022). At the time the green paper was published, government anticipated the implementation to occur in three phases, over a fifteen-year period, which would allow for the completion of pilot projects, the development of legislation and governance frameworks, and the mechanism required to secure the resources and financing to sustain the NHI (Mthetwa, 2022; Pauw, 2022). The NHI bill also proposed a diminished need for private health insurance, which serviced approximately 9 million principal members, in 2024, spending about \$20 billion annually (Kahn, 2024; Sowray, 2003). Hospital and private healthcare providers would be required to register and seek accreditation to be registered or preferred suppliers of the fund (Rammila, 2023). The diminished role of private health insurers has a significant knock-on effect on other industries in the healthcare ecosystem, such as the pharmaceutical industry, hospital and pharmacy groups, and specialists (Rammila, 2023). While many questions about the specific provisions of the act and how it will be implemented remain unanswered, from an International Business (IB) perspective the current period presents an opportunity for healthcare companies to influence and shape policy and regulations to minimise risk and uncertainty with the NHI once fully implemented.

1.3 Corporate political activity: A theoretical perspective

The theories that have been widely accepted by IB scholars to describe corporate political activity (CPA) phenomena are resource-dependence theory (RDT) (Jiang et al., 2023; Pfeffer & Salanick, 1978), the political marketplace theory (Katic & Hillman, 2023a), and institutional theory (Eilert & Nappier Cherup, 2020). This study will be limited to RDT.

First articulated by (Pfeffer & Salanick, 1978) and has been an instrumental theoretical framework in IB scholarship. Other scholars have continued to develop the theory by apply it in multiple contexts to explain dependencies organisations have on other external factors. (Jiang et al., 2023) posits that RDT is underpinned by three dimensions and three themes, namely location dependencies, interorganisational dependencies and

intraorganizational dependencies, as well as the themes of dependence solutions, dependence managing outcomes, and macro environmental conditions in the IB context. It also suggests that firms that rely on government for most of their revenue or as a key environmental enabler will likely spend more resources on CPA (Katic & Hillman, 2023a; Sutton et al., 2021a). RDT is criticised for a lack of literature showing direct correlation to reduced uncertainty with implementation of CPA, however it has been shown to increase firm performance (Sutton et al., 2021a).

1.4 Uncertainty

The concept of uncertainty is ubiquitous across many facets of management research, and describes a prevailing feature of the business environment that must either be managed, avoided, or adapted to for survival (Griffin & Grote, 2020). Duncan (1972) posits that a firm's business environment has two dimensions, an internal and an external dimension. It is in the external environment that uncertainty concerns the firm. In this dimension, the firm does not enjoy the type of decision-making ability as what they would in the internal environment, more so in the articulation of public policies or regulations (Hoffmann et al., 2008a). This has prompted some scholars to ask how firms respond to consequences of external environment change (Rodriguez Lopez et al., 2017a). For instance, a hospital group, with hospitals located in various locations may need to re-evaluate the services that it offers in one location versus another because the NHI triage system, may not triage an adequate number of patients to ensure that overheads are covered, and an acceptable level of profitability is achieved. In this case a scholar may wonder, now that the NHI has been enacted, what strategies will the hospital implement to mitigate consequences or manage uncertainty where the change could be imminent or may take decades to materialise.

(Duncan, 1972a) defines environmental uncertainty "as the shortage of information on the events and actions taking place in the business environment and/or the impossibility of predicting external changes and their impact on organizational decisions", whereas (Rodriguez Lopez et al., 2017a) described regulatory uncertainty as stemming directly from a policy, which is statutory, rules based, can be enforced and is punitive (Rodriguez Lopez et al., 2017a). (Hoffmann et al., 2008b; Rodriguez Lopez et al., 2017a) differentiate uncertainty into two sub-categories, regulatory and regulation-induced uncertainty, where regulatory uncertainty is described as the uncertainties related to wholesale changes in a regulation or policy, such as its scope and rules, and regulation-induced uncertainties addresses the indirect consequences of a regulation or policy once it has

been implemented. By differentiating uncertainty in these dimensions (Hoffmann et al., 2008b), enable researchers to study the antecedents, strategies and types of CPA which firms could implement in specific contexts.

1.5 Effectiveness

Effectiveness describes the degree to which something is successful at producing a desired outcome, suggesting a measurement over a defined period or time (Cinaroglu & Baser, 2018), posits that effectiveness is a performance measure that helps an organisation achieve its intended objectives. Therefore, effectiveness is multifaceted, influenced by several factors, and highly context dependent. In the context of IB, effectiveness of decision-making at subsidiary level, may be influenced by cultural factors in the host or home country, or processes that limit the autonomy of the management team (Brown et al., 2023; Cinaroglu & Baser, 2018).

It can be measured using both quantitative and qualitative tools. In management sciences a Lickert-type scale could be used to evaluate customer behaviour, how well a product of service is received or level of engagement by employees of a firm (Cinaroglu & Baser, 2018). In the health sciences quality of life scales are commonly used to determine outcomes linked to severity of variables like pain following treatment or other intervention. An important aspect of such scales is the element of subjectivity involved. A person completing an evaluation is likely to do so based on their perception and/or opinions of an event or experience, which may be influenced by past experiences and/or environmental factors. While responses to an evaluation may be based on individual experiences, it is possible that some commonalities or recurring themes to be identified in the same or similar disciplines, firms, industries or countries may identify existing or new antecedents, valuable for IB researchers. In determining the effectiveness of CPA on the outcome of public policies, such as the NHI, individuals' perception of effectiveness may differ based on some elements noted above.

The NHI policy development process lasted thirteen years before reaching the decision-making or adoption stage. Additionally, even once a decision was made, the implementation is subject to various process and policy development, including the presidential proclamation before truly reaching the implementation stage (Mkhwanazi, 2024; Pauw, 2022). According to the timelines in green paper of 2011, the NHI was expected to reach full implementation by 2026 (Pauw, 2022). A review of the revised timelines published after the signing of the NHI bill shows that full implementation is

expected by 2028, almost 20 years after the green paper was conceptualised (Pauw, 2022). The publication of the green and white papers, the NHI policy in 2017 and the NHI bill in 2019, led to uncertainty in the political marketplace and the external environment (Mkhwanazi, 2024). To manage the uncertainty, firms deploy various CPA strategies to gain access to policymakers to understand the public policy implications and learn how to shape and influence the process to reduce risk and uncertainty (Pauw, 2022; Solanki et al., 2022). Therefore, evaluating the effectiveness of the CPA tactics used by firms in the South African healthcare sector to navigate an ambidextrous and evolving policy environment may add an interesting and unique dimension to existing CPA literature.

1.6 Research purpose

This study aims to understand how CPA has influenced and shaped the NHI policy process. Secondly, this study the researcher aims to understand the effectiveness of CPA in influencing and shaping the NHI policy process, from the perspective of executives of healthcare companies, trade associations, and government representatives involved in the policymaking. The outcome of the research will contribute to the IB body of knowledge by providing a sector specific viewpoint on the effectiveness of CPA on shaping and influencing the policy development process from the perspective of initiators and targets of CPA. This research will provide an emerging market perspective on CPA, a neglected yet unique perspective, shaped by the ambidextrous environments firms must navigate. Furthermore, this study may support the development of performance criteria to measure effectiveness of CPA in achieving policy outcomes.

1.7 Research proposition

To study the effectiveness of CPA on the outcome of a public policy process, a question that arises is, have the actors engaged in CPA successfully shaped and influenced policies in their desired direction? This line of enquiry roots itself in the core strategic objectives and sustainability of firms. Should the external environment, upon which their dependent, suddenly become unfavourable, this would threaten a firm's very existence. It can therefore be expected that firms will focus resources on CPA to reduce uncertainty (Katic & Hillman, 2023a; Sutton et al., 2021a). Secondly, if firms engage in CPA, do they evaluate the effectiveness of the strategy or strategies used, and what performance indicators are used to determine success?

The scarcity of research dedicated to understanding the CPA strategies and tactics used by firms on the African continent creates a gap in literature and our understanding of CPA in different contexts (Liedong et al., 2020). Understanding CPA used by firms in the South African healthcare sector may give us contextual insights to strategies used to influence and shape their external environment. Secondly, there is a scarcity of research dedicated to understanding the extent to which these strategies and tactics have been effective or successful (Shirodkar et al., 2022a). Third, there is a gap in research in understanding if firms facing policy uncertainty change their strategies and tactics in response to the evolution of the policy making process (Katic & Hillman, 2023a; Shirodkar et al., 2022a).

1.8 Research questions

To evaluate the effectiveness of CPA in influencing public policy outcomes, the research utilises one main research questions which seeks to understanding how healthcare firms deploy CPA to manage uncertainty. The main request question will be complemented by three sub-research questions research, which seek understand if firms' change their approach to CPA in change policy conditions. The final two sub-questions will help the research to determine if the strategies were effective. Collectively these questions will provide insight into how uncertainty is managed to reduce risk in the external environment.

1.8.1 Main research question

How did healthcare firms use corporate political activity to influence the outcome of South Africa's National Health Insurance (NHI) policy?

1.8.1.1 Sub-research question 1

How did approaches to CPA change before and after the NHI Bill became an Act, and why?

1.8.1.2 Sub-research question 2

To what extent were these CPA strategies effective in shaping the policy environment and reducing uncertainty?

1.8.1.3 Sub-research question 3

How did firms and stakeholders define and assess the effectiveness of CPA in this context?

1.9 Research contribution

1.9.1 Theoretical contribution

This study make a theoretical contribution in three key ways. Firstly, it extends RDT by showing that increased dependence on the state does not automatically lead to more assertive CPA, instead factors such as, legitimacy pressures, reputational risk and dominant-party political structures can suppress or redirect strategic responses. Second, the study identifies new influences, such as historical regulatory memory, system level fragility, and global normative pressures, that shape how firms interpret and manage dependence, offering a more contextualised, multi-level understanding of nonmarket behaviour in emerging-market health systems. A third contribution, is to IB literature by demonstrating that CPA effectiveness in politicised, socially salient reforms are constrained, relational, and institutionally constrained, with influence concentrated in technical rather than ideological policy domains. Collectively, the study provides a more nuanced theoretical explanation of how firms navigate uncertainty and attempt to shape public policy in environments characterised by entrenched political authority, ideology and contested legitimacy. This is contribution is further elaborated upon in section 7.3 of this research report

1.9.2 Business contribution

The study provides managers of healthcare firms a clearer understanding of how to navigate major policy changes in politically sensitive and capacity constrained environments. The study shows that under South Africa's NHI, the traditional assertive CPA is often ineffective, and that firms ought to prioritise coalition-based engagements that are underpinned by strong evidence to influence stakeholder and to build legitimacy in order to manage regulatory uncertainty. The findings offer a practical framework for identifying viable nonmarket strategies, to enable efficient resource allocation and aligning corporate objectives with health system reform. By highlighting the constraints of a dominant-party system and the importance of trust, the study helps firms anticipate where influence is feasible and where structural and reputational limits require more adaptive, partnership oriented approaches. This is contribution is further elaborated upon in section 7.4 of this research report.

1.10 Structure of the research report

This chapter establishes the foundations of this research project by highlighting the research topic and the gaps identified in existing literature. Understanding the relationship between corporate political strategies and effectiveness as key constructs is important in the context of emerging markets. The focus of this study, which is to explore the effectiveness of CPA in shaping the outcome of public policy in emerging markets has been clearly defined by the research problem.

The research report is structured in the following manner:

- **Chapter Two** establishes a link between three scholarly areas of interest, namely uncertainty, CPA, and effectiveness, by analysing the existing literature, by anchoring this in existing IB theories, namely Resource Dependency Theory and Institutional Theory, in the context of NHI and healthcare companies in South Africa.
- **Chapter Three** situates the research purpose, aims and questions.
- **Chapter Four** explains the rationale for choosing a qualitative method approach, the study design, how the data was collected, analysed and reported.
- **Chapter Five** reports on the research findings from semi-structured interviews with policymakers and industry experts, whose perspectives were solicited during the data collection process.
- **Chapter Six** integrates the research findings with earlier discussions and assertions in the literature and provides a comprehensive interpretation of the findings.
- **Chapter Seven** concludes the research, discusses limitations and makes recommendations on potential areas for future research

All appendices that contain pertinent data used throughout the study process have been attached to the end of this document.

Chapter 2 – Literature review

2.1 Introduction

In this chapter, the researcher provides a contextual background of the South African healthcare sector and the impending healthcare system reform. The chapter then reviews existing academic literature on CPA. The terms commonly used to describe constructs and phenomena are defined, as well as the important theoretical frameworks upon which constructs are anchored. Key international business concepts such as uncertainty and corporate political activity also discussed. A conceptual framework, showing the interplay between the relevant construct and variables, is developed and described. Lastly, the effectiveness of CPA to manage policy uncertainty is reviewed and contextualised to the South African health sector.

2.2 Research context

2.2.1 South African healthcare sector

South Africa's healthcare system is characterised by a dual public and private system. The public sector, which is funded mainly through general taxation, serves approximately 85% of the population, and is said to receive less than half of total health expenditure. Additionally, it is marred by persistent capacity constraints (Ataguba & Ataguba, 2020). The private sector, when juxtapositioned with the public sector, serves approximately 15% of the population yet it is said that it absorbs more than half of the total health spending through medical schemes and out-of-pocket payments (Sutton et al., 2021a). This systematic misalignment between need and resource allocation is the central rationale for the NHI. Policymakers argue that a single, strategic purchaser will pool risks across socioeconomic groups, integrate public and private delivery, regulate provider behaviour, and equalise access to quality care (Coetzee et al., 2021). However, these proposed changes directly affect private-sector revenue models, reimbursement arrangements, and market structure, conditions that historically trigger intense CPA. From a theoretical perspective, the NHI represents a shift in institutional logics governing market participation, prompting firms to mobilise political strategies to protect autonomy, manage uncertainty, and shape evolving regulatory arrangements (Hillman et al., 2004b; Katic & Hillman, 2023a). The South African healthcare market is one of the most corporatised in the Global South, comprising multiple interdependent actors whose business models are sensitive to regulatory change. These actors shape, and are

shaped by, the policy landscape, positioning them as key agents in the NHI reform process.

Medical schemes such as Discovery Health Medical Scheme, with approximately 2.8 million beneficiaries, GEMS with approximately 2.1 million, and Bonitas with approximately 730,000, and others play a central role as private purchasers of healthcare. They rely on administrators and managed healthcare organisations to develop and manage benefit packages, negotiate provider tariffs, curate networks, and manage risk pools (Coetzee et al., 2021). The NHI proposal, which proposes to limit medical schemes to complementary cover, directly threatens the core business models of these firms (Coetzee et al., 2021). This threat generates powerful resource dependency dynamics that motivate firms to deploy CPA aimed at influencing the outcome of policy, legislative scope, implementation timelines, benefit packages, and the definition of complementary cover (Hillman et al., 2009). The hospital sector is dominated by Netcare, Life Healthcare, and Mediclinic, which collectively control approximately 80–90% of private hospital beds (Solanki et al., 2020). Their revenue depends on fee-for-service billing, specialist referrals, and insured patient volumes (Solanki et al., 2020). The NHI's proposed shift towards contracted, regulated reimbursement, including capitation for primary care and DRG-like payments for hospitals, introduces significant uncertainty (Bust et al., 2023; Perrow & Schneider, 2023). These groups would therefore engage in CPA to protect current or influence future reimbursement arrangements, negotiate accreditation criteria, maintain clinical autonomy, and influence transitional purchasing mechanisms. Their size and market concentration provides substantial structural power, which in turn may increase the potential impact of political engagements they conduct (Hillman et al., 2009).

The innovator pharmaceutical multinational entities (MNEs), including MSD, Pfizer, Roche, Novartis, GSK, AstraZeneca, Sanofi, among others, develop manufacture and commercialise medicines or vaccines high-value therapeutic areas (Perrow & Schneider, 2023). Local manufacturers such as Aspen Pharmacare, Adcock Ingram, Cipla, and Biovac support generic supply and industrial policy objectives, through localisation of manufacturing activities or technology transfers. The NHI's proposed single purchaser model dramatically shifts bargaining power to the state, which introduces uncertainty regarding reimbursement, pricing, formulary inclusion, health technology assessments (HTA) processes, tender design, and intellectual property arrangements. These pressures intensify hospital and pharmaceutical firms' CPA efforts. The proposed limitation of services medical insurance entities can cover, introduces uncertainty

regarding the benefit package design and the sustainability of these entities under the NHI. This uncertainty is a motivating factor to deploy various forms of CPA

2.2.2 National Health Insurance

The development of public policies, such as those catering for the provision of education and healthcare, is an iterative, complex and often multifaceted process that can be lengthy, and lasting years. Political science scholars draw from Dye (2008:1) definition of public policy, which defines public policy as “whatever governments choose to do or not to do” (Ozgur & Kulaç, 2017). The process requires the involvement and input of various stakeholders, irrespective of whether they are proponents or opponents of a policy. Through this process numerous environmental and contextual changes or amendments can occur, with different versions benefiting some more than others (Lane et al., 2020; Siddiki & Curley, 2022). One such change was in the introduction of a Government of National Unity (GNU), in South Africa, following the ANC’s loss of electoral majority in the 2024 national election. The new configuration in government has created tensions within the government about the usefulness of policies, including the NHI, as political representatives hold differing views about the act (Thusi, 2024).

For South Africa the NHI bill was seen as significant progress in the legislative process and showed how government intended to implement the NHI (Pauw, 2022). The NHI bill proposed to make government the single largest procurer of healthcare goods and services, at thresholds determined by it, effectively creating a monopsony, where winner takes all and eliminating the competitive nature of a free-market system (Pauw, 2022; Rammila, 2023). The NHI bill also proposed a diminished need for private health insurance, which serviced approximately 9 million principal members, in 2024, spending about \$20 billion annually (Kahn, 2024; Sowray, 2003). Hospital and private healthcare providers would be required to register and seek accreditation to be registered or preferred suppliers of the fund (Rammila, 2023). The diminished role of private health insurers has a significant knock-on effect on other industries in the healthcare ecosystem, such as the pharmaceutical industry, hospital and pharmacy groups, and specialists (Rammila, 2023). Following public participation processes from 2019 and 2022, and parliamentary debates in 2023, the NHI bill was approved and signed into law in May 2024 (Mkhwanazi, 2024; Pauw, 2022). The effective date will be proclaimed at a date to be determined by the President and is subject to the development and implementation of NHI specific regulations and instruments required to bring the act to life.

The process of drafting public policy generally follows a 5-stage process that draws from the Heuristics Model and has been well-defined in extant literature (Ozgur & Kulaç, 2017). The stages include agenda setting, policy definition or policy formulation, policy legitimization or decision-making, implementation and funding, and monitoring and evaluation (Lane et al., 2020; Ozgur & Kulaç, 2017). If the chronology of (Lane et al., 2020) is followed to the letter, the NHI is now at the implementation stage, however according to (Mkhwanazi, 2024) the NHI has not been implemented, and this is subject to the assent by the president. Per the timelines shared by the National Department of Health (NDoH), the implementation stage is quite some time away for the NHI policy. It is important to note that while the stages for policy development are well-defined, it is neither linear nor simple and often requires extensive consultation with multiple stakeholders, within each development stage (Siddiki & Curley, 2022). This iterative nature allows for stakeholders such as multinational entities (MNEs) to influence and shape the process and outcomes of policy development.

IB scholars and policymakers have long recognised the transformative impact that IB has had on societies (Buckley et al., 2017), thus underscoring why it is importance to study and understand the complex relationships between IB and public policy. MNEs are powerful entities that can use their resources to shape public policies in their favour (Boddewyn, 2016). Healthcare firms, including MNEs, in South Africa have been engaged in the NHI policy making process since the publication of the green paper. They have utilised various strategies and tactics to influence and shape the NHI, thus minimizing impact from the external environment (Kahn, 2025; Sowray, 2003; Sowray & Cohen, 2023). Business Unity South Africa (BUSA), the apex business association representing multiple sectors, including health has increased its focus on highlighting the impact of NHI on business (Sowray, 2003; Understanding the National Health Insurance (NHI) Bill, 2024). BUSA has also created a health working group to provide more focus on how to mitigate the potential impact of NHI on behalf of its members (Sowray, 2003). The Board of Healthcare Funders (BHF), representing private medical insurers and the Hospital Association of South Africa (HASA), are other such associations advocating for a better environment on behalf of their members (Kahn, 2025). While many questions about the specific provisions of the act and how it will be implemented remain unanswered. From an IB perspective the current period presents an opportunity for healthcare companies to influence and shape policy and regulations to minimise risk and uncertainty with the NHI once fully implemented.

2.3 Uncertainty

Scholars in IB have long sought to understand uncertainty and how it shapes and influences the actions and behaviours of MNEs and managers, whether in the home or host countries (Sutton et al., 2021a). (Milliken, 1987) first described uncertainty as the inability of organisations to accurately predict future states of the external environment. Similarly (Griffin & Grote, 2020) defined uncertainty as any departure from absolute determinism, pointing to unpredictability as the core of uncertainty. Thus it is the absence of information or the ambiguity of information that can lead to uncertainty. This lack of certainty invites risks for MNEs, who prefer a predictable environment which helps them manage risk better, through better and proactive planning. Through this condition of certainty firms can implement various strategies to reduce any ensuing risk and uncertainty arising from it. Uncertainty therefore shapes how an MNE understands and interprets its external environment, assesses risk, and develops mitigating strategies. It also shapes the magnitude of resources it will commit towards managing the uncertainty (Sutton et al., 2021a).

For the research to adequately understand why and how MNEs mitigate for ensuing risk and uncertainty, it is necessary to situate the uncertainty within an observable or measurable condition. To do this, the researcher borrows from Duncan (1972) who describes the business environment as having an internal and an external dimension. In the internal dimension a firm enjoys decision-making capabilities and its' own resources, enabling it to control and make decisions favourable to it. This direct control of internal resources enables a firm to reasonably predict its future state or outcome. However, contrasting this to the external environment, a firm enjoys much less resources, control and autonomy to make decisions favourable to itself. For example a manufacturing firm may have control over its' production plant and dictate the conditions within which the plant would operate. This decision would be entirely up to the factory leaders of the plant manager. However if the authority where the factory is operating from decides to implement environmental law constraining water usage or operating hours, the factory's management team would not enjoy the same or similar level of control or decision making. This control is ceded to the external authority. If therefore this lack of control that affects the ability of the MNE to reasonably predict its future state, creating significant uncertainty and impacting its ability to plan. The external dimension is characterised by pervasive features, including politics, economic factors, governments, cultural and intermittent or adhoc uncertainty (Hoffmann et al., 2008b; Sharma et al., 2020).

Extant literature shows that uncertainty is a multidimensional construct which cuts across environmental, institutional, political, policy, and cultural norms. (Sharma et al., 2020) categorises uncertainty into several dimensions, namely environmental, industry based or firm specific uncertainty and suggest that uncertainties can exist in a firms internal or external environment and can be a source of influence for a firm or the economy. (Hoffmann et al., 2008; Rodriguez Lopez et al., 2017) develop (Duncan, 1972b) description of business environment by linking the regulatory aspect to define and differentiate between regulatory uncertainty and regulatory-induced uncertainty. Regulatory uncertainty occurs when uncertainties are related to wholesale changes in a regulation or policy, and is defined as an uncertainty stemming directly from a policy, which is statutory, rules based, can be enforced and is punitive (Rodriguez Lopez et al., 2017). Whilst regulatory-induced uncertainties address the indirect consequences of a regulation or policy once it has been implemented. By differentiating uncertainty in these dimensions, (Hoffmann et al., 2008a) enable researchers to study the antecedents, strategies and types of CPA firms could implement in specific contexts. Yet despite the ubiquity of uncertainty across extant management science literature, (Griffin & Grote, 2020), comprehensive frameworks to mitigate against uncertainty remains scarce (Sharma et al., 2020). Healthcare globally is highly regulated with growing scrutiny from governments, citizens, civil society groups and multilateral organisations (Scherer et al., 2012). This condition of high regulation and progressively increasing scrutiny, created an environment of uncertainty for firms operating in that environment (Griffin & Grote, 2020). Therefore uncertainty is a relevant construct to examine the effectiveness of CPA in the context of one of the most significant policy reforms in the country since the advent of democracy.

It is worthwhile making a distinction between risk and uncertainty. Often in colloquial terms and the business and academia, these words are used interchangeable. This may create confusion when attempting to address a research question or gap in literature. In their paper (Sharma et al., 2020), make a distinction between risk and uncertainty. Risk is defined as an uncertain event or condition associated with doing business that can have a negative effect on the firm, whereas uncertainty is defined as the lack of knowledge about the probabilities of the future state of events that may influence the firm. A key differentiator is that risk can be anticipated and measured. Uncertainty on the other hand is a subjective, multi-dimensional concept that varies based on its source, the degree to which it is experienced, and based on who is experiencing it, making it a challenge to measure (Taylor et al., 2021) describes uncertainty as an idea that policy implementers may not have understood the policies to be implemented. They go further

and distinguish uncertainty from ambiguity, by positing that ambiguity is different from uncertainty and refers to the notion that a policy or policy text can be interpreted in multiple ways.

2.3.1 Environmental uncertainty

(Duncan, 1972a), defines environmental uncertainty “as the shortage of information on the events and actions taking place in the business environment and/or the impossibility of predicting external changes and their impact on organizational decisions”. This offers a similar definition confirming an absence of information creates conditions for uncertainty. Extant literature shows that environmental uncertainty reduces a firms’ willingness to make irreversible commitments. This is more pronounced in MNEs with business in foreign markets (Arieftiara et al., 2017). As mitigation MNEs may choose to defer irreversible plans and enter into alliance partnerships or enter contractual modes of entry over wholly owned subsidiaries when technological or market conditions are unpredictable (Chen et al., 2024).

2.3.2 Regulatory uncertainty

Policy uncertainty on the other hand refers more specifically to uncertainty about future government actions, such as regulatory reforms, fiscal policies, industrial strategies, or health policy changes (Baker et al., 2016). Policy uncertainty concerns unpredictability in the general direction of government policy, legislative priorities, and political decision-making. Policy uncertainty can exist even before any regulation is drafted, while regulatory uncertainty emerges during or after implementation when rules are incomplete, unclear, or inconsistently applied. Regulatory uncertainty is a broad construct describing unpredictability in regulatory rules, enforcement, and institutional processes. Regulatory uncertainty is narrower and describes uncertainty related to the ambiguity in specific rules, administrative procedures, and enforcement mechanisms that arise once a policy direction has been set. Extant literature consistently finds that heightened political or policy uncertainty, reduces foreign direct investment and increases the probability of foreign divestment or temporary exits (Tang & Cao, 2025).

2.3.2.1 *Regulation-induced uncertainty*

Regulation-induced uncertainty is a specific subset of regulatory uncertainty that arises directly from regulatory change such as new legislation, major reforms, or evolving

implementation guidelines. In the context of NHI, regulatory uncertainty is heightened generally within the health system, while regulation-induced uncertainty stems from the ongoing reform process itself and the ambiguity surrounding the final design and implementation of NHI.

Major health reforms such as NHI affect healthcare firms' expectations about the market structure, reimbursement mechanisms, procurement models, and pricing, directly influencing their political engagement strategies. (Taylor et al., 2021), suggest that uncertainty can be resolved with more information and better use of existing information that will allow for informed decision-making by stakeholders both as initiators and those that could be impacted. For instance, a firm may not have been interested in a proactive approach to CPA prior to the enactment of NHI as they may have thought it was unlikely to occur, however now that it has been enacted, the same firm may decide to take a more proactive approach to understand and attempt to shape further associated regulations. In doing so the firm would still aim to reduce further uncertainty. An additional example is related to private hospitals groups. The business model of these facilities is in the form of networks, the NHI may cause the hospital re-evaluate the services that are offer in one location versus another because the proposed NHI triage system, may not triage an adequate number of patients to ensure that overheads are covered, and an acceptable level of profitability is achieved. In this case a scholar may wonder, now that the NHI has been enacted, what strategies will be hospital implement to mitigate consequences or manage uncertainty where the change could be imminent or decades to take effect.

2.4 Corporate political activity

CPA is a fundamental construct in IB and non-market strategy research. It describes how firms, mostly MNEs, seek to shape variables, such as public policy and regulatory outcomes, occurring in the external environment, to protect or enhance their competitive advantage. The variables occurring in a firms external environment are vast and can be influenced by a multitude of factors, such as the prevailing political landscape, government, economic, or geopolitical events. (Sutton et al., 2021a) posits that government is pivotal for creating an enabling environment for firms to exploit the market conditions and maximise profits (Sutton et al., 2021a). Through institutions, laws, regulations, and policies government can either constrain or enable a firm's activities in the marketplace. This power by government thus creates dependency, whether direct or indirect, at an individual level, firm level, and industry level (Katic & Hillman, 2023a;

Sutton et al., 2021a). The inherent power to introduce, amend or repeal policies and regulation, is a source of risk and uncertainty for the marketplace (Liedong, 2021; Sutton et al., 2021a). Examples of these risks and uncertainties may be of a political nature, foreign exchange risk, liability of foreignness, policy risks or legitimacy (Sharma et al., 2020). In recognising this risk and uncertainty, MNEs readily engage in strategies to manage or reduce the uncertainty that exists in the external environment.

The strategies and tactics used by MNEs to influence its external environment are defined as non-market strategies an umbrella term for various strategies and tactics used by firms. These include corporate social responsibility, CPA and legal action (Winkler & Krzeminska, 2024). Some scholars include legal action or litigation and have defined legal action or litigation as a standalone strategy, whilst others describe this a tactic to be defined within CPA (Winkler & Krzeminska, 2024). For the purpose of this research legal action or litigation will be viewed as a strategy within the umbrella of CPA. Each strategy has instruments, levers or tactics that can be applied at an individual level, firm level, or industry level, either alone or collectively, to influence and shape the external environment (Eastmure et al., 2020; Liedong et al., 2020; Winkler & Krzeminska, 2024). CPA is therefore defined as deliberate strategic approaches used by firms to proactively engage with the political, social and cultural environment to access policymakers for the benefit of getting key information on upcoming changes, to align interests, or to influence and shape policy formation (Hillman et al., 1999; Katic & Hillman, 2023a). (Wöcke & Moodley, 2015a) describe CPA as strategies aimed at influencing the outcome of policy formulation thereby ensuring the most favoured operating environment for a firm. Therefore, any change in the external environment will cause a firm to evaluate and devise mitigations to either preserve or increase their competitive advantage or to ensure that they are not adversely impacted. (Harris & Brown, 2021; Rudy & Cavich, 2020; Shirodkar et al., 2024; Sun et al., 2021), posit that the importance of the external environment compels firm managers to proactively develop non-market strategies and, in some instances, to integrate these into the overall firm strategies to keep abreast of changes that may impact market strategies. By doing so firms can secure the most favourable operating conditions and minimise potential risk (Katic & Hillman, 2023a; Liedong et al., 2020; Shirodkar et al., 2024).

(Lopes et al., 2025), describes CPA as a relationship between companies and institutions of a state, whereby the exchange of information occurs through announcements and statistical projections or forecasts, that are be deemed as normal and expected of any functioning government. On the other hand, the relationship can be used to intimidate

actors. This description of CPA brings into sharp focus the role of government institutions, beyond the individual representing government. It suggests that while information sharing and political connections on an individual basis may be informal, more formal processes to engage in CPA may exist. In the health sciences, (Ulucanlar et al., 2023) suggests an updated definition and describes CPA as “practices to secure preferential treatment and/or prevent, shape, circumvent or undermine public policies in ways that further corporate objectives”. This definition introduces a dimension or connotation of the societal implications or consequences of CPA, thus bringing into focus the ethical consideration of CPA, which (Shirodkar et al., 2024) identify as an area of enquiry. These definitions offer a similar yet nuanced view of CPA, which may be useful for scholars conducting research in different a setting and context.

Additionally, (Hillman et al., 2004a) use an integrative model to evaluate CPA literature that discusses the antecedents of CPA, types of CPA strategies and tactics used by firms, the outcomes of the of these strategies and tactics, and the organisational implementation of CPA. Through their analysis sectoral level, firm-level, firm-size, industry-level, issue-based or institutional level antecedents are identified, offering useful signposts for insights into the reasons for the adoption of a particular strategy over another.

2.3.1 CPA Typology

CPA researchers continue to reference (Hillman & Hitt, 1999) when called upon to classify and described. Figure 1 below the shows (Hillman & Hitt, 1999) influential taxonomy of corporate political strategies. Hillman & Hitt (1999), continues to anchor contemporary CPA research. This framework distinguishes the three core categories into, information strategy, financial incentive strategy, and constituency building strategy, represented as overlapping circles to signal that, although analytically distinct, these strategies are frequently combined in practice (Katic & Hillman, 2023a; Lawton, 2022; Liedong et al., 2020; Ulucanlar et al., 2023). First is the involving constituency building, which describes the formation of alliances, coalitions, and collaboration to influence policy related issues. The second, is financial strategies, which include politician and political party campaign funding; and third, information sharing, which encompasses the provision of policy briefs, submissions and technical or expert input, used by lobbyists to lobby politicians on issues of interest (Liedong et al., 2020).



Figure 1: A framework of (Hillman & Hitt, 1999) influential taxonomy of corporate political strategies

Source: Hillman & Hitt (1999)

Subsequent reviews and empirical studies show that this tripartite classification remains the dominant in the classification of firms political tactics in both developed and emerging economies (Hillman et al., 2004b; Liedong et al., 2020; Puck et al., 2018; Ulucanlar et al., 2023)

The aim of informational strategy is to reduce information asymmetries and frame issues in ways that favour the firms' interests (Hillman et al., 2004b; Hillman & Hitt, 1999). Financial incentive strategy relies on material inducements to build access and goodwill with political actors, and is documented in recent studies of lobbying, corporate political activism and firm level CPA outcomes (Gounopoulos et al., 2024; Liedong, 2021). The constituency building strategy focuses on the mobilisation or alignment of external stakeholders to demonstrate broader societal or industry support for particular positions.

Recent work on constituency based CPA emphasises how firms leverage these coalitions and citizen facing campaigns to enhance legitimacy and influence regulatory debates (Johnson et al., 2022). Combined, these three strategies illustrate the core approach firms' use to manage uncertainty and shape the external environment, while

integrating CPA into their overall non-market strategy (Botha & Middelberg, 2020; Hillman et al., 2004b; Puck et al., 2018).

These tactics are deployed across the different stages of policy development, namely agenda-setting, design, legislative negotiation, implementation, and evaluation. Importantly, scholars note that certain tactics are more dominant and effective than others, depending on the institutional context, prompting MNEs to adopt different CPA strategies simultaneously in developed versus emerging markets. This has also been shown by (Liedong, 2021; Liedong et al., 2020; Wöcke & Moodley, 2015b). Additionally, the taxonomies underscore notion that effective CPA rarely relies on a single tactic, instead firms would typically bundle informational, financial, and constituency-oriented approaches in order to maximise influence while striving to maintaining legitimacy and alignment with evolving institutional expectations. This typology therefore provides a useful conceptual lens for interpreting how healthcare firms in this study select and combine CPA tactics in response to South Africa's NHI reforms.

2.3.2 CPA in Emerging Markets

In their paper (Katic & Hillman, 2023a) find that a disproportionate amount of CPA literature is based on the perspectives of Western nations, mostly the US and EU, and almost exclusively encompasses lobbying and political campaign contributions. Data shows that lobbying and political campaign funding receive the most attention from IB scholars. This is likely because of well-developed institutions and regulations that monitor activity and the influence firms have on the political process, as well as the availability of data emerging from the oversight bodies (Giannetti & Srinivasan, 2022; Hanegraaff & Poletti, 2021; Katic & Hillman, 2023a; Lawton, 2022). That data show that in the European Union (EU), 162 corporations and trade associations spent about €500 million on lobby efforts in 2019, with the tech industry as the front runner, followed by banking, energy and pharmaceuticals (Chalmers & Macedo, 2021). The well-developed institutions and normative practises in Western countries require firms to report lobbying activities and political campaign funding, which in turn supports scholarly work (Katic & Hillman, 2023a), however these results remain contextualised to a homogenous setting and region, offering a very limited view of CPA in different settings.

(Liedong et al., 2020) argues that most CPA strategies may not be appropriate for contexts with institutional voids and may also lead to questionable behaviour by individuals involved in the exchange of information. This view is echoed by (Katic &

Hillman, 2023a), who call for more CPA research to be conducted outside of the US. (Liedong et al., 2020) are direct and specifically call for additional research in institutionally weak environments such as countries on the African continent.

Recent literature shows a growing interest in CPA research from emerging markets. In the last ten years IB has seen a nascent but broadening body of knowledge coming out of the emerging markets, with literature from China, Brazil, and a few African countries (Botha & Middelberg, 2020; Gammeltoft & Panibratov, 2024; Liedong, 2021; Liedong et al., 2020; Wöcke & Moodley, 2015b). (Shirodkar et al., 2024) find that in institutionally weak countries relational strategies based on personal connections dominate CPA. The personal connections may afford greater access to politicians and policymakers and therefore access to information; however, this approach may be more prone to corrupt activity, and the effectiveness may always be limited to the power of the office the person holds (Liedong, 2021; Liedong et al., 2020; Shirodkar et al., 2024). (Liedong, 2021) goes further to suggest that CPA strategies and tactics may be industry specific, necessitating additional research into established and budding industries, such as digital and technology-based industries necessary in developed and emerging markets.

Additionally, IB scholars have begun to appreciate the importance of contextual factors influencing decisions on which CPA tactics to use. This widened perspective by IB scholars broadens the field of CPA as newer and/or clearer explanations of phenomena emerges from research at an individual level, firm level or industry level (Liedong et al., 2020; Shirodkar et al., 2022a). The result of this broadening enquiry and discovery of emerging tactics is documented in a recent review by (Katic & Hillman, 2023a), where tactics, such as CEO and corporate activism, legal action, regulatory co-creation, self-regulation and geopolitical jockeying have emerged or are being used more frequently. These tactics may be useful in settings with under-developed institutions, budding industries, or settings with strong institutions equipped to rule on matters of trade policy which transcend borders (Liedong, 2021; Liedong et al., 2020; Shirodkar et al., 2024).

2.3.3 Antecedents of corporate political activity

Understanding the antecedents of CPA is important in IB research because firms, particularly MNEs, operate within diverse institutional environments where political forces shape market opportunities, risks, and strategic constraints. Extant literature identifies a multitude of firm level, industry level, and institutional level antecedents. The nature of these antecedent is highly contextual and it is expected that emerging-market

contexts will provide additional sectoral and industry nuances where policy largely dictates the market forces.

2.3.3.1 Firm-level antecedents

Underpinning a firm-level antecedent of CPA are the resources a firm has. Larger firms with greater slack resources, stronger financial capacity, and sophisticated managerial systems are more likely to invest in non-market strategies to influence policymakers (Hillman & Hitt, 1999; Katic & Hillman, 2023a). This is in accordance with RDT, which states that firms which largely depend on government, such as those operating in the healthcare sector tend to proactively manage political dependencies. For an MNE, its ability and the extent to which it is permitted to engage in CPA is shaped by access to parent firm support, political experience, and the embeddedness of its local government affairs teams. A second important firm level antecedent is the firm's strategic interest in policy outcomes. Firms would proactively engage in CPA when regulatory changes directly influence their profitability, innovation pipeline, or operating model (Baysinger, 1984). In highly innovation driven industries such as pharmaceuticals, policy uncertainty can affect long term investment in research, clinical trials, and market access. This makes CPA a strategic imperative (Wei et al., 2023). Firms also use CPA to defend competitive advantages, shape standards, and manage market entry dynamics. A third antecedent is related to organisational identity and values which influence both the decision to engage in CPA and the choice of tactics. Firms that prioritise legitimacy, stakeholder trust, and reputational capital are more likely to employ collaborative or information-based political strategies rather than aggressive lobbying (Adomako et al., 2023). Legitimacy considerations become even more salient for MNEs, who must maintain consistent global standards for ethical conduct, transparency, and government-engagement protocols (Adomako et al., 2023; Wei et al., 2023).

For pharmaceutical subsidiaries operating in South Africa, CPA is driven by the need to secure predictable reimbursement pathways, influence benefit design, and ensure regulatory clarity in a transitioning health financing landscape. Firms with mature market access and policy functions engage more effectively. The implementation of the National Health Insurance Bill affects pricing frameworks, formulary inclusion, contracting models, and market access pathways. Therefore, the alignment of CPA with strategic priorities is pivotal.

2.3.3.2 Industry-level antecedents

Industries that are highly dependent on regulation or highly concentrated such as pharmaceuticals, energy, telecoms, and aviation demonstrate more frequent and higher levels of CPA (Katic & Hillman, 2023a). For these industries and sectors, government policies tend to determine the rules of the game, market access, pricing, licensing, and safety standards. This leads firm to invest highly in influencing policy. The pharmaceutical industry is a paradigmatic example: drug approvals, reimbursement decisions, supply-chain regulations, and health-technology assessment frameworks are legislatively defined. Hence, regulatory salience functions as a powerful antecedent of CPA.

2.3.3.3 Institutional-level antecedents

Four institutional level antecedents were found to be most relevant. First is regulatory uncertainty, which is the most widely identified antecedent for CPA (Henisz & Zelner, 2003; Holburn & Vanden Bergh, 2008). Uncertainty arises from ambiguous policy drafts, shifting political directives, inconsistent enforcement, or institutional fragmentation. Firms engage politically to reduce ambiguity, secure clarity, influence interpretations, and shape implementation timelines. Regulatory uncertainty is magnified due to weaker institutions, limited bureaucratic capacity, and lower policy predictability (Liedong, 2021). In such contexts, CPA becomes a mechanism for risk management and institutional sensemaking. Second, is weak regulatory infrastructure, resulting in institutional voids. These voids create opportunities and incentives for firms to engage in CPA (Liedong, 2021). In this context CPA aims to develop the external environment by providing technical expertise, drafting policy position papers, supporting pilot programmes, upskilling regulators and, participating in multi-stakeholder bodies. This type of engagement helps to address the system limitations and is strategic for the firm as it provides an opportunity to influence the policy direction. Third is the nature of the country's political system which greatly influences CPA. Factors or variables of influence include electoral cycles and party turnover, ideological and policy preferences, bureaucratic stability, fragmentation between government agencies, and the degree of centralisation in both government and political party systems that drive government (Hillman et al., 2004b; Katic & Hillman, 2023a). In semi-fragmented political systems, such as South Africa's coalition-influenced government, firms must engage more broadly across multiple centres of policy authority. The multiplicity of political actors increases both complexity and opportunity for CPA. Lastly, stakeholder activism, which includes civil society scrutiny, media attention, and rising public expectations for ethical corporate

conduct shape firms' political actions (Frooman, 1999). In sectors like pharmaceuticals, where public trust is fragile, firms often pursue transparent, partnership-oriented CPA to mitigate reputational risk.

2.3.4 Outcomes of CPA

An area of continued interest for IB scholars is the attempt to measure the outcomes of CPA. This attempt to establish links between CPA and intended outcomes, whether positive or negative, is shown in several studies where the firm's financial performance has been used as a variable (Lopes et al., 2025). In these instances, lobbying and political campaign funding, were the dominate strategies used by firms (Hanegraaff & Poletti, 2021; Lopes et al., 2025; Saha et al., 2023), however (Katic & Hillman, 2023a; Saha et al., 2023). (Shirodkar et al., 2022a) caution that generalised outcomes remain inconsistent and are influence by several factors. Additionally, (Shirodkar et al., 2022a) posits that firms investing in CPA gain a competitive advantage by engaging in deals or understand ahead of rivals, the mechanisms that can make them cost leaders, therefore creating opportunities for lucrative deal structures. These firms also benefit from reduced taxation and may out manoeuvre rivals.

Some IB scholars, find little empirical evidence to suggest positive CPA linkages to firm performance (Greiner & Lee, 2020; Lopes et al., 2025; Shirodkar et al., 2022a), whilst others show that investment in CPA has an inverse relationship to firm performance (Rudy & Cavich, 2020). This highlights the existing challenge of linking CPA to firm performance. In their study, (Sun et al., 2021) find inconsistent patterns on the outcomes and success of CPA, they too find that CPA may give the firm a competitive advantage over rivals, however in some cases an inverse relationship exists where the firm loses and is left worse off. The inconsistent outcomes demonstrate that establishing and measuring CPA outcomes remains a challenge and ambiguous for many IB scholars (Ormrod & Müller, 2022). Additionally, the large influence of CPA research coming out of the US makes it difficult, if not impossible, to generalise outcomes across different settings (Harris & Brown, 2021; Katic & Hillman, 2023a; Lawton, 2022; Rudy & Cavich, 2020). Furthermore, research on CPA outcomes is mostly conducted at an individual firm level to evaluate the CPA outcomes against firm financial performance, limiting the extent to which the results can be generalised across industry or geography (Katic & Hillman, 2023a; Liedong et al., 2020; Shirodkar et al., 2024).

In the health sciences, CPA research explicitly addresses policy outcomes, (Ulucanlar et al., 2023) identify how corporate actors influence regulation through discursive, instrumental and structural strategies that can block, delay, dilute or redirect public-interest policies. In the IB field, limited research establishes a linkage of outcome or effectiveness of CPA with public policy outcomes, which is surprising considering that public policy is what eventually impacts a firm's marketplace, leaving a gap in the literature (Lopes et al., 2025; Shirodkar et al., 2024). This dearth in literature is even more pronounced in the emerging markets context.

2.5 Effectiveness

Effectiveness is a key concept across several disciplines of health and social sciences, including management sciences. Extant literature has conceptualised this concept in various ways, with some being described as competing or contradictory. According to (Merriam-Webster, n.d.), effectiveness describes the degree to which a variable is successful at producing a desired result. This suggests a measurement over a defined period or time using a scale or similar instrument to enable a researcher to establish the resultant magnitude of an action. (Oxford Reference, n.d.) defines effectiveness as a degree to which a purpose is achieved and uses an example of a running technique that helps an athlete to complete a race as quickly as possible. The explanation is contrast with the term "effect", which simply measures whether there was an action or not (Oxford Reference, n.d.). The latter suggests a binary outcome, either yes or no, one or zero, and does not give the researcher insights into the extent of the action.

In the context of IB, effectiveness has been typically used to describe the outcome of firm performance and/or policy influence using variables like knowledge transfer and non-market strategies. (Cinaroglu & Baser, 2018), posits that effectiveness is a performance measure to help an organisation to achieve its intended objectives. In the evaluation of knowledge transfer in firms (Biloslavo & Lombardi, 2021) suggest an effectiveness model that reflects the perceived benefits and actual utilisation of transferred knowledge, shaped by knowledge characteristics, sender/receiver attributes and the relationship between them. (Biloslavo & Lombardi, 2021) examine knowledge transfer effectiveness as the contribution of cross-border knowledge flows to subsidiary performance, focusing on geography, culture, and language interacts with personal and technological mechanism in MNEs. Their results show that distance does not uniformly hinder effectiveness, however it's impact is highly context dependent. In relation to decision-making at a subsidiary level, effectiveness may be influenced by cultural factors

in the host or home country, or processes that limit the autonomy of the management team (Brown et al., 2023; Cinaroglu & Baser, 2018). In relation to non-market strategies, (Sun et al., 2021) in their review show that MNEs use non-market strategy like CPA to navigate “cross-border institutional complexity,” and that effectiveness is assessed in terms of both policy outcomes and performance outcomes. (Shirodkar et al., 2022a) conceptualise CPA effectiveness at the firm performance level, as the degree to which domestic lobbying improves accounting performance. They go further to show that this performance effect is conditional on the firm’s level of international and product diversification. Reviews of non-market strategies point out that intermediate or non-financial outcomes, such as improved legitimacy, issue access, agenda-setting power, or risk mitigation, are often critical indicators of CPA effectiveness, even when immediate financial performance effects are ambiguous (Sun et al., 2021). This is consistent with extant literature on organisational effectiveness, where legitimacy and stakeholder satisfaction can be central criteria alongside efficiency and profitability.

Effectiveness is measurable by either quantitative or qualitative tools. An example of a qualitative tool is a Lickert scale, which measures qualitative parameters such as “somewhat effective”, “not effective”, “very effective” and so on (Joshi et al., 2015). In the health sciences quality of life scales are commonly used to determine outcomes linked to severity of variables like pain following treatment or other intervention. In management sciences a Lickert-type scale could be used to evaluate customer behaviour, how well a product or service is received or the level of engagement by employees of a firm (Cinaroglu & Baser, 2018). An important aspect of such scales is the element of subjectivity which may influence a measurement or an individual’s experience. An individual completing an assessment or evaluation is likely to do so based on their perception and/or opinions of an event or experience, and therefore the outcome of an evaluation may be influenced by past experiences and/or environmental factors. While responses to an evaluation may be based on individual experiences, it is possible and expected that some commonalities or recurring themes should be evident from individuals or populations in the same or similar disciplines, firms, industries or countries. The opposite is also possible, where opposing or more nuanced phenomena could emerge adding to existing or providing new antecedents, which are valuable for IB researchers.

Effectiveness is thus multifaceted, influenced by several factors, and is highly context dependent. In determining the effectiveness of CPA on the outcome of public policies, such as the NHI, individuals’ perception of effectiveness may differ based on some

elements noted above. The researcher attempted to assess the effectiveness of CPA on the NHI policy development process based on the following variables, implementation timeline since the publication of the white paper, policy paper content changes throughout the process, number and outcome of legal actions, tensions between government institutions that delay or halt the implementation of NHI, and response to challenges and/or assertions by individual firms, trade associations, and experts.

The scarcity of research dedicated to understanding the effectiveness of CPA strategies and tactics used by firms on the African continent is a gap in literature and our understanding of CPA in different contexts (Liedong et al., 2020). Understanding CPA used by firms in the South African healthcare sector may give us contextual insights to strategies used to influence and shape their external environment. Secondly, there is a scarcity of research dedicated to understanding the extent to which these strategies and tactics have been effective or successful (Shirodkar et al., 2022a). Third, there is a gap in research in understanding if firms facing policy uncertainty change their strategies and tactics in response to the evolution of the policy making process (Katic & Hillman, 2023a; Shirodkar et al., 2022a).

2.6 Conceptual framework

To illustrate how uncertainty, in this case uncertainty of the regulatory and political nature, can shape a firm's non-market actions, a conceptual framework is developed. Figure 2, below is a conceptual framework that shows uncertainty as an important driver behind firms' corporate political engagements. During conditions of uncertainty, such as the NHI in South Africa, a firm will deploy CPA strategies to manage or reduce the uncertainty. However, as highlighted in extant literature, CPA engagements are subject to moderators, which in turn, may be determinants of CPA effectiveness.

In the context of South Africa's NHI, consistent with RDT, uncertainty heightens firms' perceptions of vulnerability because policymakers control critical resources, in this case information and decision-making power which prompts organisations to engage in CPA, as a means of managing dependence (Pfeffer & Salancik, 1978). CPA functions as a cross-cutting strategy aimed at stabilising the firms' external environment and increasing predictability. This aligns with IB research which shows that firms in institutionally volatile contexts intensify non-market engagement to mitigate external threats (Lawton et al., 2020; Liedong, 2022). Effectiveness, on the other hand, is moderated by factors such as ideological entrenchment, party-centred politics, state capacity constraints and sectoral

power asymmetries. These dynamics reflect emerging findings that political embeddedness and institutional rigidities can limit the ability of resource-rich firms to influence policy outcomes in emerging markets (Wöcke & Moodley, 2015b). The framework illustrates the interplay between regulatory uncertainty and CPA, while being moderated by other external factors, which may have an impact on the effectiveness of CPA deployed by firms.

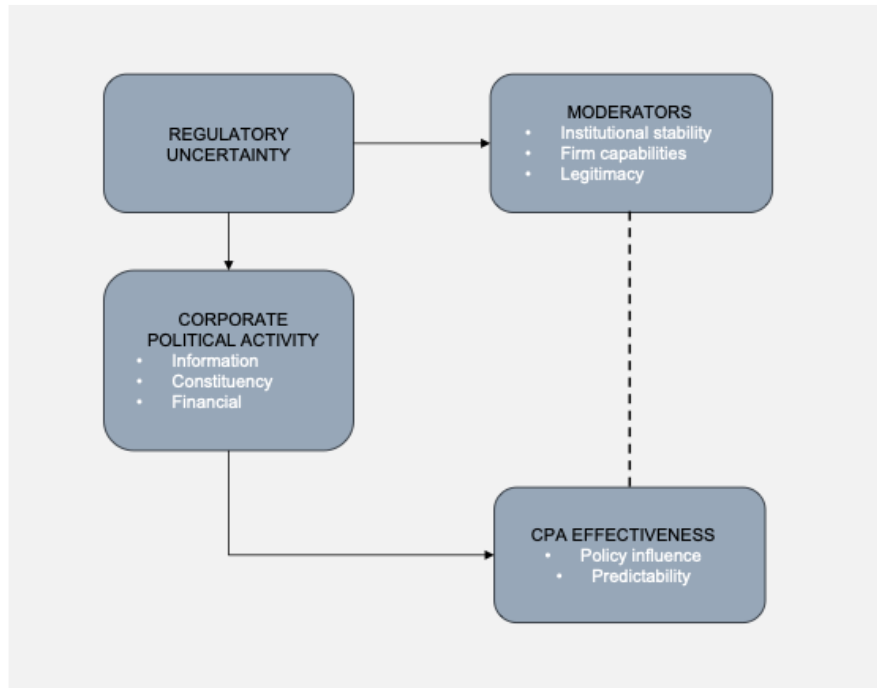


Figure 2: A conceptual framework showing the uncertainty as a drive of CPA and how effectiveness influenced by a multiple factors in the ecosystem

Source: Author's Own

Overall, this integrative framework provides a coherent pathway linking uncertainty, CPA, and policy influence. It consolidates the theoretical insights from the literature and guides the subsequent empirical analysis of how corporate actors engage with and attempt to shape major health policy reforms in South Africa.

2.7 Theoretical frameworks in CPA research

2.6.1 Resource dependency theory

A widely accepted theory in CPA research is resource dependency theory, which was first articulated by (Pfeffer & Salanick, 1978). (Jiang et al., 2023) posits that organisations are inherently constrained by their external environment and depend on external resources that are controlled by actors, like governments and politicians, who are necessary and required for approvals of funding, regulatory approvals, policy certainty, and access to markets. Therefore, firms depending on government for the realisation of large proportions of their revenue are likely to spend more on CPA (Hillman et al., 2004a; Sutton et al., 2021a). This dependence creates power imbalances and strategic vulnerabilities, requiring firms to proactively engage in actions and behaviours to manage constraints, reduce uncertainty and shape the external environment in its favour. (Sutton et al., 2021b) criticises RDT when used in the evaluation of firm performance, and suggest that there is no consistent and linear correlation with addressing uncertainty.

RDT posits that firms are less autonomous than they appear as they operate within complex environments, with varying distributions of power across interdependent stakeholders. This lack of autonomy has a direct effect on an entity and its ability to efficiently and effectively operate (Hillman et al., 2004b). Thus a key proposition of RDT is that firms act strategically to reduce uncertainty and secure stable and consistent access to resources. These strategies may include the formation of alliances or coalitions, engaging in mergers and acquisitions, building long-term contracts, or deliberately attempting to shape policy and regulatory outcomes (Pfeffer & Salanick, 1978). RDT is particularly useful for the analysis of corporate and government relationships in heavily regulated sectors, such as healthcare and mining. Firms in these sectors rely on government for marketing authorisations, pricing decisions, and intellectual-property protections. This creates a structural dependency in which the state controls critical resource gateways, prompting firms to strategically manage political and policy relationships (Hillman et al., 2004b). Therefore, CPA moves from a discretionary activity to a strategic imperative to environmental constraints and resource vulnerabilities.

In the context of health policy debates, such as South Africa's NHI, RDT helps to explain why firms invest significant time in stakeholder engagement, evidence generation, coalition-building, and policy dialogues. These activities allow firms to mitigate against and manage regulatory uncertainty, reduce the risk of adverse policy shifts, and to secure a more predictable operating environment. Thus, RDT contributes a structural

explanation for why organisations deploy CPA, particularly in contexts of high policy volatility and institutional change.

2.6.2 Additional theoretical lens relevant to CPA research

2.6.2.1 *Institutional theory*

Institutional theory provides a complementary but distinct lens in CPA research. It places emphasis on how organisational behaviour is shaped by broader social rules, norms, cultural expectations, and institutional pressures (DiMaggio & Powell, 2010; Greenwood & Meyer, 2008). Institutions, whether by regulatory frameworks, normative expectations, or cultural beliefs, create a social environment within which firms operate. Firms would therefore adopt particular behaviours and strategies to obtain resources, legitimacy, compliance, and social acceptance (Greenwood & Meyer, 2008). This collective and somewhat uniform adoption of particular behaviours and strategies leads to isomorphism, a key concept within institutional theory (DiMaggio & Powell, 2010). Isomorphism describes a similarity in form or structure between two things, and with the institutional theory lens, occurs when processes through which organisations in particular industries or sectors, become increasingly similar due to coercive, normative, and mimetic pressures by their external environment (DiMaggio & Powell, 2010). The coercive pressures arise from regulations, legal requirements, and state authority. The normative pressures stem from professional norms, industry expectations, and societal values. Lastly, the mimetic pressures occur under uncertainty, leading firms to imitate the perceived success of peers (Jiang et al., 2023). Where environments are characterised by uncertainty, like those in emerging markets, where the evolution of policy is frequent, organisations have a tendency to adopt familiar strategies or align themselves with dominant sectoral norms to maintain legitimacy (Jiang et al., 2023).

2.6.2.2 *Political market theory*

Political market theory of CPA, is widely accepted however its focus rests on explaining how CPA works in the external environment, and does not provide insights into how CPA is a predictor effectiveness or higher firm performance (Greiner & Lee, 2023), whilst (Katic & Hillman, 2023b) explains that “At its core, the political marketplace is composed of governmental actors, who supply public policy in exchange for valuable goods from various demanders, including firms”. (Greiner & Lee, 2023), criticize the theory in what

they suggest is a purely transactional relationship of supply and demand, without taking into consideration the interests for the individuals conducting exchange.

2.6.2.3 Stakeholder theory

Given the multiple actors involved in the NHI, including unions, civil society, professional bodies, funders, and patient groups Freeman's (1984) stakeholder theory can be useful in explaining why firms build coalitions and multi-sector partnerships. Stakeholder theory is a useful in understanding how MNEs could manage pressures from different actors. The framework is widely used in business and organisational management to account for differentiated practices that MNCs consider (Khojastehpour & Shams, 2020; Mahajan et al., 2023) and provides a functional tool for the appreciation of the importance of stakeholder inclusion to ensure the successful implementation of various IB strategies, such as internationalization, alliance partnerships and managing uncertainty in the external environment in both home and host countries, as well as at an sector or industry level (Barbaglia et al., 2023). Accordingly, organisations aim to derive benefits for different stakeholders, who present "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984; Kawai et al., 2018; Mahajan et al., 2023). In essence, stakeholder theory is premised on the economic and non-economic creation of value for all stakeholders and in order to achieve the desired value, the intricate relationships between society and MNEs must be investigated (Kawai et al., 2018).

2.6.3 Resource dependency theory in the context of NHI

Under the NHI's proposed single-payer model, state dominance increases, which proportionally increases the healthcare firms' exposure to regulatory uncertainty and in turn, results in an increased need to engage in CPA. (Jiang et al., 2023) posit that RDT remains important in explaining organisational behaviour in volatile policy environments, particularly when state actors consolidate control over resource flows. Institutional theory, on the other hands, provides a complementary lens by explaining how firms engage in CPA within a context shaped by coercive, normative and mimetic pressures (DiMaggio & Powell, 2010; Greenwood & Meyer, 2008). The NHI reconfigures control over several resource pathways including formulary inclusion, reimbursement rules, procurement frameworks, and pricing mechanisms. This reconfiguration increases a firms' perceptions of regulatory uncertainty, prompting it to engage in various CPA strategies to enhance predictability in the external environment. These may include direct

government relations, expert submissions, participation in public consultations, engagement with Parliamentary committees, and coalition-building through industry associations such as Hospital Association of South Africa (HASA), Board of Healthcare Funders (BHF), and the Innovative Pharmaceutical Association of South Africa (IPASA). From the perspective of RDT, CPA is strategically important for organisations facing a governments and actors that influence their ability to survive and compete (Hillman et al., 2009).

In South Africa's health policy environment, firms must ensure that their CPA strategies maintain legitimacy. This often requires demonstrating alignment with public health goals, adopting evidence-based engagement rather than overt lobbying, and participating through credible associations. The convergence of these frameworks helps explain *why* particular CPA strategies emerge under NHI and *how* their effectiveness is conditioned by both resource dependencies and institutional expectations. In this way, the framework provides a theoretically rigorous foundation for analysing how private healthcare firms navigate South Africa's evolving policy landscape.

2.8 Conclusion

This chapter reviewed the core extant literature informing the research topic, the constructs, namely, uncertainty, CPA, and the concept of effectiveness, as well as the theoretical frameworks used in understanding political engagements by firms. The review showed that uncertainty, is a central feature of complex reform processes such as NHI. It shapes organisational behaviour and actions, increases firms' information requirements, and heightens the strategic value of CPA as a mechanism for reducing unpredictability and securing more favourable policy outcomes.

CPA literature demonstrates that firms deploy a range of tactics, from informational strategies to coalition building, yet effectiveness remains inconsistently defined and measured. Existing scholarship highlights that CPA outcomes depend on access to resources, capabilities, and networks, as well as the institutional norms and expectations that determine what forms of political engagements are considered appropriate or legitimate. These insights underline the need for further empirical research into how CPA is undertaken and how effectiveness is understood and defined in emerging market environments. RDT was presented as a suitable framework for analysing CPA in this context. RDT explains why firms seek to influence government actors who control critical resources affecting organisational performance. This will provide an integrated lens

through which to interpret how healthcare firms in South Africa navigate the NHI, and how they evaluate the effectiveness of their political activities.

Overall, the chapter established the conceptual and theoretical foundation for this research. It identified gaps related to the effectiveness of CPA, the role of uncertainty in shaping political strategy, and the underexplored dynamics of state and corporate engagement in South Africa's health sector. These gaps support the empirical inquiry that follows and guide the study's methodological approach and analytical focus.

Chapter 3 – Proposition and research questions

3.1 Introduction

The purpose of this research project was to explore the effectiveness of corporate political strategies in shaping the outcomes of public policies, such as the NHI. It looks at the various strategic choices and tactics implemented and how effective these are at achieving the desired outcomes from the perspective of initiators of CPA and targets of CPA. This line of enquiry roots itself in the strategic objectives and of firms, which are to manage and reduce uncertainty in the external environment (Katic & Hillman, 2023a). Unfavourable changes in the external environment, which they are dependent upon, threaten a firm's very existence. It can thus be expected that firms will deploy CPA resources to reduce uncertainty (Katic & Hillman, 2023a; Sutton et al., 2021a). Secondly, if firms engage in CPA, how do they evaluate the effectiveness of the strategy or strategies used, and what indicators are used to determine if the strategy or strategies were successful? The implementation timelines, environmental reconfiguration, social and economic reconfiguration, and possible downstream consequences, of the NHI Act 20 of 2024, are yet to be fully understood (Kahn, 2024; Mkhwanazi, 2024; Pauw, 2022). This unknown or gap about the future state caused uncertainty in the marketplace. To mitigate against uncertainty, firms may want to gain access to policymakers for information, influence and shape subsequent regulations, or attempt to prevent its implementation to minimise the potential impact of NHI (Mkhwanazi, 2024; Sowray, 2003; Sowray & Cohen, 2023). While the NHI may have been signed into law, it is yet to become proclaimed by the President. The delay is to allow additional regulation and policies to be developed, however little is understood about the counter strategies and tactics used by firms during this process (Mkhwanazi, 2024). The delay in the implementation timelines may suggest that these actions were effective in achieving the intended goal.

Extant CPA literature is dominated by dimensions of uncertainty leading up to and prior to the implementation of policy or regulation in developed nations. Little attention has been given to the effectiveness of the CPA on shaping policy or regulatory outcomes. Understanding the strategies used by healthcare firms, most of which are MNEs, in an emerging market, can illuminate new and contextual insights or show existing similarities seen in other contexts (Saunders et al., 2023).

Other measure or indicators of CPA success could be a revision or repeal of unfavourable provisions, a state of no action or intention to implement, where government is satisfied with the plan on paper, an increase in the level of public discourse such that government is prompted into action, resistance from enabling stakeholder or government departments, such as national treasury. On the other hand, failure of CPA could include the opposite of all or one of the above. Unlike measuring the effect of CPA on financial performance, which utilise quantitative data, measuring the effect of CPA on policy outcomes is qualitative and based on individuals perceptions on success and the intended objective. These are expected to differ across firms and industries as the impact of the is not expected to be uniform nor are the perspective expected to be uniform. Nonetheless the insights gathered will form an important foundation for future knowledge generation.

3.2 Research Questions

The research questions were developed using existing literature reviewed and presented in Chapter 2. The main research question is defined in three sub-questions to explore the research problem elements further.

Main research question: How did healthcare firms use corporate political activity to influence the outcome of South Africa's National Health Insurance (NHI) policy?

The main research question explored the type of strategies and tactics used by healthcare companies to exert influence in their external environment to manage uncertainty. The three sub-questions explored the main differences in strategies and tactics, and their effectiveness as perceived by the participants.

Research sub-question 1: How did approaches to CPA change before and after the NHI Bill became an Act, and why?

This question aims to establish if there were changes in the approaches of CPA used by healthcare companies after the enactment of the NHI Bill.

Research sub-question 2: To what extent were these CPA strategies effective in shaping the policy environment and reducing uncertainty?

This question aims to comprehend the various factors that healthcare companies consider when deciding which strategy and tactic to implement to manage uncertainty in the external environment.

Research sub-question 3: How did firms and stakeholders define and assess the effectiveness of CPA in this context?

This question aims to establish if the strategies and tactics implemented by healthcare firms were successful in reducing environmental uncertainty.

The research questions guided the approach and design of the study described in Chapter four. The nature of the study, which is exploratory and interested in the individual's perspective, requires a qualitative research approach to address the main research problem.

Chapter 4 - Research methodology

4.1 Introduction

In the previous chapter, we detailed the gap in current literature, the main research question, and sub-questions. These showed the need for additional CPA research to understand why and how firms in emerging markets deploy corporate political activity, and the effectiveness of these strategies. An exploratory research design was found to be the most appropriate to answer the research questions. The main research question is about understanding “how”, while the sub-questions aim to understand the “perceived effectiveness” of the “how”. The exploratory approach allowed the researcher to explore the perspectives of stakeholders in the healthcare sector and use these to understand the effectiveness of CPA deployed by the firms (Crick, 2021; Welch et al., 2022a). Exploring existing gaps in literature advances and contributes to known theoretical perspectives, which in this instance, originate mainly from the context of developed nations (Gehman et al., 2018; Saunders et al., 2023).

In this chapter, the researcher discusses the fundamentals of qualitative research applied in this research project, the research plan and findings are presented and discussed. The researcher delves into the philosophical approach, research assumptions, research purpose and design, research strategy, research methodology, target population, unit of analysis, sampling techniques, and sample size. Additionally, the chapter also covers the research instruments used, the data collection process, data analysis approach, data quality, ethical considerations and limitations.

4.2 Research Paradigm

The researcher adopted an interpretive paradigm for this study. This philosophy is premised on the exploration and deep understanding of social phenomena through individuals in their natural environment, while appreciating the meaning and experiences towards things (Rahi, 2017; Saunders et al., 2023). This paradigm suggests that people have an entrenched reality, where the entrenched set of lived experiences and acquired knowledge addresses criticism by scholars who question participants that have limited prior knowledge (Hennink & Kaiser, 2022). Interpretivism asserts that multiple realities can co-exist through socially constructed worlds (Sanchez et al., 2023). The positivist paradigm on the other hand relies on understanding and explaining phenomena through models and experimentation, where the researcher is an independent observer. Using

models and experimentation allows positivist researcher to empirically measure causal relationships for definitive outcomes of their experiments. The interpretative paradigm was found to be most suitable for research that explores the effectiveness of CPA strategies and tactics to influence policy outcomes, which enabled the researcher to formulate perspectives and insights from the individual participants understanding and experiences.

Extant CPA literature is dominated by dimensions of uncertainty leading up to and prior to the implementation of policy or regulation in developed nations. Little attention has been given the effectiveness of CPA on shaping policy or regulatory outcomes. Understanding the strategies used by healthcare firms, most of which are MNEs, in an emerging market, can illuminate new and contextual insights or show existing similarities seen in other contexts (Saunders et al., 2023). The exploratory nature of the study recognises the value of diverse views and appreciates that differing perspectives can co-exist (Saunders et al., 2023).

4.3 Research assumptions

4.3.1 Ontological assumption

Ontology describes the “nature of reality” in the world of what the researcher seeks to know about something (Saunders et al., 2023). It is underpinned by the notion that an individual’s repeated experience or exposure incrementally shapes their understanding of phenomena, which influences how they formulate their perspectives and opinions on issues. Whereas a positivist assumption requires the researcher to disregard or ignore their own personal viewpoint and only apply or consider the views, rules, or norms as set out by an authority (Saunders et al., 2023). Interpretive research acknowledges participant subjectivity and seeks to understand the varied nature of this view by enquiring and observing how individuals understand the world around them (Darby et al., 2019) For this study the contextual experiences, knowledge and perspectives of stakeholders in the South African healthcare sector provided the researcher with insights to answer the research question.

4.3.2 Epistemological assumption

Epistemology describes the assumptions about our knowledge how the researcher knows what they know, and how these assumptions that may influence knowledge about

the topic under study (Saunders et al., 2023). The interpretive research paradigm emphasise the importance of understanding of individuals perspectives, experiences, and the meanings they attached to phenomena in developing and explaining theory (Saunders et al., 2023). It implies a relational link between the researcher and the topic being study, and places an emphasises on the connectedness and fluidity of experiences, knowledge and actions behind phenomena to create a comprehensive description (Bleiker et al., 2019; Darby et al., 2019; Kelly & Cordeiro, 2020). The epistemological position involved the exploration of the types of CPA and it their effectiveness based on the knowledge, experiences and interpretations of the research participants.

4.3.3 Axiological assumption

A third research assumption is the axiological assumption, which describes the role and influence a researchers values, ethics, and principles may have on a study. In this research approach, the researcher must consider on the relevance of their morals and values when engaging dealing with participants, interpreting outcomes and analysing of the data they have collected. If a researchers views are strong it is their responsibility to disclose those views and the basis upon which a particular decision or judgement is made (Saunders et al., 2023). The axiological assumption in interpretive research assumes that the researcher and the subject being studied have an interactive relationship. This means there is a mutual connection between the individual and the external world. This differs from the positivist approach, which requires the researcher to be independent from the subject being studied. In contrast, the interpretive approach consider how participants perceive their interactions in relation to the state, this is an ontological assumption that deals with reality (Darby et al., 2019).

4.4 The purpose of the research design

The main research question seeks to understand how CPA was used to shape the outcome of the NHI. The study attempts to understand the corporate political strategies and tactics used by MNEs in the healthcare sector, along with their antecedents, outcomes, and the perceived effectiveness from the perspective of stakeholders. While extant literature has documented how CPA is used by firms and stakeholders in developed nations, research in emerging markets like South Africa is limited. Additionally, existing literature focuses mainly on the effects of political campaign funding and lobbying on firm financial performance to evaluate the effectiveness of the strategies.

There is a scarcity of research on understanding the extent to which CPA is effective in influencing and shaping policy outcomes (Katic & Hillman, 2023a; Liedong, 2021; Shirodkar et al., 2022a). This exploratory study helped the researcher to gain a deeper understanding of CPA deployed by healthcare firms in South Africa and uncovered new areas for further research (Saunders et al., 2023). Furthermore, this approach allowed the researcher to explore differences in perceived effectiveness and to explore the reasons for these differences (Crick, 2021; Saunders et al., 2023). Additionally, this approach allowed the researcher to probe the nature of CPA used by healthcare firms during a time of policy uncertainty, that is, before and after the enactment of NHI (Reuber & Fischer, 2022; Shirodkar et al., 2022a).

The relevant theoretical frameworks used to describe CPA across industries, sectors and firms, developed and emerging markets, as mechanisms to manage and reduce uncertainty, were covered extensively in chapter two. Grounding this study in existing theoretical frameworks and stakeholder insights was essential for drawing, valid conclusions, considering the scarcity of related data in emerging markets. The exploratory nature of the study attempted to understand the types of CPA strategies and tactic used, why these specific tactics were preferred, and why these are perceived to be effective (Crick, 2021; Saunders et al., 2023).

4.5 Research strategy

The methodological framework followed for this study was an interpretive qualitative research approach. CPA used by firms in emerging markets, such as those operating on the African continent, has not been extensively studied. The CPA of healthcare firms in South Africa and the effectiveness of these strategies on influencing policy outcomes presents an ideal case-study which can contribute to the body of knowledge by providing a geographical and sectoral nuance, describing the interplay between firms and their external environment, through the perspective of stakeholders who engage in non-market strategies. In conducting this study, the researcher sought to understand how stakeholders interacting with CPA perceive the effectiveness of these strategies and tactics. In the data collection process, interviews were conducted with senior leaders with responsibilities directly linked with the development and/or implementation of CPA. Policymakers and a government official, responsible for legislating, designing and overseeing the implementing public policy were interviewed, as well as representatives from an industry and professional association. A diverse group of participants enabled the researcher to triangulate different perspectives on the CPA and their effectiveness.

4.6 Research methodology

A qualitative research methodology was used for this embedded case study. Business and management science scholars define a case study as a study that is focused on the complexity and specific nature of a chosen case. This could be an organisation, location, person or event (Eisenhardt & Graebner, 2007), similarly an embedded case study is defined as....

Occasionally scholars criticise the validity of case studies and the qualitative approach in IB research, however (Welch et al., 2022b) discuss the importance of qualitative research in IB by emphasising that social phenomena cannot be explained without the consideration of the context in which events or behaviours occur. (Welch et al., 2022b) further suggest that the absence of context inherent in a quantitative approach weakens a researcher's ability to theorise and thus weaken the overall body of knowledge. The qualitative approach enables the researcher to gain an in-depth understanding of the phenomena of interest by examining the experiences of research participants (Ruslin et al., 2022; Saunders et al., 2023).

The researcher used semi-structured interviews, with a purposively selected group of participants, to obtain insights needed to address research questions. Unlike quantitative researchers, qualitative researchers don't use standardised instruments or measuring devices, they conduct the interviews and ask the questions, collect and interpret the data (Ruslin et al., 2022). For the qualitative researcher, words and images are the equivalent of numbers to a quantitative researcher. Words and images are contextual, and their meanings can vary vastly for the researcher and the subject being interviewed. Therefore, ongoing enquiry to ensure for clarity and understanding is essential during and the interview process and where necessary after the interview has been conducted (Kwadwo Antwi & Hamza, 2015; Saunders et al., 2023), as the researcher attempts to understand the perspective of the participant (Ruslin et al., 2022).

To enable research participants to freely express their perspectives, a qualitative exploratory methodology was followed (Crick, 2021; Saunders et al., 2023). The relationship between corporate political strategies and effectiveness was probed using a mono-method and semi-structured questionnaire on the types of CPA and how these are implemented. The embedded case study helped concentrate the research into a practical

setting, whilst enabling a degree of transferability. To identify trends, similarities and to improve the research objectivity, the data set was triangulated by the researcher.

Due to the targeted nature of the study, an inductive technique, supported by the semi-structured questionnaire was used to draw conclusion. By condensing textual material into brief, understandable outcomes, this strategy helped to establish connections between the study objectives and the conclusion for the data acquired and helped to reach a conclusive conclusion (Bell & Sengupta, 2021)

4.7 Research setting and population

The South African healthcare sector is the most advanced on the African continent and is poised to undergo significant environmental changes (Mkhwanazi, 2024; Pauw, 2022). These changes have the potential to influence the policy direction in other emerging markets on the continent, and thus, provides good analogue of what may happen in the region (Ifeagwu et al., 2021). CPA is widely studied in developed nations, however it is not known if outcomes of studies are transferrable to emerging markets (Liedong, 2021).

Since the NHI has implication on firms in various industries, the study population included, policymakers and a government official, responsible for legislating, designing and overseeing the implementing public policy were interviewed, as well as representatives from an industry and professional association. This population is provided insights into CPA deployed by multinational private hospitals, multinational medical insurance firms, multinational pharmaceutical manufacturers, local professional and industry associations. The research sought to understand the effectiveness of corporate political strategies on shaping the outcome of the NHI. Therefore, stakeholders who were either directly or indirectly responsible for developing and implementing corporate political strategies formed the research population.

The study collected data from a heterogeneous group of stakeholders representing industries that would likely be impacted by the NHI. The participants included individuals with current or previous experience with or exposure to CPA. These comprised of directors of government affairs, public policy, corporate affairs, public affairs, as well as heads and managers responsible for health policy. The participants also included representatives from the public sector, comprising of a member of the National Assembly, a representative from a Provincial Legislature and an official from a Provincial Department of Health. Due to the qualitative nature of the research, there was no

requirement to facilitate generalisability to the population from where the sample was selected (Bell & Sengupta, 2021). The participants were identified through the researcher's personal and professional network, LinkedIn, and research participant recommendations. Participants were selected based on the current and past experiences (Ruslin et al., 2022; Saunders et al., 2023).

4.8 Unit of analysis

A unit of analysis refers to the primary unit of measure upon which the codes were developed, in other words the target of the research (Bell & Sengupta, 2021). (Chan & Clarke, 2021) define "unit of analysis as the unit of empirical data a researcher uses to make distinction within a focal construct". This is dependent on the research method used and research questions being investigated (Chan & Clarke, 2021), and ensures a degree of uniformity, coherence and proportion within the research population (Saunders et al., 2023). The individuals selected to participate and share their perspectives were the unit of analysis for this study. They included senior leaders across the diverse industries in the healthcare sector with government/public affairs or public policy experience as initiators of CPA, and well as policymakers or bureaucrats working for government as the targets of CPA. In this research study the unit of analysis and level of analysis are the same.

4.9 Sampling technique, sampling criteria, and sample size

4.9.1 Sampling technique

This study was exploratory in nature and used a purposive non-probability sampling technique. This technique is a non-random sampling method and required the researcher to intentionally (purposefully) select individuals with specific characteristics to represent the target sample (Bell & Sengupta, 2021). The study sought to understand the effectiveness of the corporate political strategies in an emerging market. While the perspective of participants may not necessarily represent the view or perspective of other stakeholders not interviewed, the sample was deemed to be representative of the observable perspective of the different private sector firms impacted by NHI and those of policymakers responsible for the design, implementation and oversight the NHI (Saunders et al., 2023).

Given that purposive sampling is not random, the selection criteria for the units of analysis must be defined and meet the research objectives (Fainshmidt et al., 2020). Therefore, the sample encompassed a wide enough range to allow for an in-depth investigation that would provide sufficient data to understand phenomena under study. Additionally, this research was not designed to make statistical findings but rather to gain an in-depth understanding on the type of corporate political strategies used to influence policy outcomes, and whether these were deemed to be effective (or not) (Welch et al., 2022b).

4.9.2 Sampling criteria

The research study is an embedded case study to understand how South African healthcare reduce uncertainty in their external environment and if these strategies and tactics were perceived to be effective. Within the South African context, such insights are typically obtained from individuals in roles that require direct involvement with government officials and are generally situated at senior or executive levels. The positions and job roles of individuals were considered. It was important to understand how long individuals had been in the healthcare sector as this is an indicator of knowledge and experience gained over time. The sample selection criteria aimed to identify research participants that would be useful in answering the research question. Individuals with experience and expertise in government policy making and those in the private sector were targeted for participation. The participants were identified through the researcher's personal and professional network, LinkedIn, and research participant recommendations.

4.9.3 Sample size

(Mthuli et al., 2022) posits that sampling for research should be reflective of the gap or the question a researcher is attempting to address and should be representative of the context of the population being studied. Although this approach offers researchers some flexibility, it remains important to ensure that a sample is large enough to collect rich insights to address a problem, conversely, it is important for researchers to be mindful of data saturation as collection of data beyond saturation may not yield any further insights or findings. However, for qualitative research the criteria to define saturation are not well articulated in the literature creating a conundrum for the researcher on deciding how many people to interview (Babchuk, 2017). It is therefore important for a researcher to find a reasonable balance to achieve a representative view. (Saunders et al., 2023)

suggests a range of 12 – 20 participants, depending on the homogeneity of the sample group, for homogenous groups research would require less and for a heterogenous group, research is likely to require more interviews to achieve a representative sample.

For this research, twenty participants, with experience in four key industries affected by the NHI were targeted, however only thirteen responded and were interviewed. The participants interviewed had current or previous experience in government, private hospitals groups, medical insurers, pharmaceutical manufacturers, professional association, and industry associations. Table 1 below shows a breakdown of the sample targeted, achieved sample, those that declined and where no responses were received.

Table 1: A detailed breakdown of the research participants' sample

Sector/Industry	Targeted sample	Achieved sample	Decline	No response
Pharmaceutical manufacturers	4	6	2	0
Medical aid insurers	4	1	2	2
Private hospital providers	4	1	2	2
Government	2	3	1	2
Professional and industry associations	2	2	0	0
Total	20	13	8	6

Source: Author's own

4.10 Research instrument

The researcher used a semi-structured interview guide to collect data from the research participants. This study used two interview guides, one for participants in the private healthcare sector, as shown in Appendix 3, and the second for government officials/policymakers, as shown in Appendix 4. The research questions were used to model and design the interview questionnaire. These were deliberately designed to be open-ended, allowing the participants to respond freely without feeling constrained or confined to “yes” or “no” answers (Saunders et al., 2023).

The interview guide ensured that the researcher addressed all related questions with the participants, while allowing the conversation to deviate from time to time as participants

clarified responses and shared examples to illuminate contexts. This enabled participants to provide responses without feeling that they were in any way constrained. (Ruslin et al., 2022), encourage deviations from the interview guide, their view is that this forms part of insight gathering and allows for a rich and nuanced discussion on themes during the interview process.

4.11 Data collection

The instrument a researcher uses to collect data may significantly influence its reliability and validity of the findings. If poorly designed or improperly applied it can have a material and adverse effect on the study's outcomes and potentially result in inconclusive or misleading conclusions (Yang et al., 2006). A comprehensive data set that is rich and diverse is required to help the researcher to holistically understand the prevailing phenomena.

The semi-structured interviews conducted by the researcher were either in-person (face-to-face) or online using the Zoom platform (Saunders et al., 2023). The choice of format (in-person or online) was according to the participants preference. Online interviews were recorded using the Zoom recording function and in-person interviews were recorded using "Voice Memos, Version 2.4 (1158.1)" application. All recordings were transcribed verbatim by a third-party service, Qualitative Quarter. To ensure accuracy and correctness, the researcher reviewed all transcripts against the audio recordings. The interviews were the only source of primary data used for the research study. No secondary data was used.

Prior to conducting the first research participants interview, the researcher carried out one pilot interview. This step allowed the researcher to evaluate the appropriateness of the interview guide and to evaluate any research design issues. According to (Bell & Sengupta, 2021), conducting a pilot interview strengthens the data collection process and enhances the robustness of the interview protocol. There were no critical issues identified following the pilot interview, and the interview guide was not amended. Following the conclusion of the pilot interview, the researcher proceeded with the core interviews.

Each interview was planned for 60 minutes and on average the interviews lasted approximately 57 minutes, with the longest interview reaching 240 minutes and the shortest lasting 45 minutes. On average the in-person tended to last longer than the on-

line interviews. Recording the interviews enabled the researcher to thoroughly evaluate a participant's conceptualisation and comprehension of the research topic (Roulston & Choi, 2018), provided an opportunity to refer back and clarify aspects that may not have been clear during the interview.

Though the identities of the participants are known to the researcher, assurance of confidentiality was given to each participant prior to their participation. This assurance builds trust and facilitates an openness and free expression, with limited hesitation during the interview. To maintain confidentiality of the participants, the following control measures were established:

1. The third-party transcription service signed a non-disclosure agreement.
2. Zoom interview recordings and transcripts are being stored anonymously
3. Voice Memos interview recordings and transcripts are being stored in an anonymised manner
4. Final transcriptions were saved with no identifying information. A unique and random reference links the transcription to the recording
5. Participants identifiers were removed during the coding and analysis process on Atlas.ti.

Handwritten notes using paper or electronic notepads, were taken by the researcher to compliment the recordings. All recordings and handwritten notes were analysed during the analysis stage (Mthuli et al., 2022; Ruslin et al., 2022; Saunders et al., 2023).

4.12 Transcription Services

The researcher utilised the services of a third-party transcriber, Qualitative Quarter. The services of the transcriber were limited to transcriptions only. The transcriber was not utilised for interpretation and writing up on research findings, this was the sole responsibility of the researcher. The transcriber was required to complete a non-disclosure agreement to maintain the confidentiality of the participants (see appendix)

4.13 Data analysis approach

The analysis of the data was an iterative process which commenced after before all interviews were concluded. A thematic data analysis approach was performed wherein themes were identified and developed from the collected data (Braun & Clarke, 2021). The thematic analysis process followed the six generally accepted steps comprising of

familiarisation, coding, initial theme generation, review and developing themes further, refining, defining and naming themes, and write up (Braun & Clarke, 2021). This allowed for the identification, analysis and reporting of theme and patterns within the dataset (Guest et al., 2017). The analysis was done with a duty of care to ensure that the integrity of the data remained intact.

4.13.1 Familiarisation

To attain a level of familiarity with the data, the researcher listened to each interview soon after the interview occurred. The researcher further reviewed the transcript and compared it to the audio to ensure accuracy, and to effect adjustments to ensure validity.

4.13.2 Coding

Once the transcripts were cleaned the process of coding commenced. Using the coding functionality in Atlas ti., a computer-aided qualitative data analysis software (CAQDAS), the researcher generated codes by means of an inductive approach, using the participants' own words emanating from their responses. This process allowed free coding without the influence of the researcher's questions. This allowed the identification of subtle nuances in the data, which may have otherwise been missed by the anchor the researcher's questions would have created. This approach is useful for developing theory in qualitative research using primary data.

Coding of the data was conducted in two phases, the first phase was an inductive approach to generate codes and categories, followed by a second phase where themes were developed using a deductive approach. It was important for the researcher to go beyond just identifying frequently occurring codes and to also identify codes that were directly related to the research question to construct meaningful themes (Bell & Sengupta, 2021). The process of coding yielded 387 first order codes from the participants responses. Figure below shows code group relative to each participant.

4.13.3 Initial theme generation

A deductive approach was used to organise the data and enable the grouping of codes into categories and themes. This approach required the researcher to apply a theoretical lens and test research data against established theoretical frameworks. First order codes were grouped into categories based on their common meaning. The process of grouping

the codes was iterative and resulted in 17 code groups. The researcher ensure that the meaning of each code was not lost during the iterative process

4.13.4 Theme revision and further development

In developing the themes further the researcher compared different categories that were explored. This enabled the identification of linkages between categories to capture more meaningful insights (Braun & Clarke, 2021). In constructing the themes, the research took a conceptual leap by drawing on the research conceptual framework that was developed from the literature. A conceptual leap is achieved by abductive or logical reasoning that involves the researcher making the mostly likely or simplest explanation for a observations. This enables a researcher to reach a plausible conclusion, but does not verify it. In the context of this research study, it is process of bringing together the research data and theory, and closing the gap between the two (Timmermans & Tavory, 2012).

4.13.5 Refining, defining and naming themes

Thereafter, the themes were reviewed and refined to ensure that they address the central ideas emerging from the data and captured meaningful aspects of the participants' experiences. This process remained iterative, requiring the researcher to constantly go back to the individual categories and codes to ensure that the true meaning was not lost. Additionally, in refining the themes, the researcher ensured that each theme could stand independently of another. Finally the themes were linked to the constructs as per the research conceptual framework in chapter three and the sub-questions in chapters enabling the researcher to respond to the main research question.

4.14 Data Saturation

Although this approach offers researchers some flexibility, it remains important to ensure that a sample is large enough to collect rich insights to address a problem, conversely, it is important for researchers to be mindful of data saturation as collection of data beyond saturation may not yield any further to insights or findings. However, for qualitative research the criteria to define saturation are not well articulated in the literature creating a conundrum for the researcher on deciding how many people to interview (Babchuk, 2017).

	Transcript_ Participant 13.docx Gr=109	Transcript_ Participant 11_QC Reviewed.docx Gr=79	Transcript_ Participant 12_QC Reviewed.docx Gr=64	Transcript_ Participant 1_QC reviewed.docx Gr=71	Transcript_ Participant 2_QC Reviewed.docx Gr=60	Transcript_ Participant 3_QC Reviewed.docx Gr=33	Transcript_ Participant 4_QC Reviewed.docx Gr=34	Transcript_ Participant 8_QC Reviewed.docx Gr=69	Transcript_ Participant 10_QC Reviewed.docx Gr=54	Transcript_ Participant 8_QC Reviewed.docx Gr=46	Transcript_ Participant 1_QC Reviewed.docx Gr=31	Transcript_ Participant 5_QC Reviewed.docx Gr=86	Transcript_ Participant 7_QC Reviewed.docx Gr=4	Totals	
Approaches to corporate political activity Gr=392; GS=48	32	35	33	36	38	23	18	40	32	24	13	65	3	392	
Barriers, constraints, risks Gr=513; GS=74	33	45	43	46	51	26	33	52	44	39	25	73	3	513	
Collaborations and coalitions to influence and shape outcomes Gr=149; GS=18	5	4	5	9	20	13	7	17	22	9	7	31	0	149	
Continued existence of firms Gr=446; GS=59	34	36	25	38	44	23	24	49	37	38	23	71	4	446	
Drivers or motivations for corporate political activity Gr=533; GS=79	34	48	49	48	57	27	27	54	44	36	27	79	3	533	
Effectiveness of influencing and shaping strategies Gr=321; GS=48	23	18	14	30	35	22	21	42	27	20	11	55	3	321	
Environmental factors influencing CPA's effectiveness. Gr=214; GS=24	7	18	15	18	17	9	19	21	20	13	17	39	1	214	
How ethics and reputation affect corporate political activity Gr=291; GS=30	5	14	12	34	30	18	19	36	29	29	10	52	3	291	
In vivo codes Gr=148; GS=12	36	28	7	2	12	9	6	3	9	9	5	20	2	148	
Indicators and perceptions of effectiveness Gr=289; GS=29	16	15	15	28	38	17	14	31	25	16	8	63	3	289	
Levels of trust among stakeholders in the ecosystem Gr=119; GS=9	3	7	16	10	9	7	11	13	12	7	4	19	1	119	
Nature, tactics and channels of CPA Gr=368; GS=39	29	34	17	29	37	21	16	45	29	29	20	59	3	368	
Outcomes of corporate political activity Gr=245; GS=19	16	13	11	27	25	14	14	26	22	14	15	46	2	245	
Perceived power and influence of decision makers Gr=221; GS=30	2	19	16	33	25	12	16	32	20	8	8	29	1	221	
Policy context and institutional environment Gr=379; GS=53	31	35	34	30	35	17	24	37	30	21	22	62	1	379	
Political party and government systems influence Gr=287; GS=32	23	17	17	24	23	15	24	36	26	14	22	44	2	287	
Strategic objectives driving corporate political activity Gr=240; GS=31	3	34	17	31	22	12	14	32	20	8	9	35	3	240	
Totals	332	420	346	473	518	285	307	566	448	334	246	842	38	5155	

Figure 3: A code document analysis of the codes relative to the each participants transcript and the number of codes generated for each interview.

Source: Atlas ti.

4.15 Triangulation

Triangulation is a crucial test for assessing the validity and reliability of a study (Creswell & Creswell, 2017). It increases the understanding of the research subject from the different viewpoints and increases the reliability through themes from several inputs. Triangulation was achieved through the participation of a Department of Health pricing committee representative involved in the pricing policymaking for South Africa to validate the data gathered from Organon employees

4.16 Research quality

Establishing the validity and authenticity of individual perceptions and experiences is a perennial challenge of qualitative research. Each participant is likely to share information that could be challenged across a spectrum of taxonomies, such as credibility, transferability, and consistency in how the same event is assessed. To ensure the

appropriate research rigour, control and traceability, the researcher ensured accurate and contemporaneous documentation of all steps and/or processes taken during the study. These have been documented in a chronological manner to enable other scholars to replicate or reproduce the process if they so wish. From the outset, the research project was anchored in current literature from high-quality journals that provided credible information on the current debate amongst scholars and unanswered questions that present avenues for future research. Additionally, the triangulation of different responses from participants helped to mitigate against bias.

To ensure that data gathered was relevant and enabled the researcher to address the research question, the participants were carefully selected based on their experience and affinity to non-market strategies, which was necessary to validate responses. All interviews were recorded and transcribed. This enabled cross-referencing and validation of accuracy during the analysis stage. The data collection tools were standardised for all interviews, and each participant was given adequate time to share their perspective and provide answers to questions in a comprehensive manner. All participants were afforded an opportunity to ask questions before being given an overview of the study, its context, and the research question. The confidentiality of each participant was assured prior to the interview. The data were collected in a systematised manner and stored in accordance with the standard of the institution and any applicable laws. The analysis was done with a duty of care to ensure that the integrity of the data remain intact. Upon completion of the analysis the data will be stored for a period of no less than 10 years in an archival repository and the institution.

4.17 Ethical considerations

This research project was conducted in accordance with the ethical conduct guidelines of Gordon's Institute of Business Science and the University of Pretoria. Ethical clearance was granted on 18 August 2025 by the ethics committee of Gordon's Institute of Business Science and the University of Pretoria prior to the commencement of the research (See Appendix 1). The research methodology, semi-structured interview process, and questionnaires were detailed in the ethical clearance application. Interviews with research participants were only scheduled after ethical clearance was received. Prior to the commencement of any interview, consent was obtained from the participants. The signed consent forms have been collected and stored in a secure, password-protected database, separate from all anonymised research data.

Each participant's time was respected and interviews were completed within the time requested for the interview. Participation in the study was voluntary and no incentives for participation were offered and/or given to any participant. The interview questions were neutral and would not help or hurt any individual or participant. On average the interviews lasted approximately 55 minutes, the shortest interview lasted 36 minutes and the longest lasted 124 minutes. All participants were identified only by unique codes while maintaining their anonymity.

All interview sessions were transcribed by an independent registered transcribe, who signed a non-disclosure agreement. Transcription of the interview by a third-party was disclosed to the participant's on the informed consent. Finally, the recordings and transcriptions are stored securely on an encrypted cloud platform and will be kept for a period of ten years. They can be made available by the University of Pretoria following ethical approval.

4.18 Limitations of the research design and methods

This study, like any research endeavour, may encounter several limitations that must be considered when assessing the results obtained. The first limitation is related to the researchers inexperience in conducting research related interviews with the purpose of gathering assessable insights. The lack of experience may have an impact on the quality of responses expected from the participant. To mitigate this, the researcher prepared a pilot test with fellow researchers to sharpen his interview skills. The researcher ensured that fellow researchers or any other persons supporting the preparation were independent of the target sample to avoid researcher and participant bias (Ruslin et al., 2022).

The second limitation may be the relative sensitivity of the research topic, which required participants to disclose potentially confidential strategies and their perceptions of the strategies. To mitigate for this, the researcher confirmed that the study had received the appropriate ethical clearance, which is subject to confidentiality of information shared. The researcher also provided a clear outline of the study and its objectives, and reminded the participants that all information would be kept confidential. The third limitation relates to the sample size. The researcher acknowledges that in the process of attempting to secure interviews, potential candidates declined, cancelled or did not provide useful information. To mitigate for this, the research will planned to interview 20 participants, which is a median on the guidance provided by (Saunders et al., 2023). A fourth

limitation is that the study may not be generalisable across different industries, sectors and/or geographies thus the findings may be limited to the South African setting. Lastly, a limitation may stem from the researchers own capacity in terms of time and resources perspective. To mitigate this, the researcher worked diligently according to a schedule that enabled him to remain on track to complete all necessary requirements to complete the project.

CHAPTER 5 – RESEARCH FINDINGS

5.1 Introduction

In this chapter, the data gathered during the semi-structured interview is presented in as findings of the research project. The findings are presented in a systematic manner using the themes that were constructed during the analysis phase. Each theme is compared to the theoretical categories identified in Chapter 2 and linked to the main research question and sub questions developed in Chapter 3.

The following section introduces the study participants before delving into the research findings.

5.2 Research Participants

The researcher conducted 13 interviews for this research project. The participants were comprised of policymakers at national and provincial government level, a bureaucrat from a provincial department of health, industry professionals at a senior level with experience in medical insurance industry, pharmaceutical industry, private hospital industry, and at professional associations. All participants were either directly or indirectly involved in the development or implementation of CPA actions in relation to the NHI. As shown in Table 2, the participants were grouped into two categories, namely Group 1, which comprised of participants that were deemed as targets of CPA strategies and tactics implemented by companies, and Group 2, which comprised of participants who could be considered initiators of CPA.

Table 2: Research participants' analysis groups

Group	Identifier	Analysis Group
Group 1	Targets of CPA	Policy makers and bureaucrats
Group 2	Initiators of CPA	Industry professionals

Source: Author's own

On the basis of their current roles and the perspective they shared, the participants were then divided analysis groups. To ensure that the confidentiality of the participants' was maintained, each participant was assigned a unique identifier. Due to the unique nature of the participants' titles, the actual titles were not used. These anonymised to the specific

industry, public entity or authority that the participants represented at the time of being interviewed. Table 3 and 4 below shows a description of the participants interviewed for this research study. The unique identifier also served as a useful descriptor for the researcher to use throughout the chapter, and allowed for consistent evaluation throughout the chapter.

Table 3: A detailed description of the Group 1 participants interviewed for this study

Group 1 – Industry professionals	
Identifier	industry
Participant 1 NM	Medical insurance
Participant 2 DE	Pharmaceuticals
Participant 3 TL	Pharmaceuticals
Participant 4 RF	Pharmaceuticals
Participant 5 BM	Hospitals
Participant 6 MM	Pharmaceuticals
Participant 7 SL	Industry association
Participant 8 PR	Pharmaceuticals
Participant 9 VM	Pharmaceuticals
Participant 10 MN	Professional association

Source: Author's own

Table 4: A detailed description of the Group 2 participants interviewed for this study

Group 2 - Policymakers and bureaucrats	
Identifier	Authority/public entity at the time of interview
Participant 11	Member a Provincial Legislature
Participant 12	Member of Parliament
Participant 13	Bureaucrat at a Provincial Department of Health

Source: Author's own

Both analysis groups were sufficiently represented among the participants. The participants had comparable educational backgrounds and expertise in CPA. On average participants in Group 1 held doctorate level qualifications with 22 years in the policy

making, and those in the Group 2 averaged 16 years in roles that involved environmental shaping. The participants in Group 1 provided their perspectives as targets of CPA and participants in Group 2 provided their perspectives as initiators of CPA. This nuanced insight allows the researcher to contrast the responses from each group to identify commonalities and differences in the perception of effectiveness of CPA tactics. **Figure XX** shows the code distribution among the analysis group

5.3 Data analysis

Using an inductive approach to the analysis of the data, the researcher produced a total of 387 first order codes from thirteen interview transcripts. The codes were further reviewed for similarities, intent and meaning, and where these were found, the codes were merged. This resulted in a reduction in the total number of codes from 387 to 296 unique codes. The codes were further analysed and grouped in 17 code groups. This categorisation was based on the underlying meaning and intent. The code categories that could be linked to the theoretical frameworks were identified and new themes developed from the analysis. Six distinct theoretical themes were developed from the analysis. These theoretical themes included regulatory uncertainty, approaches to CPA, strategic objectives of CPA, policy influence and effectiveness, perceptions of legitimacy, and contextual and environmental factors.

Through two lenses, the data was segmented according to the constructs identified in the main research question and the sub-questions. These constructs form the basis of the themes upon which the data were analysed. This approach allows a logical presentation of the data, themes and context.

The second lens segmented the data in accordance to the analysis groups. This allowed for triangulation of the participant's views with a clear distinction between the initiators of CPA and the targets of CPA.

Each section begins by describing a detailed schematic of the overarching theoretical theme and associated code group. Key responses identified during the data analysis stage are presented, triangulating the responses from initiators and targets of CPA. The views are supported using quotes from the respective participants. Each section was developed in an iterative manner until all themes were reviewed and addressed adequately. Each section ends with a conclusion and the key points are summarised. This outline is repeated for all themes that were identified.

The theoretical theme is introduced and the associated code categories are described. An abridged discussion, analysis, and conclusion summarises the data collected during the interviews for each code category. Each section concludes with the highlights identified during the analysis of the findings. Chapter 5 concludes with a summary of the research findings

5.4 Research findings

The aim of this research study was to explore the effectiveness of CPA strategies and tactics in influencing the outcome of NHI policy, from the perspective of stakeholders who were either initiators or targets of CPA. The analysis of the data gathered during the interviews shaped the insights that were used to answer the research question. Through a deductive approach to the analysis, the participants knowledge of how CPA was used to influence the NHI bill was determined. Furthermore the insights were used to determine the perceived effectiveness of CPA strategies and tactics used by healthcare firms. The following themes were developed from the code categories in Appendix 5, regulatory uncertainty created by the NHI bill to the external environment of healthcare firms, types of CPA approaches used by healthcare firms to manage the uncertainty, strategic objectives of CPA, which identify what healthcare firms intended to achieve, policy influence and effectiveness, the perceptions of legitimacy, and the contextual and environmental factors. Table 5 provides a concise summary of the identified themes and references the sections in which the themes are discussed within this research report. The research findings are subsequently presented using the themes identified during the analysis.

Table 5: Main theoretical themes on the perceived effectiveness of CPA strategies in influencing the NHI policy

	Main theoretical theme	Section
1	Regulatory uncertainty	Error! Reference source not found.
2	CPA approaches	Error! Reference

		source not found.
3	Corporate objectives for engaging in CPA	Error! Reference source not found.
4	Policy influence and effectiveness	Error! Reference source not found.
5	Perceptions of legitimacy and appropriateness	Error! Reference source not found.
6	Contextual and environmental factors	Error! Reference source not found.

Source: Author's own

5.4.1 Theme one: Regulatory uncertainty

During the data collection stage, the researcher sought to understand the emergent risks and uncertainty firms faced with the introduction of a new public policy, such as the NHI. The basis of this pursuit was to enable the researcher to determine the depth and breadth of each participants' knowledge and understanding of the NHI, as well as its potential implications for healthcare firms. Establishing this was central to understanding why and how healthcare firms engaged in CPA.

The code categories considered for this theme, included policy uncertainty and ambiguity. These were linked to aspects of policy wording and clauses. Inadequate communication and consultation were also identified, which are key to ensuring that the policy development framework and processes have been sufficiently followed. Economic and investment implications were examined at the individual, firm and societal levels. Perceptions of government competencies, were also considered. These are fundamental

in demonstrating whether government is sufficiently capacitated to administer the fund and ensure that services are provided as intended. The theme and sub-themes suggest multidimensional constraints from a firms' external environment, which encompasses political, practical, and relational forms of uncertainty. These shape how firms anticipate, interpret, and respond to regulatory changes.

Theme one: Regulatory uncertainty					
Sub-themes	Regulatory uncertainty	Policy ambiguity	Perceptions of government competencies	Inadequate stakeholder engagement & communication	Economic and Investment Implications
Codes categories	• Access to decision makers	• Complexity of NHI policy clauses	• Corruption and inefficiency in health systems	• Dismissive of stakeholder feedback	• Economic considerations
	• Co-creation of alternatives to NHI	• Complexity of operationalising NHI	• Inadequate governance capabilities	• Ineffectiveness of public consultation	• Economic diplomacy
	• Continued existence of private healthcare firms	• Government misunderstanding on how medical schemes are configured	• Lack of preparedness by the government	• No willingness to collaborate with the private sector or other stakeholders	• Healthcare financing mechanism
	• How to influence the outcome of policy	• Issue misalignment	• Negative experiences with government	• Public participation and comments	• Impact of illegal trade on public finances
	• Knowledge as a tool for influence	• Misrepresentation of policy	• Response to healthcare crises	• willingness to collaborate	• Investment in healthcare
	• Origins of National Health Insurance	• Misunderstanding of NHI			• Market dynamics in healthcare

Figure 4: An illustration of the main theoretical theme, regulatory uncertainty, and each of the sub-themes with the codes linked to each category

Source: Author's own

5.4.1.1 Discussion of key findings – Regulatory uncertainty

Across the interviews, participants expressed uncertainty about various aspects of the NHI. Regulatory uncertainty thus emerged as a dominant theme shaping the behaviours, responses and actions deployed by healthcare firms. Most participants discussed the concerns with the NHI and the potential impact this presented for healthcare firms operating primarily in South Africa's private healthcare sector.

Participant #2 explained that government's attempt to exclude the private sector is undesirable and is likely to have dire consequences for the sector.

"The problem with the Bill is that it does not take into consideration the impact and implications of shifting to NHI for the private sector". Participant 2

“The clause 33, which speaks to minimization of the private medical insurance space”. Participant 2

This sentiment was shared by Participant 5, who remarks that it is important for government to differentiate and appropriately frame the problem when contemplating new policies, especially those that require the overhauling of an existing system.

“So regardless of the intention behind various pieces of regulation or legislation, we need to understand that we operate in different markets. And that's got nothing to do with the insured versus the uninsured. It's got more to do with the fact that private hospitals have to pay corporate income tax. Public hospitals don't. Already our cost base is different”. Participant 5

Participant 5 further highlights the possibility of ecosystem instability that may arise with the implementation of NHI, pointing out that the health system is already fragile as is, and that it may not have the capacity to withstand any shock

“There's a deep-rooted concern for the healthcare system and its stability. And a direct knock-on effect on that of course, as an acknowledgement, we simply do not have enough healthcare workers and anything that causes uncertainty”.

Participant 9 expands on the possibility of instability highlighting the interconnected nature of the private healthcare system, which by their insights, is heavily reliant on medical insurance companies. This, in their view, confirms the potential of systemic disruption should medical insurance companies be adversely affected by NHI.

“And so, section 33 of the NHI Act essentially puts into question the future legitimacy and existence of private health insurers, which most of us derive, I would venture to say, 90 percent of our revenue from”. Participant 9

“The second thing is that legislation and regulations in health can be make or break. And the NHI is a clear example of that”. Participant 9

Section 33 of the NHI bill came up several times during the interviews, however as pointed out by Participant 2, there were other aspects of the bill that remained

underdeveloped and unclear for stakeholders. These too have far reaching implications for healthcare firms.

“...Bill is not addressing, pricing and procurement, HTA, benefit packages not being clearly defined, etc”. Participant 2

Participant 13, who brought a public sector perspective, confirmed understanding existential concerns raised by healthcare firms, and outlines the magnitude of the implications.

“Because the Act says any service that's being paid for by NHI, it cannot be offered anywhere else. And what that means is that no medical aid, no private practitioner can access or offer that benefit outside of the NHI framework”.
Participant 13

However, Participant 5 expressed frustration on the lack of understanding by government on how the ecosystem compliments, itself and does not see how NHI could exist without a thriving private sector. She describes the interplay between the private and public sectors and views the private sector as an enabler for NHI.

“And another great example is that there's an enormous cross-subsidization between the public and the private and the public sector when it comes to pharma. So, the fact that government can procure pharmaceutical items on tender at vastly reduced prices is as a result of the private sector absorbing the difference between the two”. Participant 5

Participant 9 refers to prior experiences of policies that have had unintended consequences, such as the Single Exit Price (SEP) regulation introduced in 2004. SEP was introduced to curb perverse practices in the private sector, however in the present day it limits the ability of healthcare firms to negotiate medicine price.

“The Medicines Act is another example of that with the unintended consequences of SEP”. Participant 9

Participant 6 recalls how policies have had unintended consequence for the healthcare sector.

“And then even the brain drain that might come with it, because already some of the policies that we have in country within South Africa are not necessarily that friendly for the healthcare professionals, right?...So, you find that majority of them are thinking, instead of staying in South Africa, let me go to greener pastures”.

Participant 6

Participant 11 comments on the uncertainty individuals will be faced with as their constitutional freedoms to choose between private and public healthcare services is undermined.

“That’s why it could well be unconstitutional. It’s one of the grounds for unconstitutionality is that you are limiting people’s choice”. Participant 11

On the other hand, Participant 1 and Participant 8 both raise concerns about the potential implications of a substantially reduced medical insurance industry from the perspective of individuals.

“I mean, I think the medical scheme industry employs 30,000 people. What happens to those jobs?” Participant 8

“If you close down a [Entity], you close down a [Entity], you close down [Entity], you’re talking in excess of 10,000 people losing jobs overnight. It’s not an exaggeration, just think about how big those corporates are”. Participant 1

Participant 11 raised concerns about the independence of authorities overseeing the NHI and highlights the need to protect the NHI from political interference, especially because the NHI fund is expected to administer vast sums of money.

“And I mean, the minister has far too many powers to appoint all his sort of henchmen, to be honest about it”. Participant 11

Participant 10 acknowledges that the bill as is written creates significant challenges and threats at an individual, firm and societal level. However his perspective is that this requires stakeholders to be thoroughly engaged to provide the necessary clarity. On the other hand Participant 5 states that explanations and discussions that are not reduced to actual changes in policy wording do not reduce uncertainty.

And it's actually an important thing as well, because some of the challenges that the Bill faces right now is the lack of understanding by stakeholders of what belongs in the Bill and what belongs in a regulation". Participant 10

There is no degree of certainty that can be provided, despite what's said in these forums, you know, Webber Wentzel's and NEDLAC, that's not what's written in the piece of law". Participant 5

5.4.1.2 Analysis – Regulatory uncertainty

Regulatory uncertainty emerged as a dominant and overarching concern across the across most participant interviews. The participants made responses suggested this shaped how healthcare firms interpret risk with the NHI and which in turn influenced how they responded. Participants described the bill as ambiguous, insufficiently developed, and misaligned with the operational realities of South Africa's mixed health system.

Central to the uncertainty was the future of the private sector, with Participant 2 arguing that *"the Bill does not take into consideration the impact...for the private sector"*, particularly Section 33, which aims to *"minimise...the private medical insurance space"*. Participant 9 reinforced the systemic implications of this clause by noting that private health insurers generate *"90 percent of our revenue"*, meaning any adverse changes could trigger sector-wide disruption. Participant 13 further highlighted the restrictive wording in the NHI, *"any service...being paid for by NHI...cannot be offered anywhere else"*, raising concerns about patient choice and placing significant constraints on private healthcare providers. The Participants also emphasised the technical gaps and ambiguities within in policy text. As highlighted by Participant 2, key design elements remain undefined, *"pricing and procurement, HTA, benefit packages"*. This absence of clarity and information on how these undefined clauses will be resolved results in uncertainty about how firms will operate under NHI. For Participant 5, such uncertainty is compounded by government's limited appreciation of market differences. Participant 5 emphasises that private hospitals face costs such as *"corporate income tax"*, that facilities in the public sector do not.

Participants' also discussed the system wide risk that the NHI posed for the entire health system. Participant 5 noted that the private sector too had *"a deep-rooted concern for the healthcare system and its stability"*, while Participant 6 warned of potential *"brain drain"* as healthcare workers seek *"greener pastures"*. Participants 1 and 8 added that

large-scale job losses may occur if the medical scheme industry contracts, affecting “30,000 people” or “10,000...overnight”.

Further uncertainty emerges from governance and political risks. Participant 11 expressed concern that the Minister holds “*far too many powers*”, exposing the NHI Fund to political interference. Past experiences of unintended consequences of policy changes in health, such as SEP, were cited by Participant 9 as examples of poorly calibrated regulations. Although some, like Participant 10, argued that stakeholder engagement is needed to clarify roles and regulatory boundaries, Participant 5 emphasised that reassurance alone is insufficient, “*There is no degree of certainty...that’s not what’s written in the piece of law*”.

5.4.1.3 Conclusion – Regulatory uncertainty

The first ubiquitous risk raised by participants was in relation to section 33 of the NHI bill. The clause contemplates a limited role for medical insurance companies under the NHI. The second commonly raised risk was related to the orientation and configuration of hospitals, healthcare specialists and professionals as providers of healthcare services. The third risk was concerned with the lack of clarity about how medicines in general, especially newer and often high cost medicines would be procured for the whole population. This risk directly impacts the sustainability of pharmaceutical manufacturers. The fourth and fifth risks highlighted by participants were related to the sources of funding, resources, and governance required to run the NHI.

Regulatory uncertainty surrounding the NHI is perceived by stakeholders as pervasive and consequential for the entire health system. Ambiguities, especially Section 33, procurement design, patient benefit packages, and governance structures, generate significant anxiety about market viability, constitutional rights, and system stability. Participants’ responses suggest that uncertainty is compounded by past policy experiences, capacity limitations, and a lack of alignment between public and private sector. Although engagement platforms exist, stakeholders believe that clarity can only be achieved through explicit, formal revisions to the legislative text, not interpretive discussions. Consequently, regulatory uncertainty remains a central driver shaping healthcare firms’ strategic behaviour, where environmental risk and uncertainty are perceived to be elevated.

5.4.1.4 Discussion of key findings – Policy ambiguity

According to some participants the bill touches on important principles of universal access to healthcare, but falls short on the details of how that will be attained. Some participants report a lack of clarity and understanding of how some clauses envisage the NHI to operate practically. There also appears to be a conflict between what the NHI says and other regulations and laws that place certain obligations on professional and companies, such as the example cited by Participant 5, who highlighted the professional contradictions that the NHI creates, which have implications for providers and healthcare companies.

“And for what it’s worth, HASA is actually one of the parties that raised section four in our legal papers, because part of the deprivation of healthcare provision to asylum seekers would mean that if an individual, they would only receive treatment for public health conditions of notifiable concern and emergency medical services, which means if you as a doctor encountered an individual who was co infected with HIV and TB, according to the NHI Act, you would be expected to treat the TB because that’s a public health condition that’s on the notifiable conditions list and ignore the HIV, which no South African clinician in their right mind would do”. Participant 5

Consequently, stakeholders are unable to make informed decisions about which areas they agree with, which areas they are opposed to, and what needs to be done to effectively mitigate potential risks. However Participant 13 comments that that the assumptions stakeholders have about the NHI and how it will run, are often incorrect, pointing to difference in interpretation

“The NHI, when it comes, it’s not going to be a budget for healthcare services. It’s not. And we have no clue where that comes from. And people then make comparison between NHI and the NHS in UK”. Participant 13

Participant 10 remarked that he is not opposed to the NHI, however acknowledge that some aspects were ambiguous and require refinement to ensure consistent and common interpretation.

“So, one of the things that needs to be fixed in the NHI is actually the regulations. And the regulations are governed by, will help to determine the models that we use. So, when one implements programmes within a healthcare programme, they

then develop the necessary models that will make the NHI implemented and will inform the different regulations that are there". Participant 10

While most participants from both public and private believe the NHI overreaches in trying to achieve universal health access, Participant 12, a Member of Parliament, suggests that the current bill does not go far enough, and that it was unlikely to achieve its intended objectives.

"So NHI is not going far enough, and its cowardice. Because if anybody talks about universal health care, it's always been provided by the public health care system in this country. It's always been provided". Participant 12

Participant 13 drew attention to the misunderstanding of the wording and clauses in the bill, which resulted in stakeholders making irrelevant submissions during the public participation phases

"It was an interaction of not making a contribution, but it was an interaction to contest certain perceptions and provisions that are in the NHI, and some of them clearly misunderstood". Participant 13

Participant 2 points to the absence of details pertaining to procurement of medicines and services. While Participant 6 adopts the perspectives of a listed healthcare firm to ask questions on how the business should be thinking about its future under NHI

"Even if you look at the Bill, the Bill speaks of the many components of universal healthcare, but doesn't speak to innovative medicines, the role that innovation would play in healthcare, you know?" Participant 2

"Are we moving to, you know, models of value-based healthcare with a particular focus on outcomes-based approaches, you know, monitoring and evaluating healthcare from both an outcomes as well as a cost perspective, which is often a gap". Participant 2

"So, if I was Netcare, I would want to understand. So, let's say I have 300 facilities within South Africa. And so many of them have this capacity. How are we going to be managing the flow of patients? How are we going to be managing the reimbursement?" Participant 6

Interestingly Participant 9, who previously remarked that healthcare companies faced an existential crisis, has a contradictory view on the opportunity that exists, possibly demonstrating a difference in understanding of the intent in comparison to the wording.

“There's volumes there. What we need to do is now manage the regulations that manage price visibility, that manage value assessment frameworks and HTAs, and that manage procurement modalities that allow for innovative contracting”.

Participant 9

5.4.1.5 Analysis – Policy ambiguity

Policy ambiguity emerged as a concern shaping stakeholder perceptions towards the NHI. While participants acknowledged the intent driving the NHI, many argued that the current policy provides insufficient detail on how the NHI will be operationalised. This lack of clarity creates practical, ethical, and strategic implications for healthcare firms. Participant 5 illustrated contradictions between the policy wording and existing clinical obligations, noting that Section 4 would require clinicians to “treat the TB... and ignore the HIV,” an approach no practitioner would accept. Ambiguity drives divergent interpretations of the NHI’s overall intent. Participant 13 highlighted widespread misconceptions, observing that stakeholders often make incorrect comparisons to the UK’s NHS despite the NHI “not... being a budget for healthcare services.” Similarly, Participant 10 emphasised that unclear regulations hamper the development of viable implementation models. Participants differed on whether the policy overreaches or goes far enough in trying to address the health systems challenges. While many private-sector actors viewed it as expansive yet vague, Participant 12 argued that “NHI is not going far enough,” reflecting contrasting interpretations of universality. Ambiguity over procurement, reimbursement, and innovation further compounds uncertainty, with Participant 2 noting the absence of guidance on innovative medicines and value-based models, and Participant 6 questioning how large hospital groups should plan for patient flows and reimbursement. Some participants, however, saw opportunity in the undefined regulatory space. Participant 9 argued that significant opportunity exists if stakeholders engage proactively in shaping regulations governing price visibility, HTA processes, and procurement modalities.

5.4.1.6 Conclusion – Policy ambiguity

Overall, policy ambiguity significantly constrains stakeholders' ability to assess risks, plan strategically, or contribute meaningfully to policy development. The NHI's vague wording, contradictions, and limited operational detail creates uncertainty. Divergent interpretations, between legislators and industry, and within individual organisations, results in further fragmentation of stakeholder responses and diminish the effectiveness of public consultation processes.

Additionally, ambiguity produces both challenges and opportunities. For some firms, the lack of clarity heightens perceptions of existential threat. While for others, it represents an evolving regulatory environment in which issues such as HTA design, value-based contracting, and procurement reform remain open to negotiation. The findings therefore indicate that policy ambiguity is a technical deficiency and a structural influence shaping how healthcare firms, and policymakers interpret their roles, anticipate system changes, and deploy corporate political activity

5.4.1.7 Discussion of key findings – Inadequate stakeholder engagements and communication

The process of developing a new policy is lengthy and iterative and consists of distinct phases or stages. An important step in the process is consultation and communication with stakeholders. A few participants described the frustrations felt by firms and stakeholders in the public service during that consultative process, alluding to the fact that this process was not conducted appropriately.

"We're all going guys we need system reform, no one's saying stop NHI and do nothing, I think people are just going 'We've got questions, so before you go too far into building something that makes no sense, can we have genuine conversation around the issues that exist'". Participant 1

"So, stakeholder consultation in the NHI has been very poor. I think I should, if you remind me, I will try and look for a whole PhD that was done on stakeholder consultation". Participant 10

"You're creating a medical aid and your Council for Medical Schemes, which has had plenty of experience, is not a part of this medical aid that you're creating". Participant 12

“The government has not substantially engaged with the serious critiques that have been made. They just seem hell-bent on pursuing it with all the flaws that people have pointed out”. Participant 11

Participant 13 had an opposing viewpoint and remarked that there had been several opportunities for engagement and consultations, as required by law.

“as a country, including the private sector and everyone else, there have been three calls in as far as the contributions are concerned on making submissions to the NHI Act and before the President then signed it into law”. Participant 13

“We went through all universities, both staff and students, because when NHI was introduced, I must concede and say the introduction seemed rather improper and lacked in terms of sufficient mastery and articulation. And part of the things I had to do, and I still do it to this day, is to correct the erroneous interpretations, some of which were created by government itself, others created by interested stakeholders.” Participant 13

Participant 13 further suggested that the quality of submissions received from the private sector were sub-standard. He commented that if required to grade the submissions, he would grade the submissions two out of ten

“The contributions that have been coming forth have not looked at what the Act wants to achieve. They've looked at how the Act threatens what I want. So, I really think, you know, if I'm to be generous, I would give them 2 out of 10. Those consultations have really not assisted us a lot”. Participant 13

However, Participant 5 finds it unlikely that the quality of submissions was poor, and hints the meticulous nature of stakeholders, in drafting of feedback, yet these weren't not considered.

“And I find it implausible that people went off on a tangent when you're presented with clause by clause, what's set to be established. And it's all kind of dismissed and it's status quo”. Participant 5

Participant 10 shared sentiments to Participant 5 regarding the lack of feedback when enquiries to government were made.

"But then there's going to be issues like the funding that I mentioned, where it was totally ignored. Inputs were totally ignored". Participant 10

"So, the only way you would know if your input was considered or not was in seeing a revision being put forward. And I think one will recall, even when the minister himself, when the bill was signed into an Act, the minister himself, then it was Joe Phaahla, did say that there's no obligation to actually consider or include everyone's input into the Bill". Participant 10

"So, a host of comments were made and the feedback we actually got, I was fortunate to be part of the BUSA delegation to NEDLAC in August, where the deputy director general of the NHI was engaging with business, civil society, and labour through the NEDLAC chamber on health reform issues". Participant 5

"And interestingly, the comment that the NHI DDG made at NEDLAC, despite receiving 1,044 comments, he said most were unrelated to the substance of the regulation. There'll be next to no amendments made to that. So, you get 1,044 different individuals or organizations commenting and you kind of dismiss all of them in one fell swoop". Participant 5

Recalling another example, Participant 5 further adds that most stakeholders were surprised by the inclusion of text that would impact an entire industry without any consultation.

"And even the fact that it went to the single fund, no medical schemes, the contentious Section 33 clause, that also wasn't in the original positioning of it. That was also a kind of late addition. I want to say, it was in one of the white papers. In one of the two white papers, was the first time that it was referenced as this section 33 and medical schemes and not having a role to play outside of kind of complimentary, once NHI is fully implemented". Participant 5

Participant 9 expressed her frustration with the low levels of engagement the national department of health conducts with the business community. She's provided an example of a sector where regularly engaging with government is the norm and it is expected.

“There is no way you would get away with not engaging with Shell and Sasol after a while. You can't not talk to them”.

Insights from Participant 4's interview concurs with Participants 9's sentiments. She describes the extent to which government would does not want to engage with industry

“There seems to be some kind of wanting to engage and talk, etc. But is it for, is it window dressing, to say that I'm seen as really speaking to those people? And yet, when it really matters, is there true collaboration? Do they truly want to work with us?” Participant 4

Participant 8 suggests that government has relied on their own view in crafting the NHI, which is consistent with the assertion shared by Participant 10

“Correct. I think at the moment they, I'm sure we'll have you talk about this more in other questions, but it seems my sense is that the Department are relying on their own view, maybe consultation with other markets, but not to the facility and private sector industry”. Participant 8

“So, the pitfalls are many. So, I think the main one has been in the structure of the Bill itself. So, the Bill has been designed by the Department of Health mainly”. Participant 10

5.4.1.8 Analysis – Inadequate stakeholder engagements and communication

The policy development process is inherently an iterative, consultative, and dependent on reciprocal communication between the state and affected stakeholders. However in the case of the NHI, interview data illustrates a significant divergence between the formal appearance of consultation and the substantive experience of engagement. Participants provided contrasting experiences of the quality, inclusiveness, and usefulness of stakeholder involvement, revealing deep tensions within the policymaking environment.

Several participants reported frustration with consultation processes and described them as non-responsive and or symbolic rather than genuine opportunities for engagements. Participant 1 stated that stakeholders were not opposed to NHI reform per se; rather, they were seeking meaningful dialogue before government committed to a policy approach that “makes no sense.”, reflecting a perception that engagement was not used

to shape policy direction but just to validate predetermined directions. Participant 10 reinforced this by suggesting that stakeholder consultation on NHI “has been very poor,” implying that the policy development process lacked the deliberation expected. Participant 12 highlighted the exclusion of the Council for Medical Schemes, a regulatory body created to oversee medical schemes, which suggesting institutional misalignment in the design and drafting process. These perspectives paint a picture of insincere consultation, where stakeholder inputs rarely shift policy content.

5.4.1.9 Conclusion – Inadequate stakeholder engagements and communication

The findings shows the complexity of stakeholder consultations. While formal mechanisms for engagement were present, many stakeholders experienced the process as superficial, unresponsive, and insufficient. Some participants described missed opportunities for meaningful engagement, inadequate feedback, and the marginalisation of critical industry voices. These experiences contribute to perceptions of regulatory uncertainty, and reinforce adversarial relationships between government and the healthcare firms.

Conversely, one participants argues that government fulfilled its legal obligations and that industry submissions were misaligned with the Act’s objectives. This highlights a misalignment of expectations and understanding of what “consultation” should entail. Overall, the findings indicate that stakeholder consultation in the NHI process is exist in form and is lacking in substance.

5.4.1.10 Discussion of key findings – Economic and investment implications

Participants equally shared concerns on how NHI would be funded, which directly addresses elements of the NHIs roll-out.

“So, South Africa is a country right now that is grappling with unemployment, and even amongst the few employed individuals, many of them are actually tax exempt. So, creating a healthcare system that is purely tax funded then creates a problem of affordability.” Participant 10

“And Treasury, even in the surveys that was done, the initial surveys that was done, Treasury was noted as objecting to it progressing in the absence of multi-fund, because of the concerns about being able, I guess, to finance it solely as a

tax revenue funded entity, and I would hazard that probably other concerns too, without implying too much or putting words in Treasury's mouth, I wouldn't be shocked if they were concerned about governance, and if they were concerned about the risk of concentrating this much money in a single pool". Participant 5

"We haven't yet had a properly costed model of what this will cost. You can get estimates of 500 billion to double that. And so, have we got a proper costing model? No, we don't". Participant 11

"I mean, the NHI white papers very clearly state, there was an expected economic growth rate of two and a half or 3%, if not more per annum. We have dismally failed at reaching that". Participant 5

"I mean, look at the content contestation we had around a 2% VAT increase. Some of the tax increases that would be required to fund NHI will make that look like a walk in the park. We're talking double digits, corporate income tax, personal income tax, payroll tax". Participant 5

"The true cost of healthcare provision is increasing against an increasing population, against the health utilizations. And there's no money to fund that. The economy is not growing". Participant 13

The participants also remarked on the investment implication on the healthcare companies and the sector in general

"If I own a business, I want to know, is that business going to survive? Is it going to be sustainable for my business to be there? Is NHI going to do that?" Participant 4

"Certainly, the medical scheme industry would be significantly downsized as in any other country where a functional team, which the NHI is in this case, works". Participant 8

"Number one, the investment for the multinational companies. If there's no place for them within NHI". Participant 6

“Yeah, exactly, exactly. So, there's that need. So the risk for me is the shrinkage of the market because there might not be value derived by the multinationals from investing in the country. So along with the shrinking of the market, then you will most likely have less investments in the country, which then means more job losses, right?” Participant 6

“Absolutely, I don't think any company does well in legislative and regulatory uncertainty, which is what healthcare finds itself in. And understandably, investors want certainty, investors want to know if I put my one rand in, not only are you going to grow it, but I'm going to be able to at least get my one rand back”. Participant 5

“So obviously what happens is when the act is signed, similar to when the Bill was released, a couple of companies' share prices will absolutely take a knock. Because you're talking about investor sentiment”. Participant 9

“And that's actually one of our expert reports, one of two expert reports that HASA submitted. One was a deep economic evaluation of the consequences that the NHI might have on the private sector and healthcare investor sentiment”. Participant 5

“The value of putting all of this is simple, in my opinion, is to create an enabling environment for today and within the NHI in the future. It's to create, and right now, we have a lot of challenges that don't necessarily enable us, that our industry sustainability selfishly, yes, it's a selfish goal, but it is an important goal. Selfishly, our industry sustainability is in trouble, right? We see more and more companies leave and so forth”. Participant 7

“Hospitals, that's another one. Hospitals are JSC listed companies with fiduciary responsibilities to drive shareholder value”. Participant 9

5.4.1.11 Analysis – Economic and Investment Implications

Participants expressed concern about the economic viability of the NHI. Participants underscored the absence of a credible costing model for NHI. Although earlier White Papers assumed a sustained GDP growth of 2.5–3% per annum, participants noted that over the last decade, South Africa has failed to meet these projections. The slow

economic growth brings into question the economic feasibility of the NHI. Participants also raised concerns about the scale of tax increases required to fund a comprehensive NHI package. They highlighted that public reactions to relatively small adjustments, for example, a 2% VAT increase, demonstrated the political and socio-economic sensitivity of further tax hike. This implies that NHI financing is likely to be constrained by macroeconomics, political feasibility, public acceptance, and the downstream effects on household consumption and business competitiveness. Beyond fiscal mechanics, participants described a critical structural problem: healthcare delivery costs are accelerating, but the public revenue pool is shrinking. This creates a widening resource–needs gap, intensifying fears that NHI, without adequate financing reforms, may lead to under-provisioning or unstable service delivery. Participants expressed anxieties about the investment implications they NHI had on the private healthcare ecosystem. A decline in utilisation, reimbursement rates, or profitability under NHI could undermine capital investment in hospital infrastructure and technology. Participants voiced concern that the sustainability of the healthcare industry is already fragile, and NHI may intensify existing weaknesses.

5.4.1.12 Conclusion – Economic and Investment Implications

In the interviews the participants highlighted a fundamental challenge with the NHI, which is funding the reform to ensure it achieves its objectives. The economic conditions required to implement the NHI are currently absent. The overarching conclusions that emerge are related to fiscal misalignment since the state has not achieved the economic growth required to fund the NHI, nor has it developed the appropriate costing models. Second is the risk of undermining investor confidence and the deterrence of future investments in healthcare firms, and the third is the risk to the sustainability of the health system. Overall, participants portray an environment in which policy ambition is overshadowed by economic fragility, and where investment uncertainty jeopardises the stability of the health sector.

5.4.1.13 Discussion of key findings – Perceptions of government competencies

Uncertainty shapes the perception of state effectiveness. Inconsistency and fragmented communication and previous governance lapses bring into question institutional capacity and erodes stakeholder trust. Most participants were concerned about governments lack of adequate resources and capabilities required to ensure a successful roll-out of NHI.

"I mean, the main, one of the big issues about NHI is that the present provincial health systems are huge corruption and inefficiency and political appointments".

Participants 11

"So, there's no, for me, at least, I don't see the governance of NHI, how that would work, to ensure that the funds are utilised effectively, and this will then benefit the end user in the true spirit of what NHI intends to do". Participant 6

"The first is that there's a deep trust deficit between the public and the private sector, at least in healthcare". Participant 5

"And you, one would say, well, if that's first, if you can't get public health right, how are you going to get a huge NHI right, which has got massive, massive funding?" Participant 11

"So already, and within the Ministry of Health, they have appointed specific leaders to actually be managing, pulling together this entire NHI and bringing it to life". Participant 6

"Our social issue, our political issue, was you've got a government who previously had a lot of power, losing power. They've made a heck of a lot of promises on other things that they haven't brought to bear, and then suddenly health becomes, and health is politics, health is not just health, health is politics". Participant 1

"Because for me, I mean, when you now come with NHI, you need the banks involved, right? You need the systems in terms of what they do". Participant 4

"Do we have the right skill sets and capabilities in the country to roll out something as big as this?" Participant 2

"And then he was asking for me, which I thought were legitimate questions, if you come and say, are we going to be delivering so many doctors at a certain time? Then he's coming and saying, this is how much we can deliver, based on these resources that we have. 'How are you then to get so many?' You understand? And then you say, 'Oh, no, we're going to get from Cuba' and stuff like that,

whatever. But then the question is, why are you not doing in your own country, why don't you do other things?" Participant 4

5.4.1.14 Analysis – Perceptions of government competencies

Most participants questioned government's capacity to implement the NHI, linking uncertainty to persistent governance weaknesses. Many highlighted corruption, inefficiency, and politicised appointments in healthcare facilities, with Participant 11 noting "huge corruption and inefficiency and political appointments." These factors undermine confidence in whether NHI funds can be managed responsibly, as Participant 6 stated: "I don't see the governance... to ensure that the funds are utilised effectively." Participant 5 remarks of a "deep trust deficit between the public and the private sector," which restricts cooperation and reinforcing doubts about the state's effectiveness and sincerity about the private sector actions. Participants also raised concerns about the technical limitations of government, as Participant 2 enquired "Do we have the right skill sets and capabilities... to roll out something as big as this?". Stakeholders questioned the practicality of workforce planning, financial systems, and infrastructure requirements, with Participant 4 emphasising the need for banks, proper systems, and realistic human resource strategies. Political instability and unmet government promises were viewed as compounding factors. As Participant 1 remarked, "health is politics," suggesting that declining political legitimacy spills over into health. Although some noted new leadership appointments to support the implementation of NHI (Participant 6), this did little to shift perceptions that if government cannot stabilise the current public system, "how are you going to get a huge NHI right?" (Participant 11).

5.4.1.15 Conclusion – Perceptions of government competencies

Overall, perceptions of government competencies constitute a barrier to stakeholder confidence in the NHI. Participants linked policy uncertainty to concerns about corruption, inefficiency, skills shortages, weak governance systems, and political instability. Together these factors erode trust and reinforce doubts about the state's ability to implement a complex national insurance fund. While isolated efforts within the Ministry of Health were acknowledged, they did not elevate concerns about systemic institutional weaknesses. For many stakeholders, the perceived gap between the state's current capabilities and the demands of NHI implementation fuels scepticism about feasibility, heightens policy risk, and shapes cautious or defensive responses from healthcare firms and other actors.

5.4.2 Theme conclusion – Regulatory uncertainty

Regulatory uncertainty emerged as a common driver that shapes how healthcare firms in South Africa engaged with the external environment as it relates to NHI. Uncertainty was a feature that influenced interpretation of the prevailing environment, policy text, strategic planning, and the nature of CPA. Participants described different and layered forms of uncertainty, including ambiguity in policy wording, changes in the political priorities, inconsistent implementation timeline, and fragmented messages from government institutions. Each of these layers create an environment of ongoing unpredictability and uncertainty for the ecosystem. Messaging from different institutions, like the national treasury, further complicated engagement by creating confusion and increasing levels of uncertainty in relation to the implementation of NHI. Inadequate communication and differences in the interpretations of the level of stakeholder engagements increased uncertainty and left healthcare firms without knowledge of implementation timelines and how the implementation could potentially impact a healthcare firm. Participants also noted economic and strategic implications for firms, such as the impacts on company valuations, investor uncertainty, delayed investments, and the adoption of more risk averse strategies.

5.4.3 Theme two – CPA approaches

The participants described a wide range of strategies and tactics used during the NHI development process. These were often blended with formal and informal lobbying. Although advocacy remained central to the strategies, there was an increasing importance on participation in coalitions as well as the submission of evidenced-based inputs. While traditional advocacy remained central to policy shaping, respondents highlighted growing importance of collective action through coalitions as well as the importance of evidence-based submissions. One participant noted, “You can’t just lobby anymore, you need data, partnerships, and credibility.” Other tactics used were public relations and media engagements and to a lesser extent social mobilization. Although these do not appear to be corporate-led approaches and were likely initiated by government agents to support the NHI. These findings suggest that CPA effectiveness increasingly relies on hybrid influence strategies that merge technical legitimacy with relational access, enabling firms to contribute substantively to regulatory design rather than merely opposing policy change.

Theme two: CPA approaches					
Sub-themes	Lobbying	Coalition building and industry associations	Evidence generation and issue framing	Legal action	Informal relationship with policy
Codes categories	• Aggressive engagements in policy development	◦ Influence of multilateral organisations	◦ Barriers to effective strategies	• Legal challenges to healthcare policies	◦ Influence of - and access to targets of CPA
	• Changes in CPA tactics	◦ Power dynamics amongst private sector players	◦ Broader perspective on policy	• Media influence	◦ Influence of corporate leaders in policy processes
	• Corporate participation in policy development	◦ Influence of - and access to targets of CPA	◦ Building blocks of healthcare system	• Political party influence on policy development and implementation	◦ Influence of government agendas
	• Deciding on the appropriate tactics to use	◦ Influence of corporate leaders in policy processes	◦ Influence of national elections	• Legal challenges to healthcare policies	◦ Influence of industry players in policy
	• Direct engagements with Presidency	◦ Influence of government agendas	◦ Market dynamics in healthcare	• Amendments to sections of the policy	◦ Influence of - and access to targets of CPA
	• Effectiveness of negotiations, lobbying, media efforts in policy	◦ Influence of industry players in policy	◦ Political ideology	• ◦Conflicting messages on the implementation of NHI	

Figure 5: An illustration of the main theoretical theme, CPA approaches, and each of the sub-themes with the codes linked to each category

Source: Author's own

5.4.3.1 Discussion of key findings – Lobbying and positions papers

Some participants described how stakeholders of healthcare firms would directly lobby for their preferred position and outcome of the NHI policy.

“ You know, the strategies go far and wide, but I mean, the key focus areas around strategy, which has been implemented already, is really around the space of lobbying, right, which is engaging the policy makers, you know, currently - whether it's through meetings, submissions, you know, participating in parliamentary hearings, you know, about the work being done in the portfolio committees, etc. And then looking at public relations and media campaigns, right, getting information out into the lay public, because the lay public doesn't quite understand all of what's happening” Participant 2

The forms of lobbying described by the participants have been categorised below, as either direct lobbying, indirect lobbying and positions papers or statements.

i. Direct lobbying

Participant 11 and Participant 10 describe how healthcare firms would lobby and whom the lobbying activity would target.

“So, they will also engage directly with the presidency. I mean, they've been trying to do this with the NHI for a long time”. Participant 11

“So, corporates have also attempted to sit down with different members of government, whether in the political party as well, you know, the governing party, to try and, you know, get their insights, provide inputs”. Participant 10

Participant 5 and Participant 10 describe where the lobby efforts by HASA and SAMA would be concentrated to advocate for a desired position.

“HASA presented to the Parliamentary Portfolio Committee on Health a number of years ago now, when they were doing public hearings, as did a lot of other entities, both associations and individual organizations”.

“In SAMA, we've had physical meetings with the NHI team. And many of them have covered the regulations more than the Bill itself”. Participant 10

Participant 1 suggests that the size of an organisation significantly influences the decisions policymakers make when determining whether to grant access

“Yes, the size of your organization matters, because obviously, if you've got a backing of an organization that's got a weight in terms of market share, that lends itself a different voice when you're speaking to the Department of Health, versus if you're a smaller company, but happen to know people, but you don't necessarily have a track record; you might still have credibility, but it differs, and it depends on what you're trying to get across”. Participant 1

Participant 12 was the only participant who suggested that direct lobbying can only be undertaken at the political party headquarters, while other participants noted having engaged involved in strategies that included political parties, but preferred to deploy such

engagements indirectly. This could be seen as strange as most participants acknowledged that the origins of NHI were the government party

“So corporate lobbying, it's not done at the individual level in this country. It's done at the party headquarters”. Participant 12

I think the party, the people, no, I think, I'm saying, I think the party would be a bad idea, because, that's my perspective, because all the problems that we have with that party is mainly because it's the model of the party, is mainly at a grassroots level kind of thing, at a branch level”. Participant 4

“So NHI. Now, of course, in a political party, you will have a policy group, you will interact with your colleagues, you'll come up with a common position”.
Participant 11

Participant 9 expressed disappointment in the manner that healthcare firms lobbied for their positions. She views their efforts as passive and monotonous most of the time. The sentiment of passivity is supported by Participant 2 and Participant 1

“Honestly, from what I've seen in the health space, they will rather, they will die on engagement”. Participant 9

“The way to engage government is not to try and be aggressive in the approach but, I would say, a more passive-aggressive approach to kind of showing the support on one hand but raising the flags that are important to the preservation of the private sector”. Participant 2

“Whereas now I think there's a lot more engagement. One, yes, the private sector in terms of the CMS, but also with other societies, other organizations who are also involved in health policy”. Participant 1

ii. Indirect lobbying

According to Participant 1 healthcare firms engaged in indirect lobbying of government. This is supported by Participant 2 who noted a preference to indirect lobbying as this provided an layer of safety.

"The other route I suppose you could also go is to sort of - and again this is all related to how do you get information and your perspective and engagement - do we go through other departments of health, within the same organization. So I'm not talking now directly to the policymaker, I'm talking to a parallel departments".

Participant 2

Participant 11 remarks that most healthcare firms would not publicly criticize but rather advocate and share their positions behind closed doors.

"And they, look, there was a reluctance to publicly criticize the government of the day, you can understand that. And they thought they could influence it and maybe even benefit from it that, you know, [Entity], for instance, you know, maybe they could be the administrators of this, perhaps, or they could foresee an expanded role for themselves in this. I mean, this is an observation by some people"

Participant 11

iii. Position papers

Where firms coalesced under the banner of an industry or trade association, the preferred mode of lobby was through a position statement which would be draft on behalf of members. Participant 2 remarks on why this was important.

"So, from a trade association perspective, we're not happy with the Bill, right? We challenged it, we had a position, you know, statement from IPASA itself, but whilst we had a position statement, there were position statements coming out from other private sector entities, and BUSA was one of them". Participant 2

"So, we met with quite a number of companies, a number of firms, including [Entity], including SAMA, South African Medical Association. Quite a number of service providers". Participant 13

"And when the president has his interactions with corporate leaders, well, they'll be there. They'll be at NEDLAC. That's where a lot of this is supposed to be processed". Participant 11

"Oh, no, so corporate, I know, I'm very much aware, they've made submissions. Whenever there's been calls for comments, submissions have been made."

Meetings have been held. The Presidential Health Compact itself has tried to bring them together". Participant 10

So, I think the individual corporate power, I would say has not worked. But the collective through the legal routes is, and it's yet to be seen if it's going to halt anything. If you listen to [Stakeholder], it won't". Participant 1

5.4.3.2 Analysis – Lobbying and position papers

Interview data shows that lobbying was a key CPA tactic used by healthcare firms in influence the NHI. Participant 2 highlighted that strategies “go far and wide,” including meetings with policymakers, written submissions, parliamentary hearings, and public-facing campaigns to “get information out into the lay public.” Direct lobbying targeted senior government actors, “they... engage directly with the presidency” (Participant 11), and get in involved meetings with the ruling party and parliamentary structures. Industry bodies such as HASA and SAMA used hearings and technical meetings to advocate for amendments. The access to policymakers was uneven, with Participant 1 noting that “the size of your organisation matters,” as larger firms can more easily secure attention. There were mixed views about lobbying direct at the political party headquarters, while Participant 12 argued “it’s done at the party headquarters,” others viewed this as strategically unwise. Several participants also described the healthcare firms’ lobbying style as overly passive; Participant 9 observed that stakeholders “will die on engagement,” while Participant 2 described a “passive-aggressive” posture. Some participants noted that indirect lobbying provided a buffer from political risk. Firms sometimes engaged “parallel departments” (Participant 2) or advocated behind closed doors to avoid publicly criticising government, reflective of what Participant 11 described as a widespread “reluctance to publicly criticize the government of the day.” Position papers were widely used through industry associations. IPASA, BUSA and others coordinated collective statements, which, according to Participant 2, allowed the private sector to present a unified position. These documents were submitted through NEDLAC, the Presidential Health Compact, and formal consultation processes.

5.4.3.3 Conclusion – Lobbying and position papers

Overall, the findings reveal that lobbying is a central pillar of healthcare firms’ CPA during the NHI policy process. Firms strategically deployed a hybrid approach of direct engagement, indirect influence, and collective positioning to shape policy debates. This

blended approach is reflective of the complexity of policy shaping and awareness of political sensitivities. While the sector engaged substantively with policymakers, the dominant style of lobbying was often described as passive, risk-averse, and on two instances, overly cautious, potentially weakening its influence. Nonetheless, industry associations and coordinated position papers offered a more credible and legitimate mechanism for advocacy, particularly when individual firms lacked leverage. These patterns underscore the adaptive nature of CPA and highlight how organisational size, political access, and reputational considerations shape the lobbying landscape.

5.4.3.4 Discussion of key findings – Coalition building and industry associations

i. Advocacy through coalitions and industry/trade associations

Participants 1, 2, and 6 shared their experiences on using coalitions and industry bodies to advance their objectives and why this is an effective tactic in shaping the external environment.

“So, I’ll say through a body such as the IPASA, bodies such as the different chambers, depending on whether the multinational is a French one or an American organization and so on, through those bodies, engagements on what this means for the business, as well as Business Unity, South Africa”. Participant 6

“Then there’s a lot of coalition building, right, where, you know, there’s formation of alliances, you know, cross-professional organizations, lots of think tanks, advocacy groups that amplify the voice and legitimacy of universal health care. And that’s what you’re seeing in the pharmaceutical space with Business Unity South Africa, and the other representative groups, you know, PTG, etc., right?” Participant 2

“Yes, IPASA has been involved in quite a number of engagements and I think the latest that I attended was actually one where they even met with the guys from the EU Chamber of Commerce. You know, now bringing even the discussion into a global stage or a health diplomacy stage, as we put it” Participant 10

“Yeah, I mean, look, the representative bodies that I referred to is the IPASA, which is the Trade Association for Innovative Pharma Companies. Then you’ve

got the PTG, which is representing, you know, the other broader sectors of the pharmaceutical industry, including the generics, alternative medicines, biologics, and, you know, a whole lot of other sectors within the pharma space". Participant 2

"And there were thought processes that commenting on the Bill from a single organization perspective may not be the ideal option, but you should have a more broader presentation on the Bill". Participant 2

The importance of collaboration emerged from the interviews. Participant 11 mentioned that there are other interest parties in shaping policy outcomes, and if efforts are combined, more can be achieved.

"But you'd interact with doctors' associations, nurses' associations, the corporate players, you know, the big medical groups, medical aid groups, the big hospital groups, and with policy professionals. You know, the full spectrum of people to get an idea of you know, what is the problem with NHI and what is an alternative to DHI that's a sensible one". Participant #11

"So, all the corporate activity has, at least the companies and interest groups and doctors' groups, and even so called progressive medical circles that would normally be, you know, quite left wing and in favour of national health, they also have been protesting against it". Participant #11

"So, if, for argument's sake, the DA is a political party that is not, at this point in time, fully supportive of the Bill or the Act at whichever point, then they could become an ally to industry, right, in terms of the thinking around universal health care and the implications". Participant #2

"But, but they, in order for government to move, the companies had to work with scientific leaders behind the scenes so that they would write to the media and get the whistle". Participant #9

"So, they're far more credible voice than a single pharmaceutical company trying to raise these issues". Participant #2

“And there were thought processes that commenting on the Bill from a single organization perspective may not be the ideal option, but you should have a more broader presentation on the Bill”. Participant #2

“They fund think tanks, and there's various think tanks. You've got Free Market Foundation, you've got the Institute of Race Relations, you've got a range of think tanks”. Participant 11

Additionally, most participant noted that healthcare firms through their representative bodies utilised platforms and associations, that did not necessarily have a focus on healthcare specific matters, however they were strong allies due to the influence they held and their access to decision makers.

“So, you may recall that even from a trade association perspective, the trade association agreed to kind of put their weight behind BUSA, which is Business Unity South Africa, and said, okay, BUSA is taking a stand on this, then let's throw it behind BUSA, because as what BUSA represents, we fall into that category”. Participant #2

“BUSA is by far the most powerful industry association in South Africa, because they've got a seat at NEDLAC” Participant #11

“Corporates have also been present in conferences outside the, you know, they've invited individuals to meetings. They've provided inputs even at NEDLAC. So, there's a lot that has been going on from corporates”. Participant #10

“You know, BUSA was being supported through some of the political organizations as well that were in essence, opposed to the principle of NHI”. Participant #2

ii. Participation in technical working or advisory groups

“So, when the NHI bill was released in 2019, BUSA actually,...,through the health working group of BUSA, they created a (0.40.53), that with the NDOH,, through NEDLAC”. Participant 9

“So I think there's been quite a few forums on discussion of NHI. And there's also a few task teams that the government has put together to try and consult with corporate”. Participant 6

“So how I went about it was basically to use the trade channel, which is basically the embassy, right? So, I approached the Danish, or the Denmark Minister of Foreign Affairs, and we met in Pretoria to discuss how the embassy can,... remember the Danish embassy in South Africa, part of what they do is to advance the interests of the Danish organizations in the country”. Participant 3

5.4.3.5 Analysis – Coalition building and industry associations

The interviews show that coalition building and engagements through industry associations are foundational strategies used by healthcare firms to influence the policy process. Participants described how collective representation through bodies such as IPASA, PTG, and BUSA enhances legitimacy, credibility, and access to policymakers. As Participant 6 noted, firms engage “through a body such as IPASA... and Business Unity South Africa,” while Participant 2 highlighted the rise of “alliances, cross-professional organizations, [and] think tanks” to raise industry concerns. A key theme is credibility: participants stressed that joint submissions are “far more [a] credible voice than a single pharmaceutical company” (Participant 2), with many concluding that responding to the bill individually was “not the ideal option.” Coalitions also extend beyond health-specific bodies to include medical associations, hospital groups, medical schemes, and even political parties. Participant 11 emphasised that firms engage with “the full spectrum of people” to develop coherent alternatives to NHI, while Participant 2 observed that parties like the DA could serve as strategic allies. Industry groups also use diplomatic channels, such as working with scientific leaders to shape media narratives (Participant 9), funding think tanks (Participant 11), and leveraging foreign chambers of commerce or embassies to advance firm interests (Participant 3). BUSA was described as particularly influential due to its seat at NEDLAC (Participant 11), making it a strategic platform for coordinated policy engagement. Participation in technical task teams and advisory groups further institutionalised firms’ involvement in the policy process

5.4.3.6 Conclusion – Coalition building and industry associations

Coalition building and industry association participation are seen as a critical mechanisms to deploy CPA. Firms recognised that fragmented engagement was both

strategically ineffective and carries the potential for reputational risk. Collective representation through bodies such as IPASA, PTG, and BUSA strengthened legitimacy and provided structured entry points into policy processes. Cross-sectoral alliances, spanning medical associations, think tanks, foreign chambers, scientific leaders, and even political parties, further enabled the pooling of resources, expertise, and influence. Participation in technical working groups and NEDLAC forums provided institutionalised spaces for evidence-based engagement, while diplomatic channels expanded the scope of advocacy beyond domestic policy networks. Together, these findings demonstrate that coalition-based strategies are viewed as more effective and credible as opposed to isolated lobbying efforts. These alliances allow healthcare firms to shape the policy discourse on NHI more coherently, mitigate perceptions of self-interest, and leverage the institutional power of broad representative bodies. This confirms coalition building as a core CPA tactic through which firms seek to navigate uncertainty, influence policy formulation, and safeguard strategic interests within South Africa's evolving health reform environment.

5.4.3.7 Discussion of key findings – Evidence generation and issue framing

i. Evidence generation and issue framing

A frequently mentioned tactic that most participant referred to as important to influencing and shaping the NHI was collaboration to develop dossiers of evidence on best practices from various sectors as well as countries that had implemented NHI.

“And then the last bit is research and funding, right, where we're looking at studies or case studies or whatever to highlight the potential risks or unintended consequences of NHI, right, which would start to advocate for alternate models, which is different from what is articulated in the Bill and the Act”. Participant 2

“But instead of casting the net wide, let's go and look at a few pilot centres, do what needs to be done, deliver a proof of concept, take it to government and then say, can we bring this to scale now that we've shown you how this can work”. Participant 2

“So if we go post the signature, the signing of the bill and it's becoming enacted in May 2024 - a host of alternatives have even been released, including from HASA. BUSA had tabled one behind closed doors and that's not been made public. The SA Institute of Race Relations has tabled one, Solidarity's tabled one,

UHAC, the Universal Health Care Access Coalition has tabled one, the Health Care Funders Association has tabled one". Participant 5

"Yeah, I think also, there has been engagements with government showing the data that actually reflects the issue of not having sufficient funds to fund a particular mechanism, right? And also, to showcase that they still have a place within the expansion of access". Participant 6

In addition to developing evidence of best practice, Participant 10 and Participant 5 shares how issues framing is important. By framing a specific issue, you focus the discussion or engagement on few, but impactful initiatives, that help to attain the goal by following a different approach. Issue framing focus on mutual benefit, rather than a winner takes all.

"Then you look at the medical schemes as well. The medical schemes will, I mean, I'm involved in something with BHF at the moment where they're trying to organise some sort of funding for rare diseases, like a real investment model for rare diseases". Participant 10

"And then using rational tactics. And why I say rational tactics is that evidence-based kind of things. If you are being rational and you're using evidence-based stats, and you're also looking at things that are more practical and stuff like that, I find that sometimes in your governments or policymakers or whatever will then listen. So, I think with NHI, that's what has been happening as well". Participant 4

I think they brought, they brought data to the table every time. And I think the department started to believe that it needs to do that in order to counter anything. "And I mean, what is insightful is our last engagement with the department". Participant 8

"Everyone, and by everyone, I mean, everyone who's tabled an alternative to the NHI or anyone who's actively litigating against the NHI supports the principles of universal health coverage. It is the NHI as the chosen path to achieve those principles that receives objection". Participant 5

More than half of the participant recognises and acknowledge to have used media and journalist to influence and shape the narrative of specific topics of the NHI. This tactic is seen as multiplier since “independent” journalists are tell the story and at the same time you have the opportunity of reaching more people with your message.

And that's a distinct decision a corporate actually makes; it's not haphazard, it doesn't just happen that you see CEO of organization X making comments around NHI”. Participant 1

And who better than a journalist to do that? So, I wanted a journalist there, because journalists are going to help me also get the attention of the policy makers”. Participant 3

“Yeah, so I tend to use media quite a bit on, not from a, me pushing my own narrative or my own agenda, but it is also about the misinformation that exists in our world, right?” Participant 3

But, but they, in order for government to move, the companies had to work with scientific leaders behind the scenes so that they would write to the media and get the whistle”. Participant 9

“And BUSA had to write to the ministers, Minister of Finance, the President and the Minister of Health. In addition to the scientific leaders and then making noise in the media”. Participant 9

Participant 9 points out that media is not activated on other topics, such as the pain point faced by pharmaceutical manufacturers on a restricted pricing environment.

“And they were like, well, we don't want to, we can't go to a media to talk pricing. I was like, who said? There's a way in which you talk pricing”. Participant 9

5.4.3.8 Analysis – Evidence generation and issue framing

Evidence generation emerged as a useful tool and tactic to use in shaping the outcome of the NHI and public policy in general. Industry stakeholders collaborated to produce

case studies, dossiers of containing country best practices, and comparative impact analyses model operational risks, funding constraints and the unintended consequences of the current NHI model proposed by government. The evidence packages also provided technically grounded alternatives, as reflected in Participant 2's description of research aimed at advocating "alternate models". A complementary approach involved piloting small-scale proof-of-concept projects to demonstrate feasible reforms and influence policy direction (Participant 2). Multiple participants also noted that various bodies, such as HASA, BUSA, Solidarity, UHAC, and the Health Care Funders Association, had proposed alternatives to the NHI models, demonstrates the vast nature informational CPA deployed. Fiscal analyses were used to highlight affordability concerns and propose more sustainable configurations (Participant 6). Issue framing further strengthened these efforts by redirecting discussions toward mutual benefit and practical problem-solving. Examples such as rare-disease funding models and "rational, evidence-based tactics" (Participant 4) showed how stakeholders used targeted issue framing to gain access to policymakers. Media engagement was widely used to broaden reach and shape public narratives. Participants emphasised that media activation is a deliberate corporate choice, not a passive occurrence (Participant 1). Journalists were viewed as credible intermediaries able to attract civil society attention, policymaker attention and to counter misinformation (Participant 3). Coordination with scientific leaders was also described as an effective tactic for influencing discourse, with experts writing opinion pieces to generate pressure for policy reconsideration (Participant 9). However, media was used selectively, with some issues, such as pricing, seen as too sensitive despite opportunities for constructive framing (Participant 9).

5.4.3.9 Conclusion – Evidence generation and issue framing

Evidence generation, issue framing, and media mobilisation function as interconnected informational CPA tactics that allow stakeholders to shape policy debates while maintaining legitimacy. Evidence dossiers and pilots positioned firms as constructive contributors, issue framing directed attention to shared interests, and media amplified these efforts to influence both public opinion and political responsiveness. Together, these strategies demonstrate how actors use data, narrative, and visibility to contest aspects of NHI design while supporting the broader goal of universal health coverage.

5.4.3.10 Discussion of key findings – Legal action

Participants also remarked that there had been several legal challenges by different groupings to either scrap the NHI entirely or some provisions. The participants added that the legal approach was a last resort and gave the impression that this route is one that would rather be avoided.

“So, for us, litigation, of course, us being, I think, pretty much any party who's taken on the NHI Act, litigation was an absolute last resort and an attempt to be heard”. Participant 5

“And despite best evidence, research, and attempts at conversation attempts at, at being vocal about it, it ultimately comes down to lawfare to decide to compel the government to honour the constitutional obligation”. Participant 5

“I mean, we're counting on, I think it's eight court cases against NHI. To my knowledge, I don't know if pharma has had been involved in any of those, right?” Participant 8

“Or it could be, do you go the legal route yourself (laughs), but that is a lot more public, but that's also a decision, right, to say we could go that route”. Participant 1

Participant 11 also commented that even political parties are opposed to the NHI have opted for the legal route.

“the DA in the Western Cape is taking it to court on a procedural matter that it wasn't properly consulted”. Participant 11

Participant #9 expresses frustration that they industry has been forced to go this route because years of engagement have not yielded any success. Participant #5 see this as an opportunity to have meaningful discussions on policy implementation that could be beneficial for government and healthcare firms

“That they run, that now they've been forced to, they engage for years, engage for years. You know, the white paper, the green paper, the green paper, trying to meet with the minister, doing this, doing that, doing that. And now that nothing has worked and it's an Act, now we're in court”. Participant 9

“It’s an attempt to start a conversation because it’s the last opportunity or the last avenue left to kind of seek to table these very practical considerations that we fear have been overlooked”. Participant 5

5.4.3.11 Analysis – Legal action

Litigation emerged as a last-resort form of CPA, invoked only when conventional engagement channels were perceived to have failed. Participants emphasised that legal action was *“an absolute last resort and an attempt to be heard”* (Participant 5), undertaken after years of submissions, consultations, and evidence-sharing yielded limited policy responsiveness. As one participant reflected, firms had *“engage[d] for years... trying to meet with the minister... and now that nothing has worked and it’s an Act, now we’re in court”* (Participant 9).

Participants stated that escalating to litigation signalled frustration with a policy process. For some participants, legal action was necessary to *“compel the government to honour the constitutional obligation”* when evidence and dialogue no longer influenced decision-making (Participant 5). Participants also noted the breadth of actors resorting to lawfare, including political parties such as the DA, which *“is taking it to court on a procedural matter that it wasn’t properly consulted”* (Participant 11). This reinforced the perception that procedural deficiencies, not only sectoral interests, were driving litigation. Despite recognising its public and adversarial nature, participants viewed litigation as a strategic mechanism to re-open deliberation by surfacing overlooked technical concerns. One Participant described it as *“the last avenue left to... table these very practical considerations”* Participant 5. While some participants observed multiple court cases, *“I think it’s eight court cases against NHI”* (Participant 8), they also noted that pharma firms themselves had exercised caution, weighing reputational and relational risks.

The researcher noticed a distinct pattern emerging from the interviews. The Participant responses showed a sectoral divergence in the use of litigation as a CPA tool. While litigation surfaced as a key tactic among private hospital groups, medical insurance firms, and certain professional associations, pharmaceutical firms demonstrated a more cautious and avoidant posture. Participants described hospitals and funders as the most proactive users of litigation, particularly in response to clauses of the NHI that threatened their business continuity or professional mandates. Participant 5 highlighted the extent of hospital sectors legal mobilisation, noting that *“HASA is actually one of the parties that raised section four in our legal papers”*, referencing challenges to clauses governing

asylum seekers' access to care. Participants further emphasised that hospitals and medical schemes had been among the earliest actors to "take it to court" following the passing of the NHI Act, signalling their readiness to escalate policy disputes into legal action when engagement channels proved insufficient. By contrast, pharmaceutical firms avoided litigation, despite expressing concerns about regulatory ambiguity and the potential misalignment between NHI provisions and industry sustainability. Interviewees consistently depicted pharmaceuticals as adopting a stance of "continuous engagement" rather than confrontation. Participant 7 observed that pharmaceuticals tended to "*absorb*" policy positions, even when unfavourable, and maintain dialogue rather than pursue legal remedies. Another participant, commenting on general industry motivations, stated: "*Corporates want a better dispensation for themselves*" (Participant 12), yet pharmaceuticals appeared acutely aware that adversarial legal action could reinforce negative perceptions of self-interest and heighten existing mistrust between government and the private sector.

This divergence indicates that litigation is not uniformly deployed across the healthcare ecosystem, but rather shaped by sector-specific exposure, risk profiles, and resource dependencies. Hospitals and medical schemes, facing direct structural transformation under NHI, perceive litigation as a necessary defensive strategy. Pharmaceutical companies, by contrast, rely heavily on government for pricing, registration, and formulary access, rendering litigation a high-risk and potentially counterproductive option. Overall, the findings show that litigation as a CPA tactic is sector-contingent, with pharmaceuticals adopting relational, engagement-focused approaches while hospitals and funders pursue more assertive legal strategies. This divergence reinforces the broader observation that CPA in South Africa's health sector is heterogeneous and mediated by organisational dependencies, legitimacy concerns, and the anticipated consequences of adversarial engagement.

5.4.3.12 Conclusion – Legal action

Litigation occupies a paradoxical position within the spectrum of CPA tactics: it is both least preferred and increasingly necessary. Participants did not view legal action as an optimal mechanism for influencing public policy but as an unavoidable response to prolonged exclusion from substantive consultation processes. The shift toward lawfare signals not merely contestation over policy content, but deeper concerns about legislative process, transparency, and the responsiveness of state institutions. The findings suggest that litigation functions less as a tool for policy obstruction and more as

an attempt to restore procedural accountability and re-open deliberative spaces within an otherwise closed policy environment. In this sense, litigation becomes a corrective CPA mechanism, enabling firms and other stakeholders to recalibrate the implementation pathway and encourage government to address practical, constitutional, and operational challenges embedded in the NHI rollout.

Litigation emerges in this study as a reactive and defensive CPA tactic, used only when prolonged engagement failed to influence the NHI policy process. However, a distinct pattern surfaced across the interviews. The Participants responses demonstrate that pharmaceutical firms were hesitant to pursue litigation when compared to other stakeholders such as hospital groups, medical insurance firms, professional associations and even political parties. While many actors initiated or supported pursuing the legal route, as demonstrated by the eight cases against government on the NHI, Participants emphasised that pharmaceutical companies generally avoided the legal route, viewing it as reputationally risky and misaligned with their preference for continuous engagement. This reluctance contrasts with the more assertive legal strategies of other sectors, who turned to courts to challenge procedural flaws or substantive provisions. Thus, litigation functions less as a sector-wide strategy and more as a tactic adopted unevenly across the healthcare ecosystem. For most actors, it represents a forced pathway prompted by procedural exclusion, *“the last avenue left”*, but for pharmaceutical firms, it also reflects a calculated choice to maintain legitimacy, preserve government relationships, and avoid being seen as obstructing universal health reform. This divergence underscores the varied CPA repertoires within the industry and highlights how organisational identity, risk tolerance, and legitimacy concerns shape litigation decisions under conditions of regulatory uncertainty.

5.4.3.13 Discussion of key findings – Informal relationship with policymakers

Only two participants remarked on the use of informal relationships as a tactics and an approach.

“Yeah, so I think that those who have backchannel connections to decision makers, those who are close to the President have sought informally to have conversations, have sought to just kind of inquire about, can we not just before you act, can we just discuss?” Participant 5

“And the other was a policy review or policy expert report that looked at the advancements toward universal health coverage globally. Some of the methods that they used, the difficulties that they faced and found that we would be the first to try to do it this way. And it doesn’t make sense in a country where we are struggling”. Participant 5

“I can give a few examples. Investec did have a small conference last year where they did bring in a number of stakeholders and key to those discussions was the NHI, you know, the policy formulation process and what the NHI in its current form really means for healthcare. And were able to, you know, provide at least feedback to the government officials that were present”. Participant 10

“Yeah, so I think the main one that we have seen really is reaching out directly to the president. Yes, so the president has listened to some of the leaders of corporate, the key word they’ve been hearing them, rather than changing anything”. Participant 10

“So, corporates have also attempted to sit down with different members of government, whether in the political party as well, you know, the governing party, to try and, you know, get their insights, provide inputs”. Participant 10

5.4.3.14 Analysis – Informal relationship with policymakers

Informal engagement with policymakers emerged as a minor but distinct CPA tactic among participants. Only a few firms were perceived to have the political proximity or social capital required to access back-channel discussions. These actors leveraged personal networks to initiate private conversations with senior decision-makers, particularly within the Presidency. As one participant noted, *“those who have backchannel connections... have sought informally to have conversations... can we just discuss before you act?”* Participant 5. Such approaches were framed as attempts to prompt reflection rather than direct lobbying.

Participants also highlighted informal platforms created by private sector conveners. For example, *“Investec did have a small conference... key to those discussions was the NHI... and [they] were able to provide feedback to the government officials that were present”* (Participant 10). These settings allowed corporates to communicate concerns and test ideas outside formal consultative processes. Similarly, firms engaged individual

members of the ruling party to “*get their insights, [and] provide inputs*” (Participant 10). Yet despite this access, influence remained limited. As one participant noted, “*the president has listened... they’ve been hearing them, rather than changing anything*” (Participant 10).

5.4.3.15 Conclusion – Informal relationship with policymakers

Overall, informal relationships constituted a marginal yet symbolic element of firms’ CPA approaches. These strategies provided access and opportunities for dialogue, especially for actors with established political ties or reputational standing. However, the interviews suggest that while such channels facilitated information-sharing and relational signalling, they yielded limited demonstrable influence on the NHI policy trajectory. In this sense, informal engagement appears to function more as a complementary, rather than decisive, mechanism within the broader constellation of CPA tactics deployed in response to the NHI.

5.4.4 Theme two conclusion – CPA approaches

The findings indicate that healthcare firms deployed an adaptive mix of CPA tactics to influence the NHI’s direction and implementation. Direct lobbying and written submissions formed the foundation of engagement, involving continuous interaction with policymakers through meetings, parliamentary processes, and public communication intended to clarify key aspect of the bill and to highlight the complex implications of the reform for both decision-makers and the public.

These activities were strengthened through coalition building and the use of industry associations, which allowed firms to speak with a unified and more credible voice. Participants described extensive collaboration across chambers, business associations, professional bodies, and cross-sector alliances, all designed to amplify the legitimacy of their positions and avoid fragmented messages. Evidence generation and issue framing played an equally important role. Stakeholders invested in developing technical analyses, case studies, and pilot demonstrations to illustrate practical risks, feasibility concerns, and alternative pathways for phased implementation. This approach aimed to shift policy debates from ideological commitments toward more operationally grounded considerations. When formal channels proved insufficient, some actors were willing to escalate to litigation, although this was consistently portrayed as a last resort. Litigation was used not to oppose universal health coverage, but to compel constitutional compliance and ensure that procedural and governance standards were upheld when

policy dialogue appeared ineffective. Lastly, informal relationships with policymakers provided ongoing access, enabling early awareness of policy developments, opportunities for clarification, and space for constructive problem-solving outside formal structures. Overall, CPA in the NHI context emerged as a hybrid strategy that integrates technical expertise, collective advocacy, relational engagement, and judicial mechanisms. This diversified approach reflects the complexity of the NHI reform process and the need for firms to deploy multiple, mutually reinforcing tactics to shape a policy environment marked by high uncertainty and political sensitivity.

5.4.5 Theme three – Strategic objectives for engaging in CPA

Figure xx an illustration of the main theoretical theme, sub-themes, and codes linked to each category

Theme three: Strategic objectives for engaging in CPA			
Sub-themes	Creating an enabling environment under NHI	Ensuring policy predictability and fairness	Shaping procurement and formulary design
Codes categories	Confrontational approach to environmental shaping	Consideration of consequences when selecting strategy	Costing and financial estimates
	Firm's size and resources for environmental shaping	Importance of following procedures	Inequity in access to medical aids
	Increasing recognition of environmental shaping by healthcare firms	Preservation of interests	New code: Medical aids administration costs/fees
	Power in environmental shaping	Prioritization of stakeholders	NHI benefits packages for patients
	Proactive environmental shaping	Strategies to mitigate policy effects	Recommendations to improve medical aids
	Role of innovation in healthcare		

Figure 6: An illustration of the main theoretical theme, strategic objectives for engaging in CPA, and each of the sub-themes with the codes linked to each category

Source: Author's own

5.4.5.1 Discussion of key findings – Creating an enabling environment under NHI

Most participants commented about the importance of healthcare reform since many people remained without access to healthcare. At the same time, there was an agreement across all participants that this could not be achieved without the involvement of the private sector. It was therefore important to also demonstrate and communicate the role for the private sector under NHI and its commitment to healthcare reforms.

“HASA has just had its conference on Monday and Tuesday, our annual conference. And I was fortunate enough to be on the conference program. And the intention was for me to discuss, if not NHI, then what, and focusing on some of the tabled alternatives”. Participant 5

“The value of putting all of this is simple, in my opinion, is to create an enabling environment for today and within the NHI in the future. It's to create, and right now, we have a lot of challenges that don't necessarily enable us, that our industry sustainability selfishly, yes, it's a selfish goal, but it is an important goal”. Participant 7

“So sometimes in order to get the outcome that you're looking for, you might need to be involved from that perspective as well, to say, how can we support government to upskill people who are in the supply chain space in order to ensure that there is better financial flow, right?” Participant 7

“And how do we make sure that we can contribute towards the advancement of universal healthcare without compromising the relevance of innovation, pharma companies like ourselves, the relevance of private medical insurance and maintaining the market shares that they have in healthcare”. Participant 2

“If we don't have a willing private sector to become part of a single healthcare, a unified healthcare system, what implications will that have?” Participant 2

“We're sitting with the government sector, we're sitting with the Ministry of Health and we're saying, okay, so what can we help you in terms of strengthening the healthcare system?” Participant 2

“And the reality, though, again, going back to kind of the evidence, the health market inquiry found that the private sector does not make super profits. We're not looking to protect profits or protect market share”. Participant 5

“And the other was a policy review or policy expert report that looked at the advancements toward universal health coverage globally. Some of the methods that they used, the difficulties that they faced and found that we would be the first to try to do it this way. And it doesn't make sense in a country where we are struggling” Participant 5

5.4.5.2 Analysis – Creating an enabling environment under NHI

Participants consistently emphasised that meaningful healthcare reform requires both public–private collaboration and a clear articulation of the private sector's role within NHI. While acknowledging the urgent need for universal health coverage, the participants stressed that reform *“could not be achieved without the involvement of the private sector.”* This was evident in policy dialogues such as the HASA conference, where one participant was invited to address *“if not NHI, then what,”* highlighting openness to alternative models and constructive engagement (Participant 5).

A recurring theme was the need to develop an *“enabling environment for today and within the NHI in the future,”* ensuring both system-wide improvement and *“industry sustainability,”* which participants framed as essential rather than self-serving . Participants also emphasised the sector's role in strengthening state capability. As one noted, firms may need to support government by upskilling personnel *“in the supply chain space... to ensure better financial flow”* .

Stakeholders positioned this cooperation as aligned with UHC goals, seeking to advance NHI *“without compromising the relevance of innovation”* or the functioning of private insurance markets . Several also rejected the perception that private firms act primarily to protect profits, citing evidence from the Health Market Inquiry that the sector *“does not make super profits”* . At the same time, participants pointed to global experience suggesting South Africa would be *“the first to try to do it this way,”* cautioning that the model must be feasible in a resource-constrained context.

5.4.5.3 Conclusion – Creating an enabling environment under NHI

Overall, the findings suggest that creating an enabling environment under NHI is perceived by private-sector actors as a shared responsibility grounded in partnership,

evidence-based reform, and system strengthening. While participants acknowledged the need to protect organisational sustainability and innovation capacity, these concerns were framed as complementary to, rather than in conflict with, universal health coverage objectives. The overarching narrative is one of conditional but proactive collaboration with a private sector that is both willing and able to support the NHI, provided that the policy framework recognises its role, addresses structural feasibility challenges, and is informed by evidence.

5.4.5.4 Discussion of key findings – Ensuring policy predictability and fairness

Participants emphasised that ensuring policy predictability and fairness was essential for navigating the uncertainties surrounding the NHI's design and implementation. Their accounts highlighted the need for structured engagement, transparent timelines, and mechanisms that foster clarity in an evolving and politically charged policy environment. The following quotations illustrate how industry actors interpret and respond to these dynamics as they assess both the risks and opportunities presented by the NHI transition.

"The Presidential Health Compact itself has tried to bring them together".

Participant 10

"I think that when you engage with government, you're looking for a compromised position, and they've put down compromising positions". Participant 11

"I think also maybe just a reminder that as you know this, that NHI is not a destination, right? NHI is very much a journey. So you're not going to wake up one day and we say, oh, effective the 1st of October, it's NHI. No, it's a small, it's a transition that's going to happen in small increments and we're going to be switching on the different aspects of it as we go". Participant 3

"And I think, I do believe that all industries can benefit from that because if you are solving for health, you are also solving productivity issues, you are solving poverty issues, you are solving multiple other issues within the system, right?"

Participant 6

“So, there is that high level engagement with the policymakers to ensure that there is clarity. And then there's also some level of provision of the timeline”.

Participant 6

“So that's where, again, then you come in to say, if, let's say, based on those kinds of things, if NHI was there, and if I've got these products and stuff like that, if my product is only going to be generics and clones and all these cheaper alternatives, what is my chance of sustainability? Number one.

Number two, for those kinds of products, those are mainly primary healthcare products, right? What kind of outcomes are they giving the patients? Because if the patients are not getting the best outcomes, and then you have to pay for all these other indirect costs, maybe I may have a biologic that I pay more upfront. Yeah”. Participant 4

“So, you'd make your policy impact. It's very, if I might make an observation, very majoritarian. If you're the majority party, you basically can just push it through. And I think that's actually what's happened with the NHI”. Participant 11

5.4.5.5 Analysis – Ensuring policy predictability and fairness

Participants emphasised that a predictable and procedurally fair policymaking process is essential for effective engagement. Multi-stakeholder forums such as the Presidential Health Compact were viewed as important attempts *“to bring them together”* (Participant 10), helping stabilise expectations and reduce ambiguity. Policy predictability was also described as inherently negotiated, with firms recognising that *“when you engage with government... you're looking for a compromised position”* Participant 11.

Several respondents highlighted the incremental nature of NHI implementation, noting that it is *“a journey”* unfolding over time rather than a single activation point (Participant 3). While this staged approach may prolong uncertainty, it also provides opportunities for industry to adapt as components of the system are gradually *“switched on.”*

Participants further linked predictability to clear communication, underlining the importance of *“high-level engagement... to ensure clarity”* and the provision of timelines Participant 6. Concerns nonetheless persisted about the fairness of the policy process, with some perceiving that a majoritarian political dynamic has allowed the NHI to be advanced unilaterally *“you basically can just push it through”* Participant 11. These perceptions were especially salient for firms assessing future sustainability and product viability under the evolving reimbursement framework Participant 4.

5.4.5.6 Conclusion – Ensuring policy predictability and fairness

Overall, the data indicate that policy predictability and fairness under the NHI hinge on three interrelated dynamics: (1) structured multi-stakeholder engagement to align expectations; (2) transparent communication about timelines and incremental roll-out; and (3) a policy-making process perceived as procedurally fair rather than majoritarian. While participants acknowledged the complexity of designing a universal system, they stressed that predictability, supported by compromise, clarity, and inclusive decision-making, remains essential for safeguarding industry sustainability and achieving broader health and socioeconomic objectives.

5.4.5.7 Discussion of key findings – Shaping procurement and formulary design

“What we need to do is now manage the regulations that manage price visibility, that manage value assessment frameworks and HTAs, and that manage procurement modalities that allow for innovative contracting”. Participant 9

“How will the procurement, etc, happen? HTA building blocks, how does that, you know what I mean? Pricing and so forth, SEP and Section 36, exemptions, and blah, blah, blah, blah, blah, very technical, and he completely resisted”. Participant 7

“This is what, from an industry perspective, please, could we engage with you, we want to connect, I have a meeting, and this is the agenda, these are some of our questions, and he completely resisted and said, ‘this feels very defensive, I mean, not defensive, this feels very confrontational, blah, blah, blah, blah.’ My honest, individual opinion is that because he doesn’t know the answers, they haven’t gotten to that point yet.”. Participant 7

“And the other was a policy review or policy expert report that looked at the advancements toward universal health coverage globally. Some of the methods that they used, the difficulties that they faced and found that we would be the first to try to do it this way. And it doesn’t make sense in a country where we are struggling”. Participant 5

“We have not been getting patient outcomes, particularly in the public sector, because of the kind of, or the lack of innovation that is there, right? So, if you

bring NHI, if I don't have Tagrisso in the NHI right now, in the public sector right now, where is it going to be?" Participant 4

"And also, the other thing is, because you don't have the systems in place, how do you know that you're saving? Because if you really then go and do a cost-consequence model, not a budget impact, not a cost-effectiveness model, because you can't really do that in that kind of, cost-consequences model that you're doing, it's almost like a cost-of-inaction model". Participant 4

5.4.5.8 Analysis – Shaping procurement and formulary design

Participants emphasised that procurement, pricing, and formulary design remain among the most technically uncertain components of NHI, creating both policy ambiguity and engagement challenges. Industry actors noted that effective implementation requires clear rules on “price visibility,” “value assessment frameworks and HTAs,” and “procurement modalities that allow for innovative contracting” (Participant 2). Yet efforts to engage government on these issues, covering “HTA building blocks... pricing... SEP and Section 36, exemptions”, were often met with resistance. One participant recalled that the official “completely resisted and said, ‘this feels very confrontational,’” which they interpreted as a sign that “he doesn’t know the answers... they haven’t gotten to that point yet” (Participant 7). Concerns were amplified by evidence that South Africa’s approach diverges from global UHC norms. A “policy review” showed that the country “would be the first to try to do it this way,” a risky path “in a country where we are struggling” institutionally (Participant 5). Participants also warned that weak formulary design already limits access to innovation: “if I don’t have Tagrisso in the NHI... where is it going to be?” (Participant 4). Without reliable data systems, procurement decisions cannot be assessed through cost-effectiveness analyses, leaving only a “cost-of-inaction model” (Participant 4).

5.4.5.9 Conclusion – Shaping procurement and formulary design

In summary, the findings suggest that procurement and formulary design represent a critical but underdeveloped pillar of the NHI reform process. While firms attempt to engage through technically informed CPA focused on pricing frameworks, HTA methodologies, and contracting modalities, these efforts are often met with resistance, driven not by political opposition but by knowledge gaps and institutional uncertainty within the state. Participants emphasised that South Africa’s proposed approach is

unprecedented globally and risks entrenching inefficiencies without strengthening innovation or patient outcomes. The absence of robust data and evaluative systems further complicates value-based purchasing, leaving policymakers unable to model the consequences of different procurement pathways. As a result, this domain of CPA underscores the broader challenge of aligning technical policy design with institutional capacity, and reaffirms that effective NHI implementation will depend on transparent, evidence-based engagement between government and industry on procurement, pricing, and formulary governance.

5.4.6 Theme three conclusion – Corporate strategic objectives driving CPA

Firms' strategic objectives for engaging in CPA reflect a clear intent to shape an emerging NHI system that is coherent, predictable, and operationally sustainable. A central priority is securing policy predictability and fairness, as organisations recognise that the NHI will evolve incrementally and therefore requires transparent decision-making, stable rules, and equitable treatment to support long-term planning. Firms also aim to create an enabling environment that aligns private-sector capabilities with national health reforms. This involves demonstrating constructive participation, supporting universal coverage goals, and ensuring that the institutional arrangements under NHI allow both sectors to function effectively. A further strategic focus is influencing procurement and formulary design, which firms view as critical for market functioning, access to innovation, and financial viability. Because these technical domains, such as pricing frameworks, value assessment systems, and HTA processes, will determine how products are selected and reimbursed, firms use CPA to advocate for mechanisms that are evidence-based, transparent, and conducive to innovation rather than narrowly cost-driven.

Taken together, these objectives show that firms' CPA is geared toward shaping a regulatory and operational landscape that balances policy priorities with practical system requirements, enabling both universal health coverage ambitions and organisational continuity within South Africa's evolving NHI architecture.

5.4.7 Theme four – Policy influence and Effectiveness

Theme four: Policy influence and effectiveness			
Sub-themes	Policy influence and Effectiveness	Changes to timelines, wording and implementation	Effectiveness indicators
Codes categories	• Barriers to effective strategies	• Amendments to sections of the policy	• Government's response to stakeholder inputs
	• Effectiveness of corporate participation	• Conflicting messages on the implementation of NHI	• Dialogue on policy elements
	• Impact of being resource dependent	• Government's avoidance public scrutiny of NHI policy	• Hostility towards business involvement in policy development
	• Impact of elections on health policy development	Legal challenges to healthcare policies	• Government's response to stakeholder inputs
	• Impact on investor sentiment	Amendments to sections of the policy	• Governments reluctance to engage with healthcare companies
	• Outcome of corporate political actions	Conflicting messages on the implementation of NHI	• Hostility towards business involvement in policy development

Figure 7: An illustration of the main theoretical theme, policy influence and effectiveness, and each of the sub-themes with the codes linked to each category

Source: Author's own

5.4.7.1 Discussion of key findings – Policy influence and effectiveness

But the other thing is that what we've seen with this NHI thing is that the most powerful are the hospitals and the funders". Participant 9

"It could be, but if you think about NHI, and you think about but where did the NHI concept come from, all the way back to ANC documentation, you can pick it up, special health insurance". Participant 1

"The minister is a figurehead, but the people that I'm actually targeting are the professional staff who are the delegation of the minister because those are the people actually that are going to fundamentally make a decision and then give it to the minister to endorse". Participant 3

"Then after the President signed it, they continued to engage with the Presidency. The Presidency instructed Aaron, the Minister, to actually have more engagements and figure out a solution". Participant 9

"I think big business thought that they could influence it substantially and might even benefit from it. I mean, Discovery Health has been accused of that. (laughs)". Participant 11

"So yes, I think anybody, if you're putting on that business head, is going to be thinking around, they've got the power to then have a conversation with the policymakers that could influence, yes, how, what that outcome can look like". Participant 1

"Whether it takes a year, it takes two years, whatever. All they are delaying is basically the adoption of how the remuneration structure works in the new dispensation. Because remember, you're going to now have tariffs put in place in terms of how doctors are remunerated". Participant 3

"So success for me, it's more about openness there, where successful corporate might be, we want to do business as usual, or actually you know what, we recognize we can't do business as usual, but a positive shift for us is an environment that's created in a health policy space, at a regulatory space, that allows us to continue functioning as a business, even if it means we have to change somewhat what we do. But it's still a positive environment for growth". Participant 1

"So, I think the individual corporate power, I would say has not worked. But the collective through the legal routes is, and it's yet to be seen if it's going to halt anything. If you listen to Nicholas Crisp, it won't". Participant 1

"And the political process is you can influence in committees, but we have a signed NHI. It's an Act now, it's actually signed and basically being steamrolled through and being challenged now in the courts". Participant 11

"And they, look, there was a reluctance to publicly criticize the government of the day, you can understand that. And they thought they could influence it and maybe even benefit from it that, you know". Participant #11

“So, when the Bill got changed from a Bill to an act, it raised a greater degree of resistance from the private sector”. Participant #2

5.4.7.2 Analysis – Policy influence and Effectiveness

Participants described significant constraints on corporate influence over NHI, noting that power in the policy process was concentrated among *“the hospitals and the funders”* Participant 9. Several participants highlighted that NHI’s ideological origins, *“all the way back to ANC documentation”* (Participant 1), meant that firms were attempting to influence a long-standing political project rather than a negotiable policy proposal. Effective influence required engaging not only political principals but also key technocrats. As one participant noted, *“the minister is a figurehead... the people... making decisions”* were the professional staff (Participant 3). Similarly, after the Act was signed, *“the Presidency instructed... more engagements”* Participant 9, emphasizing that the real decision-making centres shifted across institutional layers. Despite early expectations that *“big business... could influence it substantially”* Participant 11, most participants believed individual firms had limited impact. Influence was more plausible through collective action, especially litigation, although *“it’s yet to be seen if it’s going to halt anything”* (Participant 1). Stakeholders therefore focused on shaping implementation details, such as remuneration structures, rather than reversing the reform: delays *“are basically [about] the adoption of... tariffs”* (Participant 3). Ultimately, firms sought a regulatory environment that remained *“a positive... space... even if we have to change somewhat”* (Participant 1), but they acknowledged that once *“the Bill got changed... to an Act”* resistance increased, Participant 1, and the process became *“steamrollered”*, Participant 11.

5.4.7.3 Conclusion – Policy influence and Effectiveness

Overall, participants viewed CPA influence on NHI as symbolically pursued but substantively constrained. Early optimism, grounded in perceptions of business power and relational access, gave way to recognition that NHI’s ideological origins, centralised political backing, and rapid legislative progression limited firms’ ability to affect core policy direction. Influence was more feasible at the implementation and technical design level, particularly through engagements with bureaucratic actors, than at the level of overarching policy architecture. Ultimately, CPA effectiveness was perceived as partial,

uneven, and increasingly reliant on collective and legal avenues, rather than individual corporate strategies.

5.4.7.4 Discussion of key findings – Changes to policy wording or timelines

There have been minor modifications in the governance. But those modifications don't take away the power of the minister or the absolute control of the minister. Because he's now supposed to consult with cabinets, parliaments". Participant 10

But there is a willingness, or there is an acknowledgement that certain clauses do need amendment. And for what it's worth, HASA is actually one of the parties that raised section four in our legal papers, because part of the deprivation of healthcare provision to asylum seekers would mean that if an individual, they would only receive treatment for public health conditions of notifiable concern and emergency medical services, which means if you as a doctor encountered an individual who was co infected with HIV and TB, according to the NHI Act, you would be expected to treat the TB because that's a public health condition that's on the notifiable conditions list and ignore the HIV, which no South African clinician in their right mind would do. So, there's an acknowledgement that there are some technical and practical amendments. So maybe sometimes things land, unfortunately, it's only landed after eight different parties have commenced litigation". Participant 5

"I think there's a very clear understanding that we've got a long road to go before we are ready for implementation". Participant 2

"So, you hear these off-the-cuff comments, and you get to engage behind closed doors and hear slightly different sentiments, like an acknowledgement, it's going to take 10 to 15, up to 35 years. But again, the law says phase one 2023 to 2026, phase two 2026 to 2028". Participant 5

5.4.7.5 Analysis – Changes to timelines, wording or implementation

Participants highlighted that amendments to the NHI policy have been limited, incremental, and largely insufficient to address deeper governance and implementation concerns. While "there have been minor modifications in the governance," these

adjustments have not altered the centralised authority embedded in the Act, as “those modifications don't take away the power of the minister or the absolute control of the minister” Participant 10. This reinforces perceptions of a policy framework that remains structurally rigid despite superficial revisions. At the same time, several participants noted an emerging—albeit reactive—acknowledgement from policymakers that technical clauses require refinement. As one participant explained, stakeholders such as HASA had raised serious concerns regarding Section 4, since its wording would “deprive” certain groups, including asylum seekers, of adequate care and compel clinicians to act contrary to professional norms—for example, treating TB but “ignore[ing] the HIV” co-infection, a scenario “no South African clinician in their right mind would do” Participant 5. This illustrates how practical feasibility issues have prompted recognition within government that amendments are necessary, even if such recognition has “landed” only after multiple parties initiated litigation.

Participants also emphasised the mismatch between statutory timelines and the state’s actual readiness for implementation. As one respondent noted, “we’ve got a long road to go before we are ready for implementation” participant 2, a sentiment echoed in behind-the-scenes engagements, where officials privately concede that a realistic transition may span “10 to 15, up to 35 years.” This stands in stark contrast to the legislated sequencing of “phase one 2023 to 2026, phase two 2026 to 2028” Participant 5, further illustrating the disjuncture between political commitments and practical realities.

5.4.7.6 Conclusion – Changes to timelines, wording or implementation

Overall, the findings suggest that amendments to NHI policy wording and timelines reflect a pattern of reactive, piecemeal adjustments rather than a coherent, forward-looking reform strategy. While policymakers privately acknowledge technical flaws and unrealistic timelines, formal changes remain limited and slow, often catalysed only by litigation or external pressure. This reinforces stakeholder perceptions of a policy process struggling to reconcile political ambition with governance capacity, operational feasibility, and clinical realities.

5.4.7.7 Discussion of key findings – Effectiveness indicators

“And I think also, not to downplay the impact that corporate has had, is also hearing the president at least announce that there is going to be room for

engagement, even though we haven't seen that happen, but at least, you know, the needle moved in a certain manner". Participant 10

"The Presidential Health Compact came about with the President acknowledging that the healthcare system was broken and that the government alone was not capable of fixing the challenges in the healthcare system". Participant 10

"So, what that effectively did, it bought a lot of time for stakeholders to recognize, NHI is not going to happen, not in our lifetime" Participant 2

"I mean, I was at a meeting not long ago, and there was a representative from Treasury there who himself stated that the private sector will be around for the foreseeable future" Participant 2

"We grew the base of people that started to better understand the Bill, so there was a lot of canvassing, there was a lot of advocacy work, because people in South Africa were hearing about universal healthcare, they had an idea of the principle of universal healthcare, but they were not understanding what the implications of the Bill in its current form was going to have, particularly on the private sector". Participant 2

"and the fact that government was willing to sit around the table and entertain the conversation, whether it was the president, the champion of NHI in the country, the minister of health, the DG, negotiations were ongoing across various sectors, and you could see that we were shifting the urgency to implement towards an urgency to collaborate" Participant 2

"The chances are pretty good. If it happens, it happens, but I think it's going to be a long, and I think everybody, all the experts believe, it's going to take a lot longer time when you understand the implications, the rollout, the resources required, the capacity and capabilities required, it's going to take a lot longer". Participant 2

"And, you know, sitting there in the in the [industry body], which very likely I will not be part of by the end of the year because of the NHI case that we have, you also realize that the people who now sit in the [industry body] are all affiliated

with the government, with the governing party anyway, and so with government". Participant 10

5.4.7.8 Analysis – Effectiveness indicators

Participants identified several subtle but meaningful indicators of CPA effectiveness in the NHI process. First, shifts in political rhetoric were interpreted as signs of influence. One participant noted that *"the president... announced that there is going to be room for engagement,"* suggesting that advocacy had *"moved the needle"* Participant 10. Similarly, the establishment of the Presidential Health Compact signalled state recognition that *"the government alone was not capable of fixing the challenges"*. Participant 10, aligning with private-sector calls for collaborative governance. A second indicator was the slowing of NHI implementation, which participants saw as a consequence of sustained engagement. As one stated, delays *"bought a lot of time"* and reinforced the belief that *"NHI is not going to happen... not in our lifetime"* Participant 2. Signals from Treasury that the private sector *"will be around for the foreseeable future"* Participant 2 further strengthened this view.

Participants also highlighted improved public awareness and discourse as an outcome of coordinated advocacy: *"We grew the base of people that started to better understand the Bill"* through canvassing and education efforts Participant 2. Relatedly, government's growing willingness *"to sit around the table and entertain the conversation"* Participant 2 was seen as a shift from unilateral implementation toward collaborative engagement. However, some cautioned that formal decision-making spaces, such as the [industry body], remained politically aligned and constrained genuine influence: those who now sit on it *"are all affiliated with the governing party"* Participant 10.

5.4.7.9 Conclusion – Effectiveness indicators

Taken together, these accounts suggest that effectiveness in the NHI context is incremental, multi-dimensional, and often symbolic rather than structural. Indicators of CPA success were found in rhetorical shifts by senior political actors, the institutionalisation of collaborative forums, extended timelines for implementation, expansion of public understanding, and increased access to consultative spaces. These outcomes did not necessarily translate into direct policy concessions, but they signified a rebalancing of influence and a slowing of unilateral state action. At the same time, participants remained cautious, noting that despite increased engagement, decisive

authority continued to rest within politically aligned structures. Effectiveness, therefore, is understood less in terms of policy reversal and more as the creation of time, space, and discursive legitimacy through which the private sector can continue to shape the evolving NHI landscape.

5.4.8 Theme four conclusion – Policy influence and Effectiveness

The findings indicate that healthcare firms exert influence on the NHI policy process in incremental and often indirect ways. Rather than driving major structural changes, firms shape the policy environment through sustained engagement with technocratic actors who carry significant discretion in interpreting and operationalising the Act. This approach reflects a pragmatic understanding that meaningful influence is more likely to emerge within administrative processes than through overt political channels.

Participants noted that such engagement has contributed to targeted adjustments to policy wording, governance provisions, and implementation timelines. These refinements, though limited in scope, demonstrate that continued pressure, evidence-sharing, and issue-framing can reveal gaps, inconsistencies, or ethical dilemmas in the legislation, prompting government to revisit specific clauses or slow the rollout.

Perceptions of effectiveness focused on procedural gains rather than substantive policy wins. Stakeholders pointed to improved access to decision-makers, a more open posture from policymakers, and delays in implementation that create space for further dialogue and adaptation. These developments were viewed as indicators that firms' efforts are resonating within the policy system.

Overall, the theme shows that policy influence under NHI is subtle, cumulative, and largely procedural. Effectiveness is achieved not through sweeping policy reversals, but through the steady shaping of timelines, governance expectations, and interpretive practices that collectively affect how the policy evolves and is ultimately implemented.

5.4.9 Theme five: Perceptions of legitimacy and appropriateness

Theme five: Perceptions of legitimacy and appropriateness			
Sub-themes	Alignment with public interest	Reputational sensitivity	Trust and credibility
Codes categories	• Communicating the benefits of a private healthcare sector	• Hypocrisy in policy discourse	• Perceived credibility
	• Social mobilization	• Legacy perceptions of conflict of interest	• Questioning legitimacy of sectors
	• Societal influences for NHI	• Questionable motives behind participation	• Trust deficit in healthcare
	• Sponsoring of educational tours	• ◦ Healthcare financing mechanism	
		• ◦ Inequity in access to medical aids	
		• ◦ Influence of national elections	

Figure 8: An illustration of the main theoretical theme, perceptions of legitimacy and appropriateness, and each of the sub-themes with the codes linked to each category

Source: Author's own

5.4.9.1 Discussion of key findings: Alignment with public interest

Several participants, while not framing it as CPA, comment about initiative that aligned with public good. These are strategies and tactics that corporate implement to demonstrate their contribution to the development of the ecosystem.

“Is it a cost thing or is it a societal thing?” Participant 3

“Well, one of the things we discussed at length in the past was whether healthcare is a commodity actually in South Africa or whether it's actually a right”. Participant 3

Stakeholders questioned the participation of healthcare companies in policy development, suggesting that their interest is not aligned with those of society.

But that expertise interest needs to be trusted in order for them to be brought in. So, we actually have had, even within SAMA, I had to work on a question from our members that was asking, should corporates be allowed to participate in government policy formulation processes, actively participate in that way”.
Participant 10

5.4.9.2 Analysis: Alignment with public interest

Participants noted that, although not always labelled as CPA, many corporate initiatives sought to demonstrate alignment with societal goals and broader health-system development. Firms were described as navigating the tension between commercial priorities and social contribution, illustrated by questions such as *“Is it a cost thing or is it a societal thing?”* Participant 3. Some participants linked these actions to deeper ethical debates about *“whether healthcare is a commodity... or... a right”* Participant 3, suggesting that companies increasingly frame their engagement in terms of public value.

Despite these efforts, mistrust persists. Stakeholders sometimes questioned whether corporate involvement in policy development reflects genuine public interest. As one participant explained, industry expertise can only be integrated when *“trusted in order for them to be brought in”* Participant 10, echoing internal debates within professional bodies about *“whether corporates should be allowed to participate in government policy formulation”* Participant 10. This highlights the conditional nature of corporate legitimacy in the policy arena.

5.4.9.3 Conclusion: Alignment with public interest

Overall, the findings suggest that alignment with the public interest operates as both a substantive and a symbolic dimension of CPA. Firms deploy strategies that demonstrate societal contribution, framed around equity, rights-based access, and system strengthening, to build credibility within a contested policy environment. Yet the persistence of mistrust, and ongoing debates about corporate participation in policymaking, indicate that alignment cannot be inferred from action alone; it must be accompanied by transparent engagement and ethical signalling. In this way, corporate efforts to align with public interest function as an important, albeit fragile, pathway for legitimacy in shaping NHI-related policy processes.

5.4.9.4 Discussion of key findings: Reputational sensitivity

“So, now you find there's a, so now you find sort of a, I think, a bit of a wakeup call for businesses that thought, well, it's never going to happen, it'll take forever. And whoops, it's already been signed into as an Act. And we better take it to court; we've got to stop it somehow. So that's that is the big change we've seen on NHI” Participant 11

“So, they're far more credible voice than a single pharmaceutical company trying to raise these issues”. Participant 2

“And so, what it tells you is every individual corporate that was part of the compact, the first compact, has actually withdrawn their signature in the second compact”. Participant 10

“If you are a person who's open to using brown envelopes, you will - that's not our culture, okay, let's put that on the table, particularly in our context, and not just in our context, I think for most contexts - to be blind to the reality that some people do use their power plus their bank statements to influence decisions and drive, that is one mechanism, right”. Participant 1

“That's fine, it's also a decision to say we're not going to be that organization that is seen in the public eye to be anti-NHI”. Participant 1

“So from a strategy perspective, you might say it doesn't bode us well to be vocal about certain things”. Participant 1

5.4.9.5 Analysis: Reputational sensitivity

Reputational concerns strongly shaped how firms engaged with the NHI process. Participants described a sudden shift once the bill became law, creating “a wake-up call for businesses... whoops, it's already been signed into an Act,” prompting more defensive actions such as litigation (Participant 11). This heightened sensitivity made companies cautious about their public posture. To avoid being singled out, many preferred collective advocacy, as industry bodies were seen as “far more credible [a] voice than a single pharmaceutical company” (Participant 2). At the same time, reputational discomfort led to symbolic distancing, reflected in the fact that “every

individual corporate... has withdrawn their signature” from the second Presidential Health Compact (Participant 10). Participants also stressed the importance of ethical positioning. Rejecting corrupt tactics, “we’re not that culture... some people do use their power plus their bank statements” (Participant 1), was framed as essential to preserving credibility. This was paired with strategic restraint, as firms sought not to “be... seen in the public eye to be anti-NHI” and acknowledged that “it doesn’t bode us well to be vocal about certain things” .

5.4.9.6 Conclusion: Reputational sensitivity

Reputational sensitivity significantly shaped how firms approached CPA under the NHI. Organisations sought to balance influence with legitimacy, leveraging collective platforms, distancing themselves from unethical practices, and avoiding public positions that might cast them as anti-reform. As the policy environment became more politically charged, firms increasingly moderated their visibility, underscoring that reputation is not peripheral but central to political strategy in contested health system reforms.

5.4.9.7 Discussion of key findings: Trust and credibility

The deficit of trust or perceived mistrust between government and healthcare companies in the private sector came up in several interviews. Participant 13 and Participant 12 often felt that corporate were not genuine in their interactions.

“So, corporates want a better dispensation for themselves”. Participant 10

“So they were trying to say, let’s have the NHI, but seated on a layer of administrators between the NHI and the population. Technically speaking, it would be feasible, but very, very good business for some people, because when we look at all systems where that is happening, you’ll find that the administrators take almost 60% of the budget”. Participant 13

“Corporates target influential greed”. Participant 12

“Well, not the details of the company. And I told them that, you know, this is about preservation of [.....], the resistance to the NHI” Participant 12

"You know, corporate hospital services is the second most lucrative component in health services in South Africa". Participant 12

"It was an interaction of not making a contribution, but it was an interaction to contest certain perceptions and provisions that are in the NHI, and some of them clearly misunderstood" Participant 13

"So that health, you should receive the healthcare that you need, based on the need on you, not based on the depth of your pocket. So, the debate has really been about that. And the contributions have been about how to maintain the status quo". Participant 13

Participant 5 views on the healthcare companies being accused of making super profits is different and she references the health market enquiry.

"And the reality, though, again, going back to kind of the evidence, the health market inquiry found that the private sector does not make super profits. We're not looking to protect profits or protect market share". Participant 5

She underscores that there is mistrust that exists between government and healthcare companies in South Africa and points out the impact that this has on public and private engagements.

"The first is that there's a deep trust deficit between the public and the private sector, at least in healthcare. And without overcoming that, or without realizing, without us as a collective being able to realize how intertwined we actually are, it's very easy for anything that the one side tables to be completely ignored by the other, because we're starting from a place of mistrust, or distrust, as a starting point". Participant 5

Interestingly Participant 5 also suggests a deficit of trust among the various industry in the private sectors, which could result in the impact of coalitions being very limited

"But I also acknowledge that the reality is we do not trust each other across sectors. And, you know, it then becomes very easy to dismiss what your counterpart is saying based on that trust deficit". Participant 5

Participant 4 and Participant 1 discuss experiences from interactions they've have with government stakeholder who they've intended to engage in relation to NHI.

"I mean, very recently, I was in a certain space where, I mean, we're literally told that we don't want pharma. Pharma cannot sit in here". Participant 4

"but now when you're having like NHI conversations with Department of Health, or ... you're very much, oh, you're private sector, okay". Participant 1

Participant 2 and participant 8 agree acknowledge that the private in some of its actions can give the impression that it is only embarking on certain activities for self-preservation.

"But at the same time, some of the activity at a corporate political level does in many ways speak to a selfish narrative of preservation of the private sector, which is what we are struggling with in South Africa at the moment". Participant 2

"So again, people are coming up with solutions that protect the industry".
Participant 8

"And that comes with everything that that comes with, in terms of misconceptions, ideas, beliefs, issues, desires, whatever it might be, right, it comes with whatever it comes with, but it means also that you're talking at a completely different level".
Participant 1

"For example, if you get a case of Business Unity South Africa, right? And that whole case is about protecting their interests as business, right? And so where does that begin and end versus healthcare as a right?". Participant 3

"I think we want to protect very much our own interests from a capitalist point of view, unfortunately, as opposed to looking at a more solidarity type of social system". Participant 3

Participant 9 also remarked that the trust chasm is one sided. The healthcare firms also do not completely trust the government when it comes to NHI. She shares an example, where parties made an agreement, however government reportedly reneged.

“And the big thing was that there was agreement around changes in language on Section 33, from the time of Anban with the six assigned, to now the various engagements with the Minister and the Presidency after it became an act. Nothing has changed”. Participant 9

“It’s clear that whatever it is that they spoke about in private, the Minister would speak publicly in opposition. And that is where you then started seeing the legal action”. Participant 9

The COVID experience has also resulted in the private hospital groups becoming more sceptical about government ability to roll-out NHI

“The experience that hospitals had during COVID, when the Department of Health then got them, contracted with them to manage public sector patients, because their beds were overrun, was horrendous. They got no fees, they were operating at a loss”. Participant #9

5.4.9.8 Analysis: Trust and credibility

Trust and credibility emerged as a central barrier to constructive engagement between government and private healthcare actors. Many public-sector participants perceived corporate involvement in NHI as self-serving, arguing that *“corporates want a better dispensation for themselves”* (Participant 12) and often propose models that entrench administrative intermediaries that could absorb *“almost 60% of the budget”* (Participant 13). Some framed industry resistance as ideological, noting attempts to *“maintain the status quo”* (Participant 13). These perceptions, combined with views that corporate engagement often contests rather than contributes to policy, reinforce government scepticism. Private-sector participants strongly disputed these characterisations, citing evidence that the sector *“does not make super profits”* (Participant 5). Nonetheless, they acknowledged a *“deep trust deficit”* (Participant 5) that leads to automatic dismissal of proposals. Trust issues also exist within the private sector itself, limiting coalition impact. Firms further described exclusion from government processes, *“Pharma cannot sit in here”* (Participant 4), and noted that mistrust is reciprocal, citing instances where government reneged on agreed NHI wording and poor experiences during COVID-19 contracting, where hospitals operated *“at a loss”* (Participant 9). Across interviews, even industry representatives conceded that some corporate actions may appear protective or defensive (Participant 3), complicating their credibility and feeding existing suspicions.

5.4.9.9 Conclusion: Trust and credibility

The findings reveal a profound, multidirectional trust deficit that shapes the credibility of CPA activities and constrains meaningful engagement on NHI. Government actors frequently interpret corporate behaviour as self-interested, protective, or ideologically resistant, while private-sector actors perceive exclusion, inconsistent commitments, and limited recognition of their technical expertise. Both sides acknowledge behaviours that reinforce mutual suspicion, whether through defensive lobbying, policy reversals, or poor historical experiences such as COVID-19 contracting. The result is a fragmented policy environment where contributions are dismissed, coalitions underperform, and engagement is filtered through assumptions of hidden motives. Overcoming this trust chasm is therefore foundational: without rebuilding credibility and aligning expectations, even technically robust contributions are likely to be ignored, limiting the potential for collaborative policy development under NHI.

5.4.10 Theme five conclusion: Perceptions of legitimacy and appropriateness

Perceptions of legitimacy emerged as a critical determinant of how corporate political activity is understood and accepted within the NHI policy environment. Participants emphasised that engagement is viewed as appropriate only when firms demonstrate clear alignment with the public interest, foregrounding societal health outcomes rather than commercial preservation. Reputational sensitivity further shaped these perceptions. Healthcare companies were perceived as acutely aware of the risks associated with overt or unilateral influence, leading many to rely on collective platforms, such as industry associations, to enhance credibility and reduce the appearance of self-serving behaviour. Underlying this is a persistent trust deficit. Policymakers and other stakeholders often remain sceptical of industry motives, viewing corporate engagement through a lens of historical mistrust and perceived self-interest. This makes credibility a fragile resource that firms must actively cultivate through transparency, consistency, and evidence-based contributions. Overall, legitimacy and appropriateness are reinforced when firms position their engagement as socially oriented, reputationally responsible, and grounded in trust-building. Conversely, ambiguous motives or actions perceived as commercially driven weaken the acceptability and potential impact of their political activity.

5.4.11 Theme six: Contextual and environmental factors

Theme six Contextual and environmental factors			
Sub-themes	Political climate and elections	Economic constraints	International norms and multilateral organisations
Codes categories	Influence of national elections	o Healthcare financing mechanism	Donors, universities, civil societies, NGO discourse on healthcare matters
	Levers of power in South Africa's political system	o Inequity in access to medical aids	Influence of multilateral organisations
	Majoritarian influence on policy	o Influence of national elections	International perspectives on healthcare policy
	No corporate political strategy	o Legislative and regulatory uncertainty	Leveraging embassies and chambers of commerce
	Political determinants of healthcare	o Government misunderstanding on how medical schemes are configured	Think tank influence on policy
	Political funding dynamics	o Government's avoidance public scrutiny of NHI policy	

Figure 9An illustration of the main theoretical theme, contextual and environmental factors, and each of the sub-themes with the codes linked to each category

Source: Author's own

5.4.11.1 Discussion of key findings: Political climate and elections

Evaluating the contextual and environmental factors is an important element of this research study. Since MNEs engage in CPA to reduce uncertainty in the political sphere, it is necessary to consider how the political system of South Africa is arranged. This context may support the explanation why healthcare firms prefer a particular tactic(s) over others. It may also shed light on the rationale for different approaches, such as reactive versus proactive approaches.

Participant 12 makes a remark about the political system of South Africa and suggests that policymakers do not necessarily have the independence to make decisions outside of the collective political party stance.

"Remember, this is not the constituency system. You have not been put there by the people" Participant 12

"You have been put there by the party. And the party removes you. There's no by-election. They remove you, they put somebody else. So, the influence is not down there". Participant 12

"I mean, if you listen to what the president has said, we're going to put it through, we're committed to it, and when can we do it? The minister of health is emphatic on it". Participant 11

"So, if you look around, you suddenly have other key political heads within the party also making noise about NHI". Participant 1

According to Participant 11, having a majority government enables political parties to push their agenda, even if a policy is unconstitutional or even if the political party appointee disagrees with the party stance.

"If you're the majority party, you basically can just push it through. And I think that's actually what's happened with the NHI". Participant 11

"And if they don't toe the line, they get thrown out. So traditionally for the last 30 years, that's how the system has operated. It's about majoritarianism". Participant 12

Most participants were suspicious about the timing of when the bill was signed into law, attributing the action to electioneering to help garner support for the governing party. Furthermore, Participant 1 believe that this action was necessary because a majority government was not guaranteed after elections and it would therefore be very challenging to pass this law in the future.

"And so, it was important to sign off the Nill just before the elections because it would enable the tick-box exercise to go through based on a majority in Parliament, which doesn't necessarily reflect the majority wishes regarding to the ANC, I mean to the NHI". Participant 10

“And the big question is the signing of NHI into an Act. Was that a political move? Or was it really that the country is almost ready to actually implement NHI? The main question...”. Participant 6

“I interact with my colleagues at parliamentary level, made input at the hearings at the provincial level, were, you know, was outvoted because we're not the ruling party”. Participant 12

“So, it's become a party stance, so you've got now the political backing, that's your drive, you're electioneering on it, you're marketing on it, you even go so far as to have the president sign the Act two weeks before the national elections. Political move, it's nothing else in my view. It's not a fundamental, okay, you might care about health, but I'm just saying, it's politics”. Participant 1

Participant 10 commented about the difficulties that a government would face if they appeared to concede to private sector demands. This means that in attempting to influence the policy, the private sector must thoroughly map out and engage influencers of political parties.

“Yes, where it's also difficult from a political end to make certain concessions that are, you know, in favour of corporates without appearing to have been bought, to have been bought financially into a specific position. And so the role of big corporates in shaping the NHI should also include public advocacy” Participant 12

5.4.11.2 Analysis: Political climate and election cycles

The interviews highlight how South Africa's political system, centrally driven by party authority and majoritarian control, shapes the environment in which healthcare firms pursue CPA. Participants emphasised that policymakers lack full autonomy because they are accountable to the party, not individual constituencies. As Participant 12 notes, officials *“have not been put there by the people... You have been put there by the party,”* which can *“remove”* them if they *“don't toe the line”*. This context reduces the effectiveness of direct technocratic engagement and compels firms to adopt broader strategies, such as coalition advocacy or litigation, when policy outcomes appear predetermined. Participants consistently linked the passage of the NHI Bill to majoritarian dominance. Participant 11 observed that a majority party *“can just push it through,”* which

is “*what’s happened with the NHI*”. Others pointed to unified political messaging, noting the President and senior figures were “*emphatic on it*” and key leaders were “*making noise about NHI*” (Participant 4). Most participants were sceptical about the timing of the Act’s signing, viewing it as election driven. Participant 10 described it as a “*tick-box exercise*” ahead of elections to secure a majority dependent outcome, while others called it plainly a “*political move*” (Participant 4). These perceptions reinforce the challenge firms face in influencing policy in a highly politicised climate. Participants also noted that government actors may hesitate to compromise with business for fear of appearing “*bought*,” increasing the need for transparent, public-facing CPA (Participant 10).

5.4.11.3 Conclusion: Political climate and election cycles

Overall, the political context surrounding NHI, marked by party-dominant decision-making, majoritarian control, and election-linked policy signalling, creates a challenging environment for healthcare firms seeking to influence policy. The interviews reveal that, in such a system, traditional insider lobbying is often insufficient. Instead, firms must navigate a landscape shaped by tight party discipline and public scrutiny, demanding CPA strategies that combine coalition-based advocacy, public messaging, and institutional engagement. The perceived politicisation of NHI’s timing further amplifies uncertainty, reinforcing the necessity for firms to adopt tactics that are not only effective within political structures but also capable of generating societal legitimacy.

5.4.11.4 Discussion of key findings: Economic constraints

According to Participant 13, the NHI was meant to be supported by economic growth of 3% per annum. Since 2021, South Africa’s economic growth has been averaging 0.5%, far from the expect growth trajectory to make the NHI work.

“I mean, public is very much as an acknowledgement of, we want to do this, but we don’t have the money, our time frame is long, and maybe we don’t have the skills, and private is like, we can’t have this happen because it affects our survival. So, you’ve got two systems that are very much in limbo. And I don’t know, this is a tough question, how do you balance this?” Participant 8

“I mean, look at the content contestation we had around a 2% VAT increase. Some of the tax increases that would be required to fund NHI will make that look

like a walk in the park. We're talking double digits, corporate income tax, personal income tax, payroll tax". Participant 5

"So famously, Treasury had objected in a leaked memo, I want to say in 2018, that the country cannot afford this and that they are in support of it being multifund." Participant 5

"Absolutely. So, treasury would definitely be a stakeholder. And for the obvious reason that, you know, they have been one government department who publicly has raised their concern, and publicly being, you know, within some of the documents that, like the SEAS that's been published and publicly with Minister Godongwana saying, you know, we actually can't afford to increase taxes anymore. So, they are almost a natural ally for those of us who have economic concerns about NHI implementation". Participant 5

"So that expenditure you're always talking about and saying that, well, 54% of health expenditure is actually in private. The bulk of that is through service delivery. The bulk of that is your hospital groups, is your nursing, is your doctors." Participant 1

"I mean, I was at a meeting not long ago, and there was a representative from Treasury there who himself stated that the private sector will be around for the foreseeable future". Participant 2

5.4.11.5 Analysis: Economic constraints

Participants consistently argued that the macroeconomic context makes NHI financially untenable. Several noted that the policy was premised on 3% annual economic growth, yet the country has averaged only 0.5%, creating a structural funding gap. This has left both sectors uncertain, with Participant 8 observing that government openly acknowledges *"we want to do this, but we don't have the money... and maybe we don't have the skills,"* while the private sector feels that poorly funded reform *"affects our survival,"* resulting in *"two systems... in limbo."* Participants also highlighted the political difficulty of financing NHI through new taxes. Participant 5 illustrated this by referencing the intense pushback to a *"2% VAT increase,"* noting that the tax hikes required for NHI would be far more severe, *"double digits, corporate income tax, personal income tax, payroll tax."* These pressures are compounded by Treasury's long-standing resistance;

as participants recalled, a leaked memo stated that *“the country cannot afford this,”* and Treasury has repeatedly cautioned that *“we actually can’t afford to increase taxes anymore,”* making it, in Mentoer’s words, a *“natural ally for those of us who have economic concerns.”* The structure of existing expenditure adds further complexity. Participant 1 pointed out that while *“54% of health expenditure is actually in private,”* most of this reflects service delivery costs, hospital groups, nurses, and doctors, which would be expensive for the state to absorb. Echoing this realism, Participant 2 recounted Treasury’s view that *“the private sector will be around for the foreseeable future,”* signalling limited confidence in a rapid shift to a fully state-funded system.

5.4.11.6 Conclusion: Economic constraints

Taken together, the interviews reveal that economic constraints are not just a financing challenge but a core determinant of policy design, implementation pace, and stakeholder positioning. Chronic low growth, limited tax headroom, and Treasury’s explicit reservations have created an environment in which NHI ambitions collide with fiscal realities. This economic uncertainty reinforces defensive postures in both the public and private sectors, government grappling with resource scarcity and private actors fearing existential threats, resulting in stalled momentum and cautious incrementalism. Ultimately, participants suggest that without credible, sustainable financing mechanisms, NHI implementation will remain constrained, with the private sector continuing to play a significant role in the health system for the foreseeable future.

5.4.11.7 Discussion of key findings: International norms and multilateral organisations

“For certain interest groups, so the anti-tobacco lobby had achieved the goal of higher taxes and warnings and everything”. Participant 11

if you think about what's happened, I think actually what's culminated, what's propelled NHI, in my perspective, has been more on national elections than it has been corporate pushback”. Participant 1

Like a WHO, like Africa's CDC, specifically from a public health perspective. But I think those are the, you know, probably the key one I've seen in my time is that if you can influence neighbouring countries, hopefully local policy changes”.

Participant 8

Remember, NHI doesn't work in silo, or NHI works very much in the WHO sustainability, and what do you call those in sustainable development?".
Participant 3

5.4.11.8 Analysis – International norms and multilateral organisations

Participants highlighted that South Africa's policy environment is shaped not only by domestic political dynamics but also by global public-health norms and the influence of multilateral institutions. Several participants pointed to issue-specific international advocacy movements, most notably the anti-tobacco lobby, as examples of how global norms can drive local policy outcomes. As one participant noted, *"the anti-tobacco lobby had achieved the goal of higher taxes and warnings and everything"* Participant 11, signalling how transnational advocacy coalitions set precedents for regulatory reform. At the same time, participants emphasised that electoral politics, rather than corporate influence, have been more decisive in propelling the NHI agenda forward. As Participant 1 argued, *"what's propelled NHI...has been more on national elections than it has been corporate pushback"*, suggesting that political legitimacy and electoral incentives outweigh industry resistance in shaping health-system transformation. Other participants pointed to the role of global and regional institutions, including the WHO and Africa CDC, in diffusing policy models and norms. Participant 8 observed that *"if you can influence neighbouring countries, hopefully local policy changes"*, highlighting a form of norm diffusion whereby regional convergence strengthens domestic reform momentum. Similarly, Participant 3 linked the NHI vision to global agendas, noting that *"NHI works very much in the WHO sustainability [framework] and...sustainable development"*, positioning South Africa's reform within broader commitments to universal health coverage and the Sustainable Development Goals.

5.4.11.9 Conclusion – International norms and multilateral organisations

Overall, the findings suggest that the NHI reform process is shaped by a convergence of international norms, regional policy diffusion, and domestic political imperatives. Transnational advocacy networks, such as those active in tobacco control, demonstrate how global health norms can set regulatory expectations and create political space for reform. Multilateral bodies like the WHO and Africa Centre for Disease Control (CDC) provide frameworks, technical guidance, and normative benchmarks that position NHI within global sustainability and universal health coverage agendas. However, participants consistently stressed that national political cycles, rather than corporate

lobbying, remain the most powerful drivers of NHI progression. Taken together, these influences illustrate how South Africa's health-policy trajectory is embedded in a broader global and regional governance ecosystem, yet ultimately mediated by domestic political incentives.

5.4.12 Theme six conclusion – Contextual and environmental factors

Contextual and environmental conditions significantly shape both the design of the NHI and the ways in which healthcare firms choose to engage in CPA. Three interconnected dimensions, political structures, economic realities, and global influences, collectively define the operating environment within which firms navigate policy uncertainty. Politically, South Africa's centralised and party-driven governance system limits policymaker autonomy and creates an environment where decisions often reflect internal party dynamics rather than broad stakeholder engagement. This contributes to unpredictability in the policy process, making it difficult for firms to anticipate timelines, shifts in priorities, or opportunities for influence. Economically, prolonged fiscal strain and weak growth undermine the feasibility of ambitious reforms such as the NHI. The policy was conceptualised under more favourable economic assumptions, but the current context of limited fiscal space heightens concerns about affordability, implementation capacity, and the potential burden on both public and private sectors. These constraints also influence firms' strategic posture, often encouraging more cautious or adaptive approaches to engagement. At the international level, global health norms and regional developments provide additional layers of influence. Frameworks promoted by organisations such as the WHO and Africa CDC help shape expectations around universal health coverage and health system reform, while regional policy diffusion reinforces the sense that South Africa is part of a broader global movement toward UHC. Taken together, these contextual and environmental factors create a complex landscape marked by uncertainty and competing pressures. Healthcare firms must therefore calibrate their CPA strategies in response to political centralisation, economic limitations, and global normative influences, shaping how they engage, the tactics they prioritise, and the risks they seek to mitigate.

5.5 Summary of research finding

The findings show that multinational healthcare firms engage in CPA, within an uncertain and institutionally complex environment. Across the interviews, participants described a policy landscape marked by political party centred decision making, shifting electoral

dynamics, and influence from international bodies such as WHO and Africa CDC. These contextual factors encourage firms to adopt largely defensive CPA strategies to reduce uncertainty. Economic constraints further intensify this uncertainty. Respondents pointed to the gap between the assumed 3% growth required for NHI and the actual 0.5% trajectory, producing a system “in limbo” and raising concerns about politically unfeasible tax increases. These pressures shape both the urgency and tone of corporate engagement.

Perceptions of legitimacy and appropriateness condition CPA behaviour. Participants questioned whether corporate involvement aligns with societal needs, “Is it a cost thing or a societal thing?”, and highlighted mistrust, with government actors believing “corporates want a better dispensation for themselves.” Reputational sensitivity was evident as firms withdrew from compacts or shifted tactics once the NHI Act advanced. The nature of CPA observed in this study is multi-layered, encompassing lobbying, coalition building, evidence generation, issue framing, informal engagement, and, as a last resort, litigation, described as “an absolute last resort and an attempt to be heard.” Industry associations emerged as a “far more credible voice” than individual companies. Firms’ strategic objectives centre on ensuring policy predictability, shaping procurement and formulary rules, and creating an enabling environment during NHI’s gradual transition, “NHI is not a destination... it’s a journey.”

Technical areas such as pricing, HTA processes, and procurement frameworks are viewed as critical but politically sensitive. The figure 9 illustrates in the complex interplay created by uncertainty that takes place between the firm and its external environment. The tactics are guided by strategic objectives, including reducing uncertainty, shaping institutional design, and ensuring commercial viability under NHI. However, their effectiveness is moderated by contextual and environmental factors, such as majoritarian politics, entrenched ANC ideology, state capacity deficits and election cycles consistent with IB studies emphasising institutional constraints on CPA in emerging markets ((Katic & Hillman, 2023a; Wöcke & Moodley, 2015b). Firms’ perceived legitimacy and appropriateness further shape access, credibility and influence, ultimately determining the uneven policy influence observed in the findings.

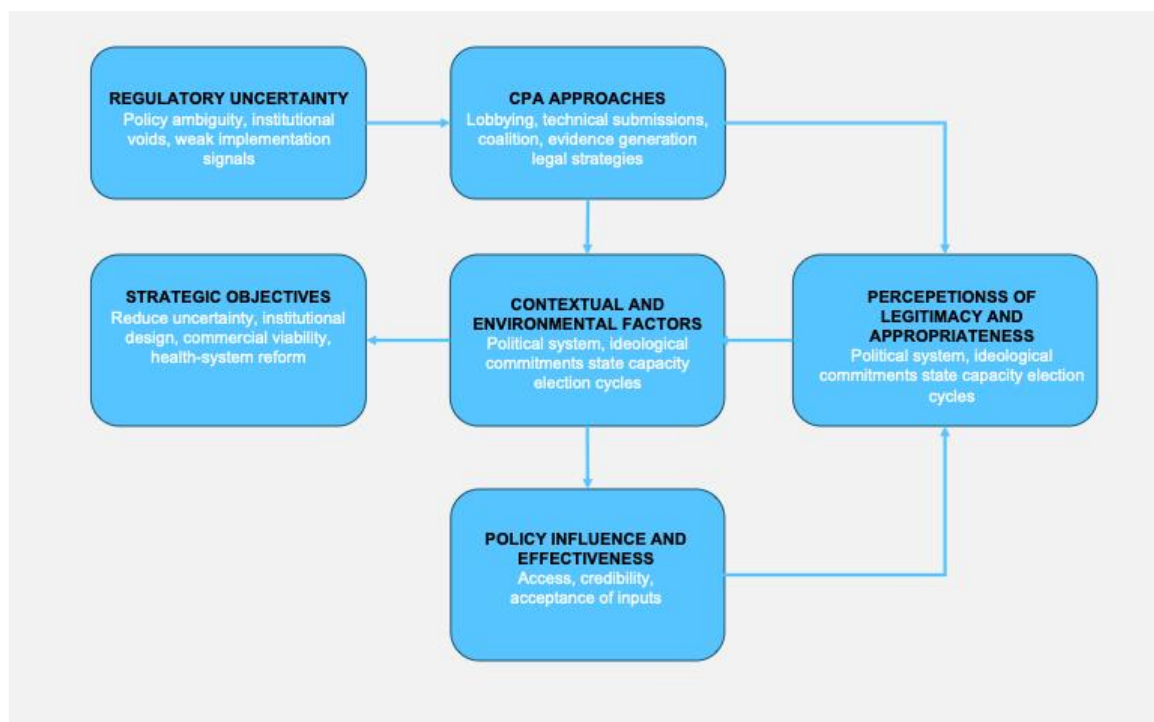


Figure 10: Conceptual Framework Linking Regulatory Uncertainty, CPA Approaches, and Policy Influence

Source: Author's own

5.6 Conclusion

This chapter has shown that healthcare firms engage in CPA within a highly uncertain and politically centralised environment, which shapes both the selection and effectiveness of their tactics. The findings illustrate that electoral dynamics, fiscal pressures, and international norms create shifting policy signals, while mistrust and reputational sensitivity constrain firms' ability to position themselves as legitimate contributors to NHI reform.

Across lobbying, coalition building, evidence generation, litigation, and informal engagement, firms pursued three strategic aims: securing policy predictability, shaping the emerging NHI architecture, and ensuring an enabling environment for the private sector's future role. Although these efforts produced some incremental shifts, such as minor adjustments to timelines, governance clauses, and opportunities for consultation, the overall effectiveness of CPA remains limited. Structural political dynamics and

ideological commitments continue to restrict firms' influence on the core design of the NHI.

Overall, the findings indicate that CPA in the South African health policy context is adaptive, contested, and only partially effective. This provides the basis for the next chapter, which interprets these results through the study's theoretical framework to deepen understanding of how and why firms employ CPA in national health reform processes.

Chapter 6 – Discussion

6.1 Introduction

The aim of this chapter is to discuss the empirical findings of this study, detailed in chapter five, in relation to the broader literature presented in chapter two. The chapter integrates the insights from the following six overarching theoretical themes that emerged from the data analysis: regulatory uncertainty, CPA approaches, strategic objectives of CPA, policy influence and effectiveness, perceptions of legitimacy and appropriateness, and contextual and environmental factors.

The chapter explores how firms navigate an evolving and politically sensitive external environment, why they adopted particular non-market strategies, and how contextual, political and institutional factors may have shaped both their choices, and the effectiveness of the chosen strategies. Additionally, the chapter draws on the theoretical frameworks, RDT and Institutional theory discussed in chapter two, to develop an integrated discussion of how regulatory uncertainty influences and shapes the behaviours and actions of firms operating in an emerging market, such as healthcare firms in South Africa. These research findings provide contextual and timely insights into the effectiveness of CPA during the development and introduction of public policies, such as the NHI. This chapter begins with a review of the research questions detailed in chapter three. This is followed by an integrative discussion of the theme and sub-themes detailed in chapter 5. Each theme is presented with an overview, a detailed discussion of its sub-themes, and a thematic conclusion.

6.2 Reviewing the research questions

The main research question guiding this study was understanding how healthcare firms used CPA to influence the outcome of South Africa's NHI policy. Sub-research question one assess if there were any differences in the approaches to CPA before and after the NHI bill became an Act, and why. Sub-research question two evaluated if the CPA strategies and tactics were effective at reducing uncertainty in the external environment, and lastly sub-research question three seeks to determine how effectiveness was determined.

This study addressed the research questions using semi-structured interviews with policymakers, bureaucrats and senior leaders in South Africa's private healthcare sector.

The researcher conducted a thematic analysis using the data collected to generate six themes that provided a nuanced insight into the effectiveness of firms' responses to an uncertain environment. The findings reveal that regulatory uncertainty is a key driver in shaping CPA strategies and tactics. Uncertainty in the context of the NHI was revealed through vagueness about implementation timelines, funding and financing resources, concerns about government's capacity, the role of the private sector, and conflicting messaging by implementers. These circumstances increase anxiety of healthcare firms, reinforcing the perception of dependence on government to efficiently and sustainably operate, leading to an increased need for engagement in the political economy. These findings are consistent with the propositions of RDT.

In addressing the research question, the participants highlight that healthcare firms respond to uncertainty in the external environment by deploying information sharing, relational engagement, coalition building, and legal strategies. The findings reveal a sectoral difference in the propensity to deploy litigation as a CPA strategy, with pharmaceutical firms appearing to be more cautious about deploying litigation in comparison to medical insurance firms, hospital groups, and professional association. Another finding relates to the targets of lobbying activity. Interestingly, the decision on which strategy was appropriate to deploy was not only based on a firms resources, but influenced by its strategic objectives and institutional pressures, such as the need for legitimacy and to be perceived as acting in the public interest.

The findings reveal that CPA effectiveness is influenced by more than just the choice of strategy or the availability of resources. Perceptions of legitimacy, contextual and environmental dynamics, timing, and alignment with dominant policy frames is a key consideration. Effectiveness remained contextual and included access to decision-makers, changes to policy text, acknowledgement of challenges to operationalise, as well as challenges to adhere to planned implementation timelines. Therefore, the answer to the research question is not linear. The study's findings suggest that CPA effectiveness in the NHI context is best understood as contextual, relational, and legitimacy-mediated, rather than simply determined by resource allocation or corporate strategy.

6.3 Discussion of results under the theme of regulatory uncertainty

The research finding for the theoretical theme, regulatory uncertainty, are discussed below. The discussion focuses on the code categories that were developed during the analysis of the interview data. The code categories included regulatory uncertainty, policy ambiguity, inadequate consultation and communication, economic and investment implications, and the perception of government competencies. The discussion will compare and integrate the literature reviewed and detailed in chapter two, the establish concurrence, divergence or extension to the existing body of knowledge.

6.2.1 Overview of the findings concerning regulatory uncertainty

Regulatory uncertainty emerged as a foundational condition shaping how healthcare firms in South Africa interpret the risks and opportunities associated with the NHI reform. Across interviews, participants consistently described the regulatory environment as ambiguous, fragmented, and characterised by shifting or incomplete rules, particularly around Section 33, reimbursement modalities, procurement processes, pricing frameworks, and benefit package design. These findings mirror recent IB scholarship which positions regulatory uncertainty as a central determinant of firm strategy in emerging markets, where institutional fluidity, political contestation, and policy inconsistency heighten firms' perceived exposure and constrain planning horizons (Liedong, 2021; Liedong et al., 2020). Uncertainty in such contexts is not merely an event but systemic, driven by complex state–business relationships and governance weaknesses that amplify unpredictability (Anand et al., 2021).

Viewed through the lens of RDT, the NHI reform intensifies healthcare firms' dependence on the state as controller of critical external resources, market access, reimbursement flows, pricing mechanisms, and regulatory discretion. Recent extensions of RDT emphasise that when states centralise control over essential resources in environments marked by weak capacity, technical ambiguity, and policy volatility, firms experience heightened vulnerability and adjust their political strategies accordingly (Hadani et al., 2017; Liedong, 2021). The findings in this study strongly align with these insights: firms perceive the NHI as a shift toward a more state-dominated environment without the accompanying institutional solidity required to reduce uncertainty. As a result, firms face an expanded spectrum of dependence, economic, operational, professional, and reputational, while simultaneously navigating ambiguous signals about policy direction and implementation readiness. The cumulative effect is a regulatory context where uncertainty is both a driver of political engagement and a constraint on firms' ability to act strategically.

6.2.1.1 Discussion on regulatory uncertainty

The findings show that regulatory uncertainty surrounding the NHI constitutes a primary driver of healthcare firms' perceptions of environmental risk and shapes the CPA strategies deployed. Participants consistently characterised the Bill as ambiguous and unpredictable, particularly regarding Section 33, which was widely interpreted as creating existential risk for insurers and private providers. This aligns with RDT which suggests that organisations engage politically when government actors control critical resources or pose threats to market access (Hillman et al., 2009; Pfeffer & Salanick, 1978). The interviews confirm this convergence as firms view the state as a dominant external resource controller whose policy decisions may fundamentally firms' operating environment and consequently its business model. Another layer of uncertainty relates to unspecified policy provisions on pricing, procurement process, and patients benefit package design. These omissions limit the firms' ability to forecast operational and financial implications. This reinforces their dependence on government to make appropriate decisions. Although institutional voids are typically discussed outside RDT, the findings still converge with the theory's emphasis on environmental unpredictability and organisational vulnerability that is lacking clear rules amplifies firms' efforts to secure influence through information provision, lobbying and coalition participation. Somewhat divergent from RDT, however, participants emphasised that uncertainty is not confined to a firm-level resource access but is tied to system-wide fragility, such as divergent cost structures between public and private hospitals and limited state administrative capacity, which heightens perceived exposure.

Historical reference points, including prior regulatory episodes such as the Single Exit Price regime, further intensify sensitivity to state action. This reflects a new, context-specific extension to RDT within this study is that firms do not only respond to current dependence but also interpret past regulatory shocks as reinforcing their future vulnerability. Moreover, participants framed NHI uncertainty as carrying both organisational and national health system risks, expanding RDT's traditional focus on firm-level resource control to a broader, ecosystem-based interpretation of dependence. Overall, the findings show strong convergence with RDT and regulatory ambiguity increases firms' exposure to state-controlled resources and motivates intensified, defensive CPA. The divergence lies in firms' framing of uncertainty as simultaneously existential and systemic, while the contribution of this study is the identification

of historical regulatory memory and system-level fragility as additional mechanisms shaping CPA in emerging-market health systems.

6.2.1.2 Discussion on policy ambiguity

Policy ambiguity emerged as a key factor shaping how healthcare firms interpret and respond to the NHI. Participants agreed that although the bill signalled a commitment to universal access, it lacked operational clarity on key enable features such as reimbursement flows, procurement modalities, the role of innovation, and health professionals' obligations. This ambiguity creates a technical uncertainty but also ethical dilemmas, such as the Section 4 contradiction articulated by Participant 5, where clinicians appear required to treat TB but not HIV in co-infected and the management of asylum seekers. Stakeholders also interpreted the same provisions differently, resulting in fragmented and sometimes incorrect assumptions about the future system. Viewed through the lens of RDT, the findings largely converge with theoretical expectations. RDT posits that when critical resources become concentrated under state control and future conditions are uncertain, firms experience heightened vulnerability and respond through political engagement to reduce dependence (Pfeffer & Salanick, 1978). The centralisation of purchasing and reimbursement under the NHI, combined with unclear rules, concur with this logic. The findings also support contemporary extensions of RDT showing that regulatory ambiguity increases firms' exposure to state discretion (Hoffmann et al., 2008b)

Additionally, the study reveals areas of divergence from traditional RDT. Whereas RDT conceptualises dependence primarily in economic terms, the data shows that healthcare firms experience normative dependence on the state for clarity regarding ethical and professional obligations. Participant 5's example demonstrates how ambiguous provisions can create moral uncertainty, an aspect the researcher believes is largely absent in classical RDT formulations. Moreover, while RDT predicts firm political activity to manage dependence, some firms in this study appeared cautious due to reputational sensitivities and trust deficits, suggesting that dependence does not always translate into assertive CPA in contested policy arenas. A key new insight emerging from the findings is that policy ambiguity simultaneously heightens dependence and constrains strategic response. Firms recognise increased vulnerability but face limits on their ability to influence policy due to low trust, legitimacy concerns and fragmented understanding of the Bill. This dual dynamic, dependence without full strategic agency, possibly extends

RDT by showing how political context and societal expectations moderate firms' capacity to act on perceived vulnerabilities.

6.2.1.3 Discussion on inadequate consultation and communication

The findings indicate that stakeholder consultation during the NHI development process enabled participation by private healthcare firms as procedurally required by process, however this was said to be ineffective. While government issued multiple calls for submissions, most participants described the process as one-directional, with limited responsiveness, minimal feedback, and little evidence that input shaped policy revisions. A contrasting view emphasised that government met its legal obligations and that industry responses were defensive or overly self-interested. These divergent interpretations mirror IB literature showing that state–business interactions in emerging markets often lack shared problem framing and suffer from low trust (Liedong et al., 2020). From a RDT perspective, consultation processes matter because they provide firms with access to scarce political resources, information, policy predictability, and early signalling (Adomako et al., 2023; Hillman et al., 2009). When these channels are weak or symbolic, firms remain dependent on the state yet lack avenues to reduce uncertainty or influence design features that affect their survival. The study's findings therefore converge with RDT predictions where the state maintains control and limits access to external expertise, and firms face heightened vulnerability and must adapt their CPA strategies accordingly. Participants reported that critical issues were ignored, and that late-stage additions such as Section 33 appeared without consultation. This reflects the resource asymmetry anticipated by RDT. At the same time, the finding that firms produced detailed, clause-specific submissions yet still felt unheard, diverges from assumptions in the IB literature that evidence-based inputs improve influence in emerging-market policymaking (Adomako et al., 2023). Rather than increasing resource exchange, such technical contributions appeared to have limited traction. This suggests that in politicised reforms such as NHI, issue framing and ideological alignment may matter more than technical detail. A new insight emerging from this study is the dual misalignment between firstly, government's normative expectations, centred on equity and redistributive intentions, and secondly, firms' expectations, centred on clarity, feasibility, and system design. This misalignment is not simply informational but interpretive, meaning that even technically robust submissions may be discounted if perceived as done for self-interest. This observation extends RDT by illustrating that resource exchange is filtered through perceptions of motive and legitimacy, not only access or information. Overall, the findings suggest that conventional CPA tools such as

submissions and parliamentary hearings have limited effectiveness in this context. For firms, RDT implies the need to pursue more relational, coalition-based approaches that build credibility and reduce dependence on formal consultation channels alone. Conversely, the state's limited responsiveness constrains opportunities for collaborative governance, reinforcing regulatory uncertainty and weakening the potential for co-produced policy design.

6.2.1.4 Discussion on the economic and investment implications

The findings reveal that healthcare firms perceive the NHI as unfolding within a highly constrained macroeconomic and fiscal environment, raising concerns about its feasibility, affordability, and long-term sustainability. Participants emphasised issues such as a narrow tax base, stagnant GDP growth, and the absence of a credible, costing model. The conditions mirror the broader IB research showing that weak economic fundamentals amplify policy risk and depress foreign and domestic investment in emerging markets (Sun et al., 2021). The concerns expressed about Treasury's reservations and the potential for large tax shocks converge with international evidence that fiscal unpredictability reduces firms' willingness to commit capital and encourages short-termism (Sun et al., 2021).

From the perspective of RDT, these findings illustrate a significant power imbalance between firms and the state. Healthcare firms depend on government for an external environment that ensures predictable funding flows, reimbursement structures, and institutional competence. When the state signals ambitious reforms without resource capacity, this is interpreted as a disruption to essential external resources. Consistent with RDT, participants described investor withdrawal, slowing capital expenditure, and expectations of share-price volatility as reasons to reduce exposure. This pattern aligns with IB literature showing that MNEs in emerging markets respond to weak institutional and fiscal capacity by diversifying geographically, scaling back operations, or reallocating investments to more stable jurisdictions (Anand et al., 2021).

Participants anticipated market shrinkage, reduced profitability, and possible exit of multinational firms, highlighting that South Africa's reform is unfolding without the institutional clarity typically associated with successful transitions. A new insight emerging from this study is the degree to which economic uncertainty intersects with political and regulatory ambiguity, producing a compounded effect on investor sentiment. Participants' references to potential divestment, job losses, and declining sector

sustainability underscore how intertwined these dependencies are: without economic stability, even strong CPA cannot offset perceptions of risk or restore confidence in the long-term viability of the healthcare market.

6.2.1.5 Discussion on the perception of government competencies

The findings show that concerns about state capacity strongly influence how healthcare firms interpreted and responded to the NHI. Participants repeatedly questioned whether government possessed the technical, managerial and financial capacity to implement a national single-payer system. Provincial health systems were described as marred by “corruption and inefficiency and political appointments” (Participant 11), raising doubts about whether NHI funds could be governed responsibly. As Participant 6 noted, stakeholders “don’t see the governance... to ensure that the funds are utilised effectively,” while others emphasised a persistent “deep trust deficit between the public and private sector” (Participant 5). Such perceptions shaped firms’ uncertainty about whether government could operationalise critical components of NHI. Participant 2 remarked “Do we have the right skill sets... to roll out something as big as this?”, while Participant 2 suggested other stakeholders who would be important to see the successful implementation of the NHI; “you need the banks involved... you need the systems” (Participant 4). These concerns align with recent IB literature emphasising state-capacity constraints in emerging markets. Studies demonstrate that weak bureaucratic capability and inconsistent implementation undermine policy credibility and increase nonmarket uncertainty (Anand et al., 2021; Liedong, 2021). In the South African health sector specifically, research similarly highlights governance deficits and mistrust as barriers to effective NHI implementation (Bust et al., 2023; Perrow & Schneider, 2023).

RDT helps explain the strategic implications of these perceptions. RDT holds that firms engage in CPA to manage uncertainty arising from dependence on external actors, such as the state (Hillman et al., 2009). Yet in this study, high dependence on a future state purchaser coincided with low confidence in government capability, producing caution rather than intensified engagement. This reflects broader evidence that when state competence is uncertain, firms may limit political investment because the returns to influence are difficult to predict (Hadani et al., 2017). Participants’ remarks, such as government having “made... a lot of promises... that they haven’t brought to bear” (Participant 1), illustrate why firms remained sceptical about whether influencing policy would translate into effective implementation. Overall, perceptions of weak government

competencies emerged as a central constraint shaping CPA under NHI. Firms not only questioned the design of the policy but also the state's ability to execute it, tempering their willingness to engage, and reinforcing defensive, risk-mitigating nonmarket strategies.

6.2.2 Conclusion of the theme of regulatory uncertainty

Overall, the sub-themes within regulatory uncertainty reveal a multidimensional pattern of ambiguity that influences firms' strategic orientation, their appetite for CPA, and their expectations of the future healthcare system. The findings demonstrate that uncertainty arises not only from unclear legislation but also from policy ambiguity, ineffective consultation processes, macro-fiscal fragility, and perceived deficiencies in government capacity. This composite uncertainty landscape reflects broader IB evidence that emerging-market reforms often generate high nonmarket risk when institutional voids, weak bureaucratic capability, and ideological contestation converge (Anand et al., 2021; Liedong, 2021). In line with RDT predictions, firms perceive intensified dependence on the state across both operational and strategic domains. However, unlike classical RDT's expectation that higher dependence induces more assertive political action, this study shows that uncertainty can simultaneously motivate and inhibit engagement. Trust deficits, contested legitimacy, and scepticism about the state's ability to implement policy effectively weaken firms' confidence that CPA will yield meaningful influence or predictable outcomes, a dynamic increasingly recognised in contemporary IB literature on political risk and state capacity (Hadani et al., 2017). A key contribution of this study is the identification of two additional mechanisms shaping firms' responses to regulatory uncertainty in South Africa's health reform context: historical regulatory memory and system-level fragility. Participants' references to past policy shocks, such as the Single Exit Price, demonstrate how accumulated experience informs expectations of future state action, reinforcing perceptions of vulnerability. Similarly, the recognition that NHI uncertainty extends beyond firm-level effects toward broader system-level risks suggests that dependence on the state is interpreted within a wider ecosystem perspective. This extends RDT by illustrating how firms in emerging-market health systems do not only manage bilateral dependence but also navigate uncertainty arising from interconnected structural weaknesses. Overall, the parent theme underscores how regulatory uncertainty under NHI shapes firms' risk perceptions, moderates their CPA strategies, and reveals the limits of influence in highly politicised, capacity-constrained policy environments.

6.4 Discussion of results under the theme of CPA approaches

6.4.1 Overview of the findings CPA in South Africa's healthcare sector

The findings reveal that healthcare firms employed a diversified portfolio of CPA approaches in response to the uncertainty and structural transformation associated with South Africa's NHI. These approaches, lobbying and engagement, coalition building, informational strategies, selective litigation, and informal political ties, reflect a complex adaptation to a politically sensitive and institutionally volatile environment. Consistent with RDT, firms sought to manage exposure to state-controlled resources by cultivating channels of access, pooling capabilities, and deploying technical expertise to influence or anticipate regulatory change (Pfeffer & Salanick, 1978). Recent IB studies similarly emphasise that firms in emerging markets blend relational, informational, and collective CPA tools to navigate unpredictable policy shifts (Jiang et al., 2023; Sun et al., 2021).

Lobbying under NHI, primarily through sustained engagements, parliamentary submissions, and joint position papers, was central to firms' efforts to stabilise dependence on the state. Yet, unlike classical RDT expectations of assertive resource mobilisation, firms adopted cautious, often deferential forms of advocacy due to reputational and political risks. Coalition building emerged as a dominant strategy: firms relied on BUSA, IPASA, HASA, and professional associations to pool technical expertise, enhance legitimacy, and reduce the reputational vulnerability of acting alone. Informational CPA, including evidence development, issue framing, and selective media activation, further complemented this collective approach by enabling firms to shape policy narratives and expand the parameters of the NHI debate, consistent with IB work on the rising centrality of informational influence (Doh et al., 2015; Lawton et al., 2020). More contested CPA tools, such as litigation and informal political ties, were used sparingly. Litigation appeared as a reactive mechanism deployed primarily by hospital groups and funders, while pharmaceutical firms avoided direct confrontation to preserve long-term relational credibility, a divergence from sectors where litigation is a proactive policy-shaping tool (Ulucanlar et al., 2023). Similarly, informal political ties offered access but limited influence due to the ideological rigidity of the reform, underscoring the conditional value of political embeddedness in dominant-party systems (Liedong et al., 2020). Together, these approaches highlight a tailored, risk-mitigating CPA repertoire shaped by resource constraints, legitimacy pressures, and the unique institutional dynamics of South Africa's health sector.

6.4.1.1 Discussion on lobbying and position paper

The findings demonstrate that engagement, as a form of lobbying, was the primary mechanism through which healthcare firms attempted to manage uncertainty surrounding the NHI. Within RDT, organisations seek to reduce environmental uncertainty by influencing or negotiating with actors who control critical resources (Pfeffer & Salanick, 1978). Participant accounts of sustained engagement through meetings, submissions, and parliamentary hearings align with this logic. By “engaging the policymakers... through meetings, submissions... and hearings” (Participant 2), firms attempted to stabilise their dependence on the state, consistent with RDT’s prediction that organisations respond to political uncertainty by expanding activities. This converges with RDT in the finding that access to policymakers is shaped by organisational size and resource endowments. Participant 1’s view that “the size of your organisation matters” mirrors RDT’s assertion that firms with greater resource bases possess stronger influence capabilities (Hillman et al., 2009). Likewise, the reliance on collective position papers through IPASA, BUSA, and SAMA reflects the RDT proposition that firms form alliances to pool resources and reduce exposure to dominant external actors (Hillman et al., 2009; Pfeffer & Salanick, 1978). However, the findings also diverge from classical RDT expectations, which typically anticipates assertive strategies aimed at reshaping power dependencies. Instead, participants described lobbying that was hesitant, deferential, and risk-averse, portrayed as “passive-aggressive” (Participant 2) or “they will... die on engagement” (Participant 9). This suggests that, in high-stakes political environments, firms may prioritise risk minimisation over influence maximisation, a dynamic not fully captured in early RDT formulations. Emerging extensions of RDT acknowledge such constraints, noting that political dependence can limit the feasibility of assertive action (Hillman et al., 2009), but the degree of passivity observed here appears to be pronounced.

A further novel contribution relates to participants’ ambivalence about lobbying the ruling party’s headquarters. While RDT would predict engagement with the ultimate source of authority, participants viewed direct party-level lobbying as reputationally dangerous or politically inappropriate. This reveals a context-specific modification to RDT, in dominant-party systems, firms may deliberately avoid the most powerful political nodes to preserve legitimacy, even if doing so limits their influence. This sensitivity to political norms, legitimacy pressures, and fear of retaliation extends RDT by highlighting that dependence is shaped not only by power asymmetry, but also by evaluations of political

appropriateness. Finally, the widespread view that “individual corporate power... has not worked” (Participant 1), while collective lobbying offered more traction, reinforces RDT’s emphasis on coalition-formation. Yet it also suggests that under NHI, sectoral legitimacy, rather than resource access alone, determined the effectiveness of lobbying efforts, a refinement that contributes new nuance to the theory.

6.4.1.2 Discussion coalition building and industry associations

The findings demonstrate that coalition building is a critical component of healthcare firms’ CPA responses to the NHI, with participants consistently emphasising the strategic value of collective engagement through bodies such as IPASA, HASA and BUSA. As Participant 2 noted, industry associations are “a far more credible voice than a single pharmaceutical company,” reflecting a preference for coordinated, sector-wide submissions rather than firm-level advocacy. This collective approach was reinforced by the observation that commenting individually “may not be the ideal option,” signalling the reputational and political risks of acting alone in a highly contested policy environment.

In this context, RDT provides a strong explanatory lens for these behaviours by arguing that organisations respond to environmental uncertainty and resource constraints by forming alliances that reduce dependence and stabilise access to critical external actors (Pfeffer & Salanick, 1978). Consistent with this logic, participants described using coalitions to pool expertise, expand political reach and secure access to key institutional platforms. BUSA’s role, was ubiquitous, particularly its seat at NEDLAC, which was highlighted as a strategic channel through which firms could influence policy deliberations while reducing the vulnerability associated with direct engagement with government (Participant 11). Through coalition structures, firms collectively gain access to information flows, technical working groups and structured consultations.

The findings also show that coalitions served not only to aggregate resources but also to broaden the network of supportive actors. Participants described engaging “doctors’ associations, nurses’ associations, medical groups, medical aid groups and hospital groups” (Participant 11), as well as political parties, scientific leaders and utilising think tanks. These multi-actor coalitions enabled firms to mobilise scientific legitimacy, public credibility and policy expertise, valuable external resources in RDT terms, which individual firms could not secure alone. Engagement with foreign chambers of commerce and embassies, such as the Danish embassy (Participant 3), were also views as a

strategic expansion of resource networks beyond domestic boundaries to mitigate local institutional uncertainty.

Overall, the findings confirm that coalition building is a resource-dependent response to a volatile and politically sensitive policy environment. By working collectively, healthcare firms reduce their dependence on unilateral access to government, share the reputational risks of contentious policy engagement, and strengthen their ability to influence NHI design through coordinated, resourced and institutionally embedded platforms (Hillman et al., 2009; Puck et al., 2018; Sun et al., 2021). This reinforces RDT's core proposition that organisations adapt their political strategies to manage external uncertainty by forming alliances that secure critical resources and stabilise their operating environment.

6.4.1.3 Discussion of the role of evidence generation and issue framing

The findings show that firms and industry associations relied predominantly on informational CPA, specifically evidence generation, issue framing, and targeted media activation, to influence the design and implementation trajectory of the NHI. Participants described coordinated efforts to develop comparative studies, affordability modelling, and international best-practice reviews, often packaged as alternative NHI proposals by bodies such as HASA, BUSA, and the Board of Health Care Funders (BHF). These tactics align with RDT's view that firms deploy technical expertise as a political resource to manage external dependencies and reduce exposure to unfavourable policy shifts (Pfeffer & Salanick, 1978). Consistent with recent IB work, firms appeared to use evidence not only to inform policymakers, but also to shape the boundaries of feasible reform, reflecting the broader trend of informational CPA in highly regulated sectors (Ghauri et al., 2021; Sun et al., 2021)

A notable convergence with IB literature is the use of issue framing to stress mutual benefit rather than oppositional positions. Participants framed debates around fiscal sustainability, rare-disease funding, and mixed-model feasibility, an approach that supports arguments that firms seek to redefine policy problems in ways that align state and industry interests (Ghauri et al., 2021). The use of media amplified informational efforts. Participants described deliberate strategies involving journalists, opinion pieces by scientific leaders, and coordinated public messaging to shape narratives and increase policy visibility. This aligns with IB findings that media engagement extends firms' influence by increasing the salience of preferred frames and signalling expert credibility

(Hillman et al., 2004b; Katic & Hillman, 2023a). Yet the selective use of media, particularly the reluctance to publicise sensitive issues like pharmaceutical pricing, reveals a context-specific calibration of visibility and reputational risk, diverging from some IB cases where firms use media more aggressively. This suggests that in contentious policy reforms such as NHI, visibility itself becomes a managed resource within a broader RDT-driven strategy to avoid deepening political vulnerability. Overall, the evidence indicates that South African healthcare firms deploy an interlinked informational CPA repertoire, combining data, framing and media to manage regulatory dependence and shape the evolving policy environment. While consistent with international patterns, the strong emphasis on normative alignment with universal health coverage and the selective, risk-managed use of media provide two novel insights into how firms navigate politically charged health reforms in emerging-market contexts.

6.4.1.4 Discussion on the effects of litigation as a CPA strategy

The findings reveal that litigation is used as a reactive CPA strategy when prolonged engagements and technical submissions have failed to influence the NHI process. Participants described court action as “an absolute last resort and an attempt to be heard,” taken only after years of consultations and evidence-sharing produces little desirable outcomes. Litigation was therefore an unplanned strategy and more of a fallback mechanism to re-open policy discussions and compel government to meet constitutional and procedural requirements. This pattern aligns partially with institutional theory, which suggests that firms escalate to more confrontational tools when regulatory uncertainty is high and policymaking processes appear unresponsive (Ghauri et al., 2021; Liedong et al., 2020; Sun et al., 2021). Litigation can therefore serve as an alternative avenue for influence, that allows firms to enforce rules, and reduce institutional risk and uncertainty.

In the context of the NHI, the participant responses reflect that hospital groups, medical insurance firms and even political parties engaged in court cases against government in relation to the NHI, and often focusing on consultation defects and constitutional inconsistencies. However, the South African case also diverges meaningfully from dominant IB patterns. For example, in many global industries, such as tobacco and alcohol, litigation is a proactive CPA strategy used to delay regulation, contest evidence, or shape policy trajectories (Ulucanlar et al., 2023).

In contrast, pharmaceutical firms in this study exhibited a reluctance to litigate, distancing themselves from visible court action despite substantial exposure to NHI reform. Participants observed that while many stakeholders had turned towards litigation, pharmaceutical firms “to my knowledge... had not been involved,” reflecting concerns about reputational risk, perceptions of being seen to be opposed to universal health reform, and the risk of undermining long-term relationships with the state. Pharmaceutical firms’ appeared to prefer low-visibility, relational tactics, continuous technical engagement, coalition work, and evidence generation, over direct confrontation. Recent IB research in emerging markets reinforces this pattern, noting that pharmaceutical firms blend CPA with public-interest framing and CSR-like behaviours to maintain legitimacy in environments marked by institutional volatility (Adomako et al., 2023). Overall, the findings illustrate that under the same regulatory shock such as NHI, actors in the healthcare field adopt differentiated CPA approaches. While litigation is widely used across the ecosystem, pharmaceuticals strategically avoid it, relying instead on other actors to carry the confrontational burden. This contributes to research theory by demonstrating how sectoral identity, legitimacy risks, and relational dependencies shape whether litigation is considered an acceptable or unacceptable instrument of political influence in an emerging-market policy environment.

6.4.1.5 Discussion on the influence of informal relationships with policymakers

Informal relationships with policymakers emerged as a narrow but discrete CPA tactic within firms’ broader nonmarket strategies. Only a limited set of actors, mainly those with personal or historical proximity to the Presidency, were able to leverage back-channel access to initiate unofficial conversations about the NHI. As one participant noted, “those who have backchannel connections... have sought informally to have conversations... before you act” (Participant 5). These engagements were complemented by semi-private convenings hosted by influential corporates, such as a financial institution’s policy dialogue where firms “were able to provide at least feedback to the government officials that were present” (Participant 10). Firms also approached individual members of the governing party for informal exchanges, though participants emphasised that such access did not translate into visible policy shifts, noting that the President listened but did not change course (Participant 10). From a RDT perspective, informal relationships can be understood as attempts to manage uncertainty by accessing information, reducing asymmetries, and cultivating influence over powerful state actors (Pfeffer & Salanick, 1978).

IB scholarship similarly recognises political ties as relational resources that may help firms anticipate regulatory changes and negotiate dependencies in emerging markets (Adomako et al., 2023; Katic & Hillman, 2023a). However, the findings here diverge from much of the literature that positions political ties as materially impactful in shaping policy outcomes. Instead, participants described informal ties as offering access without influence, a gap that reflects the ideological rigidity of the NHI reform and the state's reluctance to be perceived as yielding to private interests. This introduces a new insight whereby, in contexts where reforms are framed as redistributive and politically symbolic, informal ties may lose strategic value, even for firms with access. While IB studies often highlight the advantages of cultivating political embeddedness in emerging economies, the South African NHI case demonstrates that such ties are contingent and may be overshadowed by broader political imperatives. There is convergence with RDT in that firms sought informal channels to stabilise an uncertain environment, but a *divergence* from IB expectations that political connections meaningfully shift policy direction. Instead, informal CPA operated as a complementary, low-impact tactic that supported dialogue but did not materially alter the trajectory of the NHI.

6.4.2 Conclusion of the CPA findings used by healthcare firms in South Africa

Overall, the findings show that healthcare firms' CPA approaches under NHI were characterised by collective action, informational influence, and risk-managed engagement, consistent with contemporary IB scholarship emphasising adaptive, context-sensitive political strategies in emerging markets ((Lawton et al., 2020; Sun et al., 2021). RDT provides a strong interpretive lens for understanding why firms formed alliances, sought stable access to policymakers, and deployed technical expertise as a political resource to reduce environmental uncertainty. However, the findings also extend RDT by demonstrating that political dependence is moderated not only by resource asymmetries but also by reputational concerns, legitimacy pressures, and assessments of political appropriateness, factors especially salient in redistributive policy reforms such as NHI. A key convergence across the data is that firms perceived individual corporate influence as insufficient, favouring coalition-driven advocacy through business associations, health federations, professional organisations, and foreign chambers. This aligns with recent IB literature documenting the growing centrality of cross-sector coalitions in complex regulatory fields. Informational CPA further served as a primary means of influence, with firms emphasising evidence generation, comparative analyses, and calibrated media engagements to shape policy narratives without appearing

oppositional, consistent with findings that informational strategies dominate in high-stakes, legitimacy-sensitive environments (Ghauri et al., 2021).

Conversely, two divergences from broader IB patterns emerged. First, litigation was selectively avoided by pharmaceutical firms, who relied on other actors to carry adversarial strategies, illustrating how sectoral identity and legitimacy risk shape CPA choices. Second, informal political ties demonstrated limited utility, offering access without substantive influence due to the political symbolism attached to NHI. This challenges assumptions in IB research that political embeddedness reliably enhances policy influence (Sun et al., 2021). Instead, the NHI case demonstrates that in dominant-party systems implementing socially transformative reforms, informal CPA can be structurally constrained.

Collectively, these insights show that CPA under NHI reflects a highly calibrated, multifaceted, and legitimacy-conscious strategy. Firms balanced influence-seeking with reputational caution, favouring collective, informational, and low-visibility approaches to manage dependence on the state. This contributes to IB theory by illustrating how firms in emerging-market health systems strategically adjust their CPA repertoire to navigate high regulatory uncertainty, politically sensitive reforms, and contested societal expectations.

6.5 Discussion of results under strategic objectives for engaging in CPA

6.5.1 Overview of strategic objectives for engaging in CPA

The findings indicate that healthcare firms' strategic objectives for engaging in CPA under South Africa's NHI extend beyond traditional defensive motivations and instead reflect multifaceted aims to manage dependence on the state and shape a viable institutional environment. Rooted in RDT, firms recognised the state as a central controller of critical resources, revenue flows, procurement mechanisms, and regulatory approval, requiring continuous political engagement to mitigate uncertainty and secure operational stability (Pfeffer & Salanick, 1978). This aligns with recent IB research showing that in emerging markets, firms engage politically not only to protect immediate interests but also to strengthen institutional infrastructures that influence long-term competitiveness (Ghauri et al., 2021; Sun et al., 2021). Across sub-themes, firms sought to ensure predictable policies, transparent procurement and HTA processes, and fair market rules, demonstrating a strategic orientation toward institutional shaping rather than episodic

lobbying. Activities such as proposing alternative NHI models, participating in high-level platforms like the Presidential Health Compact, and advocating for clearer timelines reflect attempts to stabilise the flow of policy-relevant information and reduce state-driven uncertainty. IB studies similarly emphasise that in complex policy environments, firms pursue collaborative CPA strategies to align state capacity with sectoral expertise (Ghauri et al., 2021).

A core objective emerging from the data is co-developing an enabling environment for universal health coverage, grounded in the belief that private-sector sustainability and public-sector reform are mutually dependent. This evidences a strategic shift towards partnership-oriented CPA, resonating with literature suggesting that firms in socially salient sectors may engage politically to enhance policy legitimacy and societal trust (Lawton et al., 2020). Other objectives include securing fairness in procurement rules, shaping value-based reimbursement frameworks, and ensuring alignment between institutional capacity and procurement design, motivations that extend RDT by illustrating firms' dependence not only on regulatory stability but also on the substantive quality of policy mechanisms. Collectively, the findings suggest that firms employ CPA to manage risk, contribute technical expertise, and influence policy design in ways that sustain both organisational viability and systemic health-sector reform.

6.5.1.1 Discussion on creating an enabling environment under NHI

The findings show that healthcare firms engaged in NHI policy debates frame their political activity not simply as defensive, but as essential to creating an institutional environment capable of sustaining universal health coverage. Participants emphasised that reform “could not be achieved without the involvement of the private sector,” signalling a collaborative stance rather than outright opposition. This aligns with RDT, which proposes that firms facing high regulatory uncertainty will seek to manage dependencies through cooperation, boundary-spanning, and shaping of the policy environment (Pfeffer & Salanick, 1978). Participants described activities such as presenting alternative NHI models at the HASA conference, supporting government with supply-chain and financial management capacity, and clarifying the role of innovation and private insurance in a future unified system. These actions reflect RDT's prediction that firms respond to state-created vulnerabilities by offering resources that reduce government constraints while preserving their own operational viability. IB scholarship similarly notes that firms in emerging markets often pursue “collaborative CPA” when

state capability is weak and policy goals require cross-sectoral expertise (Sun et al., 2021).

A notable convergence with the literature is the emphasis on mutual dependence. The participants acknowledged that private-sector sustainability is intertwined with the state's ability to implement NHI. Divergence emerges, however, in how participants framed motives. While RDT and IB literature often emphasise strategic self-interest, Participants repeatedly rejected perceptions of "super profits" and presented their actions as aligned with national health reform. This introduces a new insight in the context of politically sensitive sectors, firms may mobilise CPA not only to secure resources, but also to assert policy legitimacy and counter negative societal narratives.

Participants further emphasised the importance of learning from global UHC reforms, cautioning that South Africa would be "the first to try to do it this way" under severe fiscal and capacity constraints. This aligns with IB work highlighting that institutional design in emerging markets must account for resource deficits and organisational interdependencies (Katic & Hillman, 2023a). The interviews, however, extend this literature by showing how firms actively use evidence from global policy failures and successes to influence domestic reform trajectories, an example of knowledge-based resource dependence shaping CPA. Overall, this sub-theme demonstrates that firms are engaging the state not merely to protect organisational interests, but to co-develop an enabling environment in which NHI can function. This reflects RDT's logic of negotiated interdependence while offering a more partnership-oriented picture of CPA than commonly depicted in IB research.

6.5.1.2 Discussion on policy predictability and fairness

The findings reveal that firms view policy predictability and fairness as foundational to navigating the NHI environment, reflecting core assumptions of RDT. RDT posits that firms depend on external actors, particularly the state, for critical resources and must therefore engage politically to secure stability and reduce uncertainty (Pfeffer & Salanick, 1978). Participants' emphasis on structured platforms such as the Presidential Health Compact as a means "to bring them together" indicates an attempt to manage this dependence through coordinated engagement that reduces informational asymmetries and clarifies regulatory expectations. This aligns with IB research showing that businesses in emerging markets employ collaborative, relational strategies to influence uncertain policy environments (Hillman et al., 2004a; Lawton, 2022). A notable

convergence with RDT is the emphasis on incremental implementation as both a constraint and an opportunity. Participants recognised that NHI is unfolding in “small increments,” creating prolonged uncertainty yet enabling firms to adapt strategically. RDT predicts such behaviour where firms respond to shifting resource environments by building channels of influence to secure clearer timelines and procedural fairness. This was evident in participants’ calls for “high-level engagement... to ensure clarity,” demonstrating efforts to stabilise the flow of policy-relevant information from government to industry. Consistent with IB literature on emerging markets, this highlights firms’ reliance on continuous engagement rather than episodic lobbying to mitigate uncertainty (Sun et al., 2021). However, the findings also diverge from traditional RDT expectations. While RDT frequently assumes that engagement will yield influence proportional to firms’ strategic resources, participants expressed concern that South Africa’s dominant-party context enables unilateral decision-making, “you basically can just push it through”, limiting firms’ ability to shape outcomes despite active engagement. This contrasts with IB studies that emphasise the effectiveness of sustained political ties in shaping regulatory outcomes (Jiang et al., 2023), suggesting that in dominant-party democracies, dependence may be structurally difficult to manage.

A further new insight emerging from the data is the framing of fairness not only as procedural but also as outcome-oriented. Firms linked predictability to equitable and evidence-based procurement decisions, including the sustainability of differentiated products such as biologics. This extends RDT by demonstrating that firms are not only dependent on the state for regulatory stability but also for mechanisms that ensure value-based allocation of healthcare resources, highlighting a dual dependence on both administrative certainty and clinical decision-making frameworks. IB literature has seldom explored this dimension within social policy sectors, suggesting an opportunity to broaden theoretical understanding of how firms conceptualise “fairness” in highly salient, public-facing markets. In sum, the findings show strong alignment with RDT’s central premise that firms seek to reduce uncertainty by managing dependencies on the state. Yet they also highlight structural limits to influence in a dominant-party system and introduce an outcome-based understanding of fairness that is under-theorised in existing IB scholarship.

6.5.1.3 Discussion on procurement and formulary design

The findings show that procurement, pricing, and formulary design under NHI have become critical arenas for CPA, as firms attempt to influence the technical rules that will

govern access and reimbursement. Participants emphasised the need for clarity on “price visibility,” “value assessment frameworks and HTAs,” and “procurement modalities that allow for innovative contracting,” reflecting how firms are positioning themselves to shape the core mechanisms of value-based purchasing (Participant 8). Consistent with RDT, firms’ efforts stem from their dependence on state procurement decisions for revenue, market access, and long-term viability (Pfeffer & Salanick, 1978). In this sense, the data converges with IB literature showing that MNEs in highly regulated sectors engage in technical, expertise-based CPA to reduce environmental uncertainty and influence policy parameters that directly affect firm survival (Ghauri et al., 2021; Lawton et al., 2020). However, participants described significant resistance from policymakers when attempting to engage on HTA structures, the Single Exit Price, Section 36 exemptions, or formulary processes. One Participant noted that officials viewed such engagement as “confrontational,” which they interpreted as a sign that “they haven’t gotten to that point yet” (Participant 13). This diverges from IB findings in middle-income markets where policymakers increasingly welcome technical input to strengthen HTA and procurement systems (Mudambi et al., 2014). Instead, the South African case suggests a capacity-driven defensiveness that limits firms’ ability to co-create policy solutions, an important contextual deviation from global patterns of collaborative state–industry interaction in pharmaceutical markets.

Participants also emphasised that South Africa’s procurement model is unusually ambitious relative to global UHC norms, with one noting that international reviews found the country would “be the first to try to do it this way” despite institutional weaknesses (Participant 12). This introduces a new insight where firms perceive not only regulatory uncertainty but also design-level misalignment between the country’s institutional capacity and the complexity of its proposed centralised procurement architecture. While IB research recognises that emerging-market governments often pursue assertive industrial and health-policy reforms (Bust et al., 2023), the South African case highlights the risk of over-centralisation in the absence of mature HTA systems, heightening firms’ dependency and amplifying their incentive to engage politically. Finally, participants linked procurement design to patient outcomes and innovation, raising concerns that weak formulary design and limited data systems may entrench restricted access to high-value therapies. This partially aligns with global evidence that centralised procurement can reduce costs but may delay access to innovation if not paired with transparent value-assessment processes. Yet South Africa’s data constraints create a divergence unlike in countries with established cost-effectiveness frameworks, policymakers are unable to conduct robust assessments, relying instead on crude “cost-of-inaction” reasoning

(Participant 7). Overall, the findings reinforce RDT's logic that firms intensify CPA when state decisions directly shape resource flows. However, the South African context introduces two distinct insights. Firstly, the state capacity limitations restrict constructive technical engagement, and secondly the ambitious design of procurement and HTA structures amplifies regulatory uncertainty, driving firms toward more assertive, expertise-based CPA to safeguard access, innovation, and market stability.

6.5.2 Conclusion of strategic objectives for engaging in CPA

Overall, the parent theme demonstrates that firms' strategic objectives for engaging in CPA under NHI reflect a combination of risk mitigation, institutional co-creation, and resource-dependence management, consistent with core RDT propositions. Firms engaged politically to reduce ambiguity surrounding implementation timelines, procurement frameworks, and HTA processes, areas central to organisational survival in highly regulated health markets. This aligns with IB literature emphasising that firms in emerging markets proactively engage political actors to secure stability in volatile institutional environments (Sun et al., 2021). However, the findings extend these insights by illustrating how firms also seek to shape policy substance, not merely procedural predictability, recognising that procurement and formulary design determine long-term access to innovation and reimbursement viability. A notable convergence with recent IB scholarship is the prioritisation of collaborative CPA, where firms aim to enhance state capability and address institutional voids by supplying technical expertise (Ghauri et al., 2021). The consistent emphasis on co-developing an enabling environment reflects a strategic understanding of interdependence: NHI cannot succeed without private-sector inputs, and private-sector sustainability depends on functioning state mechanisms. Yet the findings also reveal divergences from typical RDT expectations. While the theory assumes that political engagement proportionally enhances influence, participants noted structural constraints within a dominant-party political system, limiting firms' ability to meaningfully shape outcomes. This suggests that in concentrated political contexts, resource dependence may be less negotiable, offering a contextual refinement to RDT. Furthermore, the data introduce a new insight into the objective of policy legitimacy shaping, where firms strategically counter negative societal narratives and frame their engagement as aligned with public interest, an underexplored dimension in the IB literature. Strategic objectives thus span both self-interested and system-oriented aims: reducing uncertainty, preserving market access, ensuring equitable procurement rules, and promoting technically sound policy design. Taken together, these findings depict CPA as a complex, multi-layered strategy through which firms navigate high dependence on

the state while seeking to influence the institutional architecture of NHI in ways that support both national reform and organisational resilience.

6.6 Discussion of results under policy influence and effectiveness

6.6.1 Overview of policy influence and effectiveness

The theme of *policy influence and effectiveness* captures how healthcare firms navigated a politically entrenched and institutionally complex reform process in attempting to shape South Africa's NHI. The findings reveal that corporate influence was uneven and bounded, mediated by resource asymmetries, institutional rigidity, and the political symbolism attached to NHI. RDT provides a useful foundation for explaining observed patterns whereby firms with greater resource visibility, such as hospital groups and funders, were perceived as possessing stronger leverage due to their control of critical assets, aligning with contemporary IB work highlighting the power of systemic importance in regulated sectors (Adomako et al., 2023; Lawton et al., 2020). Yet, the data also show that despite resource advantages, the foundational architecture of NHI remained largely resistant to corporate influence, reflecting constraints posed by long-standing ideological commitments and political objectives embedded within the governing party's policy agenda. This partially diverges from RDT's assumption that resource exchange reliably increases influence, and supports emerging IB scholarship on policy entrenchment in politicised domains, where firms can shape implementation details but seldom alter core direction (Saha et al., 2023)

Within this constrained environment, influence was more attainable in technocratic and bureaucratic spaces, such as governance norms, implementation sequencing, or procurement design, rather than at the level of political principals. This corresponds with recent IB findings that in emerging markets, targeted technical engagement is often more effective than overt political lobbying (Sun et al., 2021). As political access narrowed during the later stages of the Bill-to-Act transition, firms adapted by shifting from relational lobbying to collective legal strategies, illustrating RDT's proposition that organisations modify tactics when dependencies shift. Moreover, participants evaluated effectiveness through indirect indicators, delayed implementation, increased consultation, expanded issue framing, reflecting a broader IB view that in volatile institutional environments, CPA success often manifests in procedural or temporal influence rather than direct policy change (Ghauri et al., 2021) Overall, this theme highlights a nuanced form of influence shaped by adaptive strategies, institutional

resistance, and the interplay between resource dependence and entrenched political preferences.

6.6.1.1 Discussion on policy influence and effectiveness

The data suggest that corporate influence over NHI has been constrained and is uneven, shaped by both resource-based power differentials and the political embeddedness of the reform. Participants frequently described hospitals and funders as “the most powerful,” reflecting RDT propositions that actors with critical resources, capital, infrastructure, and technical capabilities, possess stronger leverage over policymakers (Pfeffer & Salanick, 1978). This aligns with IB literature showing that firms with higher resource visibility and systemic importance tend to exert greater nonmarket influence in regulated sectors (Lawton et al., 2020). At the same time, participants emphasised that NHI is rooted in long-standing ANC policy commitments, limiting the degree to which corporate actors can reshape its foundational design. This diverges from RDT’s assumption that resource exchange increases influence, illustrating instead that ideological rigidity can override resource asymmetries. This insight complements emerging IB work on policy entrenchment, which shows that in politicised reforms, firms can shape implementation but not core direction (Shirodkar et al., 2022a). Influence was perceived as more feasible within technical and bureaucratic spaces, rather than through visible political principals. The view that “the minister is a figurehead” and that key decisions rest with professional staff aligns with RDT’s emphasis on targeting dependencies where decisions actually occur, yet participants noted that even engagement with technocrats yielded limited shifts once the Bill became an Act. This presents a partial convergence with IB literature on targeted lobbying strategies, while revealing a context-specific constraint: the centralisation of decision authority within the Presidency and senior bureaucratic clusters.

The shift from early cooperative lobbying, where firms “thought they could influence it substantially”, to later reliance on collective legal strategies reflects an adaption of CPA in response to diminishing political access. RDT suggests that organisations modify tactics when dependencies shift; here, firms moved from relational lobbying to adversarial legal mechanisms once political pathways narrowed. However, participants emphasised that even collective action offers uncertain outcomes, signalling a divergence from expectations that resource-pooling reliably enhances influence.

A notable insight emerging from the data is that firms have reframed “success” not as blocking NHI but as securing a regulatory environment that enables continued functioning, even if adaptation is required. This complements IB literature on strategic accommodation in emerging markets, where firms seek stability and predictable rules rather than full policy alignment (Sun et al., 2021). It also extends RDT by illustrating that effectiveness under conditions of high political entrenchment is less about altering policy content and more about negotiating viable operating conditions. Overall the findings indicate that CPA effectiveness in the NHI context is bounded, adaptive, and conditioned by ideological and institutional constraints. RDT explains patterns of differential influence and tactical shifts, but the South African case reveals limits to resource-based power when policy reform carries strong symbolic and political commitments, an important contextual refinement to existing IB scholarship .

6.6.1.2 Discussion on amendments to policy wording or timelines

The findings illustrate that amendments to NHI policy wording and timelines have been incremental, reactive, and largely inconsequential to the core power dynamics shaping the reform. Participants emphasised that despite “minor modifications in the governance,” these changes “don’t take away the power of the minister or the absolute control of the minister” (Participant 10). From an RDT perspective, this reflects a persistent concentration of regulatory authority in the state, limiting opportunities for healthcare firms to rebalance dependence or secure structural influence over policy design (Hillman et al., 2009). Rather than reducing uncertainty, the amendments appear symbolic, leaving the relational power asymmetry intact. Participants also highlighted a pattern of responsiveness only when technical contradictions became untenable. The example of Section 4, where asylum seekers would be legally entitled to TB treatment but not HIV care, demonstrated how clinical and ethical impracticalities prompted acknowledgment that “certain clauses do need amendment,” but only after multiple organisations initiated litigation (Participant 5). This reactive posture contrasts with IB literature suggesting that firms in emerging markets can shape regulatory learning through early technical engagement (Lawton et al., 2020).

In the NHI case, however, corporate influence materialised mainly through pressure rather than partnership, indicating a divergence from more collaborative models of state–business interaction described in other emerging market settings. Timelines represent another area where stated policy and operational reality diverge. Participants noted that while officials privately concede the roll-out could take “10 to 15, up to 35 years,” the Act

continues to prescribe highly compressed phases (Participant 5). This misalignment reinforces regulatory uncertainty, as firms recognise that formal timelines lack credibility, a finding consistent with IB work on implementation gaps and the decoupling between policy intent and state capacity in emerging markets (Anand et al., 2021). RDT helps explain why this uncertainty persists: firms remain dependent on a state whose capacity constraints they cannot directly mitigate, yet whose decisions profoundly affect their operating environment.

Overall, the findings converge with IB literature showing that policy adjustments in emerging markets often fail to substantively reduce uncertainty. However, the South African NHI case offers a novel insight in that even when firms provide technically sound, clinically aligned inputs, amendments only occur after legal escalation, signalling a policymaking environment where influence is possible but delayed, reactive, and limited to narrow technical corrections rather than structural reform.

6.6.1.3 Discussion on effectiveness indicators

Participants assessed the effectiveness of CPA in the NHI process through incremental institutional and procedural shifts, aligning with RDT, which posits that firms engage politically to manage external uncertainties and secure access to critical resources (Pfeffer & Salanick, 1978). Rather than emphasising direct policy wins, Participants highlighted changes in state behaviour and policy tempo as key outcomes. For example, the President's statement that there would be "room for engagement" was interpreted as evidence that sustained advocacy had "moved the needle" (Participant 10). This reflects RDT's view that organisational influence often manifests in access and recognition, consistent with IB findings that gaining a seat at the table is a central measure of CPA effectiveness in emerging markets (Adomako et al., 2023). Participants also framed the Presidential Health Compact as an indicator of effectiveness, signalling state acknowledgement that government "alone was not capable of fixing the challenges" (Participant 10). This aligns with RDT's prediction that resource-constrained states will seek collaboration with capable external actors. It converges with IB literature showing that in institutional environments characterised by capability gaps, governments increasingly rely on business expertise and resources during reform processes (Botha & Middelberg, 2020).

A strong theme in the interviews was the interpretation of delayed NHI implementation as a strategic outcome. Participants argued that contestation "bought a lot of time," to the

point that NHI was unlikely “in our lifetime” (Participant 2), with Treasury signalling that the private sector would remain “for the foreseeable future” (Participant 2). This resonates with RDT and IB research suggesting that slowing or sequencing policy change is an important form of influence in highly uncertain institutional contexts. However, this finding diverges from traditional IB measures of CPA effectiveness, often tied to profitability or favourable regulation, and instead highlights temporal influence as an overlooked yet meaningful outcome. Participants also pointed to expanding public understanding of the NHI Bill and government’s increased willingness “to sit around the table” as indicators of shifting power dynamics (Participant 2). This aligns with RDT’s emphasis on managing interdependencies through information provision and issue framing. The finding also converges with IB studies showing that informational strategies and stakeholder mobilisation are central in emerging-market policy processes where formal channels are weak. Despite these gains, participants noted persistent political insulation in decision-making structures, with *[industry body]* dominated by those “affiliated with the governing party” (Participant 10). This supports IB evidence that while firms in emerging markets can achieve access, they often remain constrained by politicised institutions (Shirodkar et al., 2022a). It also introduces a new insight: effectiveness in the South African health-policy context is experienced less through structural policy shifts and more through maintaining strategic optionality, expanding discourse, and moderating implementation trajectories, subtle but important outcomes predicted by RDT but under-examined in IB’s CPA literature.

6.6.2 Conclusion of policy influence and effectiveness

The findings demonstrate that corporate actors exercised influence in the NHI process, but within highly circumscribed boundaries shaped by state dominance, ideological commitments, and institutional path dependencies. While resource-rich actors such as hospitals and funders aligned with RDT predictions by leveraging their systemic importance, this influence was largely confined to technical domains, procedural adjustments, and the moderation of implementation timelines. The broader policy architecture, rooted in long-term ANC commitments, remained resistant to change, reinforcing recent IB scholarship that policy entrenchment in politicised reforms limits the degree to which firms can reshape core design elements (Lawton et al., 2020; Shirodkar et al., 2022b). This constitutes a contextual refinement to RDT, showing that resource-based power is moderated by ideological rigidity and political symbolism, particularly in reforms linked to distributive justice and social equity. Effectiveness was therefore interpreted in incremental rather than transformational terms. Participants viewed

delayed implementation, expanded engagement channels, and heightened state recognition of capacity constraints as meaningful gains. These outcomes are consistent with contemporary IB research emphasising that in emerging markets, policy influence is often temporal and procedural rather than substantive (Sun et al., 2021). The use of litigation as a late-stage strategy further illustrates adaptation to diminishing political access, aligning with RDT's logic of tactic substitution under shifting resource dependencies, while also revealing limits to collective action in contexts where authority is centralised in presidential and senior bureaucratic clusters.

Overall, the analysis shows that CPA effectiveness in the NHI context is adaptive, bounded, and shaped by the complex interplay between state capacity, political entrenchment, and firms' strategic recalibration. While RDT explains variations in influence and tactical evolution, the South African case extends the theory by illustrating that even substantial resource endowments may yield only modest influence when reforms are politically insulated. This underscores the importance of contextualising CPA theory in emerging-market settings marked by ideological commitments, capability gaps, and contested institutional change.

6.7 Discussion of results under perceptions of legitimacy and appropriateness

6.7.1 Overview of perceptions of legitimacy and appropriateness

Perceptions of legitimacy and appropriateness emerged as a central axis shaping how healthcare firms' political engagement in the South African NHI process is interpreted, contested, and constrained. Across the data, firms consistently articulated their activities, such as system-strengthening initiatives, research collaborations, technical advisory inputs, and capacity-building efforts, as aligned with broader societal goals. This reflects an attempt to position corporate actors as contributors to universal health coverage rather than self-interested market defenders. Such framing aligns with RDT, which holds that organisations seek legitimacy from key external actors to secure access to critical political and regulatory resources, especially in environments marked by institutional volatility (Hillman et al., 2009; Pfeffer & Salancik, 1978). Recent IB scholarship similarly demonstrates that in emerging-market settings, firms deploy legitimacy-enhancing nonmarket strategies to mitigate political uncertainty and institutional gaps (Adomako et al., 2023).

However, the findings reveal that legitimacy in the NHI context is neither automatic nor easily constructed. Participants identified deep-seated scepticism toward private

healthcare firms, with public-sector actors frequently perceiving CPA as defensive, profit-driven, or status-quo preserving. This distrust complicates the mechanism through which RDT predicts legitimacy will be obtained, mostly through demonstrating value to external constituencies. Instead, past inequities, racialised political histories, and divergent interpretations of the public interest generate a persistent credibility deficit that firms must continually navigate. This extends IB literature which typically finds positive effects of CSR-like activities on legitimacy acquisition; in redistributive and rights-based sectors such as health, these effects appear more attenuated. Reputation and ethical positioning further shape firms' CPA choices: reputational risk encourages alliance-based engagement and strategic restraint, highlighting that legitimacy operates not only as a resource enabling policy access but also as a boundary condition structuring when and how firms can participate. Overall, perceptions of legitimacy and appropriateness critically mediate the space within which CPA is deemed acceptable, effective, and publicly defensible

6.7.1.1 Discussion on alignment with public interest

This sub-theme highlights how healthcare firms in South Africa consciously frame their activities, such as system-strengthening initiatives, research collaborations and capacity-building, as aligned with societal objectives, even when these actions are not explicitly labelled as CPA. Participants described internal debates about *“whether healthcare is a commodity... or a right”* and whether decisions reflect *“a cost thing or... a societal thing”*, signalling a deliberate effort to articulate a public-interest orientation. These findings align with RDT, which posits that firms engage with political and policy actors to secure critical resources and legitimacy in environments characterised by high uncertainty (Hillman et al., 2009). In this context, framing corporate engagement as socially oriented can be understood as an attempt to reduce dependence-related vulnerabilities while strengthening access to policymakers. However, participants also emphasised that public-interest claims face scepticism. Stakeholders questioned whether corporate involvement in policy formulation should be permitted at all, with one interviewee noting that industry expertise is only meaningful *“if that expertise... is trusted.”* This reveals an important divergence from RDT expectations that predicts that firms build legitimacy by demonstrating value to external constituencies, the South African case shows that legitimacy is not automatically granted even when firms undertake actions aligned with public benefit. Instead, historical mistrust of private healthcare actors creates a threshold effect, public-interest alignment must be repeatedly demonstrated, not merely asserted.

IB literature offers mixed parallels. Studies show that in emerging markets, firms often rely on legitimacy-enhancing nonmarket strategies to mitigate political uncertainty and institutional gaps (Adomako et al., 2023). This converges with the present findings that healthcare firms pursue broader societal contributions partly to secure their standing in policy processes. Yet the divergence arises in the effectiveness of such strategies. Whereas IB studies frequently report that CSR-oriented activities bolster legitimacy and access (Adomako et al., 2023), participants here noted that even socially framed initiatives remain contested, particularly in redistributive reforms like NHI. This suggests a new insight in sectors tied to constitutional rights and deep inequalities, legitimacy barriers may override the traditional RDT mechanisms through which organisations manage dependence.

Overall, alignment with public interest emerges as a complex, negotiated process. It supports RDT's claim that firms seek legitimacy to navigate political environments, converges with IB evidence on nonmarket strategy in emerging markets, but diverges in demonstrating that legitimacy in health-policy reform is fragile, historically conditioned and not easily obtained, even when firms undertake socially oriented actions.

6.7.1.2 Discussion on trust and credibility

Trust and credibility emerged as a central mechanism conditioning how CPA by healthcare firms is interpreted in the NHI process. Public-sector and professional respondents frequently framed corporate engagement as defensive and self-interested, arguing that “corporates want a better dispensation for themselves” and propose designs that would create lucrative administrative layers, potentially absorbing “almost 60% of the budget.” In this view, corporate inputs seek to “maintain the status quo” rather than advance need-based access. Such narratives align with RDT, which sees firms as using political strategies to secure favourable resource flows and reduce environmental dependence (Pfeffer & Salanick, 1978). However, the data also qualify and extend RDT. Private-sector participants contest the idea of “super profits,” referencing the Health Market Inquiry, and emphasise system sustainability rather than rent extraction. At the same time, they acknowledge a “deep trust deficit” that leads government to dismiss their proposals a priori, and they describe reciprocal mistrust following unfulfilled commitments on Section 33 and negative COVID-19 contracting experiences. RDT highlights how interdependence between organisations and the state generates both power and vulnerability (Hillman et al., 2009), but the interviews show that where relations are historically politicised and racialised, dependence alone does not translate

into cooperative exchange. Instead, interdependence is mediated by perceptions of legitimacy and distributive justice. These findings broadly converge with RDT's prediction that firms engage in CPA to manage critical policy dependencies, yet they diverge by revealing how such activity can be interpreted as illegitimate and thus fail to secure access or influence. A further contribution is the identification of horizontal mistrust within the private sector, which weakens coalitions that RDT often assumes will enhance firms' bargaining power. Overall, the South African NHI case suggests that in highly unequal health systems, trust is not merely an outcome of successful CPA but a prior condition for resource-dependence management strategies to be effective.

6.7.1.3 Discussion on reputational sensitivity

The findings show that reputational sensitivity significantly shaped how firms engaged with NHI, particularly once the Bill was signed and companies experienced a “wake-up call” that triggered defensive action such as litigation. From a RDT perspective, firms responded to heightened uncertainty by attempting to stabilise relationships with government, an actor controlling critical regulatory resources (Pfeffer & Salancik, 1978). This aligns with IB research showing that firms in highly regulated sectors adopt cautious, legitimacy-preserving strategies when policy shifts threaten resource access (Rammila, 2023; Sun et al., 2021). Consistent with RDT's emphasis on inter-organisational alliances as mechanisms for managing dependence, participants emphasised the reputational value of collective action, noting that industry bodies are a “far more credible voice than a single pharmaceutical company” (Participant 2). This convergence mirrors findings showing that coalitions help firms reduce political exposure and enhance legitimacy when engaging the state (Ghauri et al., 2021; Sun et al., 2021). The withdrawal of corporate signatures from the second Presidential Health Compact (Participant 10) similarly reflects adaptive alliance-shifting, an RDT-aligned response when dependencies become reputationally or politically risky.

Ethical positioning emerged as another layer of reputation management. By rejecting tactics such as “brown envelopes”, firms attempted to preserve moral legitimacy, an increasingly recognised nonmarket resource in IB scholarship, which argues that reputational credibility affects firms' ability to influence policy, especially in emerging markets (Lawton et al., 2020). This extends classical RDT by demonstrating that legitimacy is not merely an outcome of dependence management but operates as a *resource* that firms actively protect to ensure future access to policymakers. A noteworthy divergence from traditional RDT predictions is the extent of strategic restraint.

While RDT would expect firms to increase CPA to counter rising dependence, participants instead avoided being “seen... to be anti-NHI” (Participant 2) and acknowledged that “it doesn’t bode us well to be vocal” (Participant 1). This suggests that in socially charged policy domains like universal health coverage, reputational risk can override incentives for assertive political engagement, an insight that nuances both RDT and the broader IB nonmarket strategy literature.

Overall, this sub-theme reinforces RDT propositions around coalition-building and dependency management while offering a new insight where under politicised health reforms, reputation becomes a strategic resource that constrains as much as it enables CPA, shaping not only how firms engage but also how visible they choose to be.

6.7.2 Conclusion of perceptions legitimacy and appropriateness

The analysis of legitimacy and appropriateness underscores that corporate influence in the NHI process is conditioned less by firms’ technical expertise or resource power, and more by how their intentions, motives, and actions are publicly interpreted. Consistent with RDT, firms attempt to manage dependence on the state by cultivating legitimacy, aligning their actions with societal goals, emphasising system sustainability, and adopting coalition-based approaches that reduce exposure. This convergence with recent IB research illustrates how, in emerging markets, firms rely on nonmarket strategies that foreground social value, ethics, and coalition credibility to compensate for institutional volatility (Lawton et al., 2020; Sun et al., 2021). Yet, the persistent trust deficit documented across interviews introduces a significant divergence from both RDT and mainstream IB assumptions. Legitimacy is not automatically conferred in sectors marked by historical inequities; rather, it is fragile, contingent, and deeply shaped by political narratives around fairness, redistribution, and public accountability. The findings further reveal that reputational sensitivity moderates the extent to which firms can engage assertively in CPA. While RDT would predict intensified engagement under rising policy dependence, firms instead demonstrate strategic restraint—avoiding overt opposition to NHI, limiting individual visibility, and privileging collective platforms. This behaviour points to a critical insight: under highly politicised reforms linked to constitutional rights, reputational risk becomes a dominant organising logic that can override resource-based incentives for influence. Moreover, legitimacy and trust operate as *preconditions*, not merely outcomes, of effective CPA. Without baseline credibility, even technically robust or socially oriented inputs struggle to gain traction in policymaking processes.

Overall, perceptions of legitimacy and appropriateness shape not only the tactics firms employ but their fundamental capacity to participate in policy debates. The South African NHI context demonstrates that influence is mediated by historical narratives, public trust, and ethical expectations as much as by organisational resources. This complexity enriches RDT and IB literature by illustrating that in socially sensitive policy arenas, the politics of legitimacy profoundly structure the possibilities and limits of corporate political activity.

6.8 Discussion of results under contextual and environmental factors

6.8.1 Overview of contextual and environmental factors

This theme explores how macro-level political, economic, and global policy environments shape healthcare firms' CPA during South Africa's NHI reform. Across interviews, participants emphasised that firms' strategic discretion is deeply conditioned, often constrained, by institutional structures and environmental conditions beyond their direct control. The findings demonstrate that the political climate, characterised by a dominant-party system and party-centred accountability, creates a policymaking environment with limited veto points and few opportunities for altering entrenched policy positions. This aligns with emerging IB scholarship showing that in concentrated political systems, state actors exhibit reduced responsiveness to corporate influence, narrowing the channels through which firms can negotiate interdependencies (Buckley et al., 2017).

Economic conditions further amplify these constraints. Participants highlighted persistent macroeconomic weakness, limited fiscal space and fragmentation between Treasury and the health ministry as central barriers to NHI implementation. Contemporary IB research increasingly recognises that economic volatility in emerging markets diminishes firms' ability to shape institutions proactively, pushing them toward defensive, risk-mitigating forms of CPA (Adomako et al., 2023). Interview evidence echoes this trend: firms strategically emphasise fiscal infeasibility, align with Treasury, and deploy CPA to stabilise expectations rather than to advance expansionary policy alternatives. Finally, global health policy trends create a normative backdrop that simultaneously shapes government priorities and firms' perceived room for manoeuvre. Participants described WHO frameworks, UHC commitments, and regional policy diffusion as influential in legitimising NHI objectives. Recent IB work notes that in normatively saturated sectors, transnational institutions can constrain firm-level political action by embedding policy directions within global legitimacy structures (Katic & Hillman, 2023a). The data reveal

similar dynamics, as international commitments and global health norms reinforce government resolve, limiting the influence of business actors. Together, these contextual and environmental factors illustrate how firms' CPA strategies are structurally bounded in emerging-market health reforms. They highlight the need to integrate RDT with contemporary institutional perspectives to account for political centralisation, fiscal scarcity and global normative pressures that restrict firms' capacity to manage dependencies.

6.8.1.1 Discussion on political climate and election cycles

The findings show that South Africa's party-centred and majoritarian political system significantly shapes how healthcare firms engage in CPA. Participants emphasised that policymakers are primarily accountable to their political party rather than voters, noting that representatives are "put there by the party" and can be removed if they "don't toe the line." In this context, once NHI became a firm party stance, participants viewed its passage as largely inevitable, reinforced by unified messaging from senior political leaders. The perception that the ruling party could "push it through" illustrates a political environment with limited institutional veto points and constrained opportunities for meaningful policy contestation.

From an RDT perspective, firms attempt to manage and reduce political uncertainty by influencing those who control critical resources, in this case, regulatory authority (Pfeffer & Salanick, 1978). However, the findings reveal a misalignment between theoretical expectations and actual influence pathways. RDT assumes that firms can negotiate interdependencies with policymakers, yet South Africa's dominant-party system reduces policymakers' autonomy, narrowing avenues for exchange or reciprocity. This represents a divergence from classical RDT predictions: dependency exists, but the capacity to manage it is structurally restricted. Participants' interpretation of the pre-election signing of the NHI Act as a "political move" or "tick-box exercise" further demonstrates how election cycles heighten environmental uncertainty. Under RDT, firms typically respond to such uncertainty by intensifying engagement or diversifying tactics. The findings converge with this expectation: firms increasingly supplemented insider lobbying with coalition advocacy, litigation, and public-facing communication. Yet participants also noted that government actors may avoid concessions to corporates for fear of appearing "bought," introducing a legitimacy constraint not fully addressed in traditional RDT but increasingly recognised in contemporary extensions of the theory that incorporate political and normative pressures (Katic & Hillman, 2023a).

A key new insight emerging from this study is that dominant-party politics not only increase uncertainty but also shape which CPA tactics are viable, privileging broader, public-oriented strategies over direct negotiation. The findings therefore extend RDT by illustrating how the structure of political authority, not only the distribution of resources, determines the degree to which firms can manage their dependencies in emerging-market policy reforms.

6.8.1.2 Discussion on economic constraints

The interviews reveal that macroeconomic weakness is the single most important factor constraining the implementation of NHI and, by extension, influencing firms' CPA strategies. Participants emphasised that the NHI was premised on 3% annual growth, yet the country has averaged only 0.5%, leaving what one described as “*two systems... in limbo*”, a government that “*doesn't have the money... or the skills*” and a private sector fearing threats to its “*survival*.”

Fiscal limitations also directly influence CPA. Participant 5 highlighted how contestation over a “*2% VAT increase*” illustrates the political impossibility of the double-digit tax increases required for NHI, and referenced National Treasury statements that the country “*cannot afford this*” and “*can't afford to increase taxes anymore*.” As a result, National Treasury becomes a “*natural ally*” for firms opposing rapid implementation. Under institutional theory, this reflects a fragmented state environment in which competing institutional logics, universalism vs fiscal conservatism, create ambiguity that firms strategically navigate by aligning with more supportive state actors (Greenwood & Meyer, 2008). Comparative health-financing studies similarly show that universal coverage reforms in emerging markets stall when fiscal space is limited.

These dynamics complicate IB assumptions that CPA is used primarily to shape institutions in value-creating or expansive ways (Katic & Hillman, 2023a; Lawton et al., 2020). Instead, firms in this study deploy CPA defensively, seeking to slow, dilute or re-scope NHI to match fiscal realities, an approach consistent with recent arguments that institutional voids constrain strategic agency and push firms toward risk-mitigating non-market strategies. While some emerging-market research highlights CPA–CSR bundles as competitiveness tools (Adomako et al., 2023), the South African case shows CPA oriented toward preserving organisational viability rather than institutional upgrading. Participants also highlighted structural expenditure pressures, where “*54% of health*

expenditure is in private,” largely for service delivery rather than profit (Participant 1). Treasury’s statement that the private sector “*will be around for the foreseeable future*” reflects institutional recognition that the state cannot absorb this capacity under current fiscal conditions. Overall, economic constraints emerge as a barrier to NHI and a tool for firms’ to use when deploying CPA. Under conditions of fiscal scarcity, institutional fragmentation and state capacity limits, firms use CPA to manage dependence, stabilise expectations and resist reforms perceived as economically unsustainable, demonstrating how RDT and institutional theory together illustrate the bounded nature of strategic action in policy contexts.

6.8.1.3 Discussion on global health policy trends

This data shows that South Africa’s NHI has been shaped by a multilayered policy environment where international health norms intersect with domestic political incentives. Participants pointed to the influence of global advocacy movements, noting that the anti-tobacco lobby had “*achieved the goal of higher taxes and warnings and everything*” (Participant 11), illustrating how transnational coalitions aligned with WHO frameworks set precedents for domestic regulation. Similarly, interviewees emphasised the normative authority of global and regional institutions such as the WHO and Africa CDC. Participant 8’s view that influencing “*neighbouring countries*” can catalyse local policy change aligns with scholarship on policy diffusion across interdependent national systems. Participants also linked NHI to global sustainability agendas, suggesting that the reform “works very much in the WHO sustainability... and sustainable development” frame (Participant 3).

RDT provides a useful lens for interpreting these dynamics. The theory posits that organisations are embedded in environments where external actors control critical resources, material, informational, or legitimacy-related, and that firms seek to manage these dependencies (Pfeffer & Salanick, 1978). In this case, global public-health bodies shape the normative and technical resources that define the boundaries of legitimate health-system reform. Rather than being autonomous political actors, healthcare firms appear constrained by a governance environment dominated by international norms and state-level political incentives. This is reflected in Participant 1’s observation that NHI has been driven “more on national elections than... corporate pushback”, highlighting that firms’ political influence remains secondary to electoral dynamics and global commitments to universal health coverage.

These findings partially align with RDT expectations that firms engage politically to manage environmental uncertainty, but their capacity to influence outcomes is limited when governments draw legitimacy and policy direction from multilateral institutions and global development agendas ways (Katic & Hillman, 2023a; Lawton et al., 2020).. Thus, the NHI case reveals that in highly norm-laden sectors such as public health, external sources of legitimacy, international norms, UHC commitments, and political cycles, shape the strategic space available to firms. This highlights an important boundary condition for RDT's application in emerging-market health systems: dependency on global normative structures may outweigh firms' efforts to reduce policy uncertainty through corporate political activity.

6.8.2 Conclusion of contextual and environmental factors

Overall, the findings demonstrate that South Africa's political configuration, economic constraints, and global health norms collectively shape the strategic space within which healthcare firms deploy CPA. While RDT predicts that firms can negotiate interdependencies by engaging actors who control critical resources (Pfeffer & Salanick, 1978), the evidence shows that dominant-party politics, pre-electoral incentives and limited policymaker autonomy reduce the effectiveness of such engagement. This confirms recent extensions of RDT suggesting that political authority structures and legitimacy dynamics can inhibit firms' attempts to manage environmental uncertainty ways (Katic & Hillman, 2023a; Lawton et al., 2020).

Economic scarcity further narrows strategic options. Rather than using CPA to shape institutions toward value-creation, firms operate defensively, seeking to delay, dilute or recalibrate NHI to align with fiscal realities. This reflects contemporary IB insights about the limits of strategic agency under institutional voids and economic fragility, where firms prioritise organisational survival over institutional transformation (Adomako et al., 2023). Treasury's central role emerges as both a constraint and an unexpected locus of alignment, illustrating how fragmented state logics provide selective openings for influence. Global health policy trends introduce another boundary condition. International norms and transnational coalitions anchor the legitimacy of universal health coverage, reducing the relevance of firm-led technical or economic arguments. Consistent with research on global institutional embeddedness, firms' CPA is overshadowed by governments' need to uphold international commitments and normative expectations. As a result, firms experience a multilayered dependency spanning political authority, fiscal conditions and global legitimacy structures. In summary, contextual and environmental

factors do not simply increase uncertainty, they fundamentally shape which CPA tactics are viable, which state actors are strategically accessible, and how firms interpret their position within the policy process. The South African case demonstrates that in emerging-market health reforms, environmental structures can outweigh resource endowments, limiting firms' ability to leverage CPA and extending RDT by underscoring the structural bounds of non-market strategy.

6.9 Revised conceptual framework

By pulling together the six themes, the researcher proposes a revised conceptual framework to explain how healthcare firms engage in CPA under South Africa's NHI. This framework shows a multi-level, contextually bounded process shaped by regulatory uncertainty, legitimacy pressures, and political institutional constraints. At the outer layer, contextual and environmental factors, a dominant-party political system, weak fiscal conditions, state capacity deficits, and global UHC norms, create a structurally restrictive environment that limits firms' ability to manage their dependence on the state. These conditions heighten regulatory uncertainty, which emerges as the central driver of CPA.

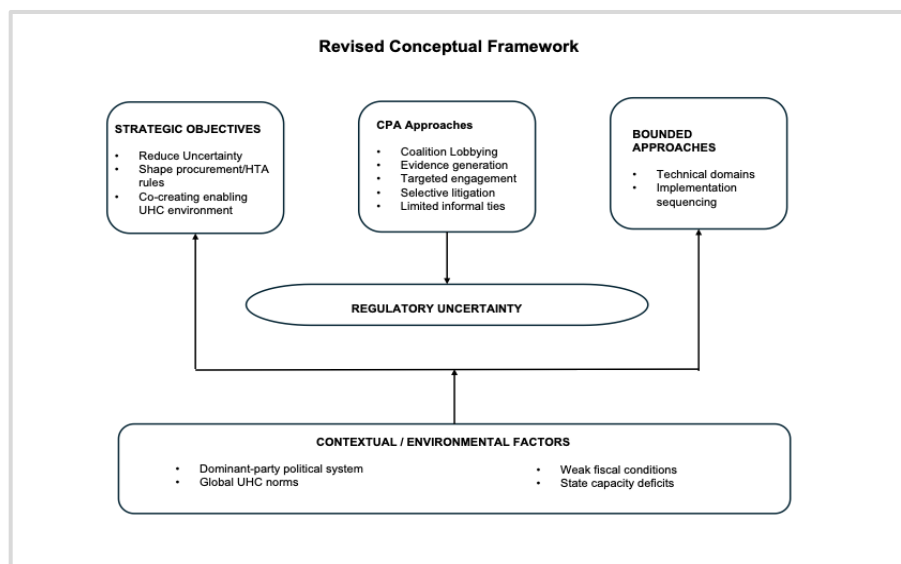


Figure 11: revised conceptual framework explains how healthcare firms engage in CPA under South Africa's NHI

Source: Author's own

Uncertainty operates across multiple dimensions, policy ambiguity, inadequate consultation, macroeconomic fragility, and implementation capacity gaps, deepening

firms' economic, operational, professional, and reputational dependence, consistent with RDT. The perceptions of legitimacy and appropriateness, create interesting mediating layer, which determine the feasibility and visibility of CPA strategies. Past experiences of policy changes create mistrust and political sensitivities around redistribution, and reputational risk narrow the set of acceptable tactics. As a result, dependence does not translate into aggressive CPA, instead the firms prefer a caution approach and use collective, and informational strategies to protect long-term credibility.

Within this bounded space, firms pursue strategic objectives centred on reducing uncertainty, shaping procurement and HTA rules, and co-creating an enabling environment for UHC. They deploy a calibrated CPA repertoire of coalition lobbying, evidence generation, targeted engagement, selective litigation, with sectoral variation, and limited informal ties. These strategies yield bounded influence, mainly in technical domains and implementation sequencing, while core NHI architecture remains politically entrenched. The framework therefore conceptualises CPA under NHI as contextual, relational, and legitimacy-mediated, extending RDT by showing that in politicised, capacity-constrained health reforms, structural and normative conditions shape both the design and effectiveness of corporate political action.

6.10 Conclusion of the research findings discussion

This chapter integrated the empirical findings with RDT and IB scholarship to explain how healthcare firms navigated the political, regulatory, and institutional uncertainties surrounding South Africa's NHI. Across the six themes, regulatory uncertainty, CPA approaches, strategic objectives, policy influence and effectiveness, legitimacy and appropriateness, and contextual and environmental factors, the analysis demonstrated that CPA in this setting is highly contextual, relational, and legitimacy-mediated. While RDT helps explain why firms engaged politically in response to heightened dependence on the state, the findings show that uncertainty simultaneously motivated and constrained action. Firms' CPA decisions were shaped by resource needs and reputational risk, political norms, as well as the contested legitimacy of private-sector involvement in public health reform.

The chapter further showed that CPA under NHI reflected a calibrated, risk-managed repertoire combining collective lobbying, informational influence, coalition building, and selective litigation, with sectoral variation, particularly pharmaceuticals' reluctance to pursue adversarial strategies. Influence was bounded, more feasible in technocratic

domains than in altering the core redistributive architecture of NHI, consistent with emerging IB work on policy entrenchment and limited institutional responsiveness in dominant-party systems. Legitimacy and trust emerged as critical mediators that shaped both the type and visibility of CPA, illustrating that firms must secure societal and political credibility before technical inputs can gain traction.

Finally, the chapter demonstrated that regulatory uncertainty is embedded in broader political, fiscal and global structures that restrict firms' strategic discretion and shape the arenas in which influence is possible. The findings extend RDT by identifying additional mechanisms, historical regulatory memory, system-level fragility, and global normative pressures, that condition how dependence is perceived and managed. Together, the analysis shows that CPA effectiveness under NHI is best conceptualised as incremental and relational, producing procedural, temporal and reputational outcomes rather than transformational policy change. This sets the foundation for the overarching conclusions, contributions, and implications presented in Chapter seven.

Chapter 7 – Conclusion

7.1 Introduction

This chapter concludes the research study by bringing together the empirical findings, revisiting the research questions, and outlining the theoretical, practical and policy implication of the work. It also reflects on the methodological limitations and proposed direction for future research. The study set out to explore how healthcare firms in South Africa used CPA to influence the development and implementation of the NHI policy. The analysis was grounded in RDT as a guiding framework and used a qualitative research design centred on semi-structured interviews with policymakers, bureaucrats, and senior leaders from private healthcare firms and associations.

The analysis generated six overarching themes, namely, regulatory uncertainty, CPA approaches, strategic objectives for engaging in CPA, policy influence and effectiveness, perceptions of legitimacy and appropriateness, and contextual and environmental factors. Together, these themes revealed that CPA under the NHI is best understood as contextual, relational, and legitimacy mediated, rather than a straightforward function of resource endowments. This chapter summarises how the research questions were answered, highlights the study's contributions, and reflects on what the South African NHI case reveals about CPA in emerging-market health systems.

7.2 Revisiting the research question

The main research question guiding this study was as follows:

1. How did healthcare firms use CPA to influence the outcome of South Africa's NHI policy?

The main research was addressed through three sub-questions:

- A) How did approaches to CPA change before and after the NHI Bill became an Act, and why?
- B) To what extent were these CPA strategies effective in shaping the policy environment and reducing uncertainty?
- C) How did firms and stakeholders define and assess the effectiveness of CPA in this context?

7.2.1 How CPA approaches evolved over the NHI policy process

The first sub-question sought to understand whether, and how, CPA approaches changed across the life cycle of the NHI reform. The findings show that healthcare firms deployed a diversified but calibrated portfolio of CPA strategies, including lobbying, coalition building, informational influence, selective litigation, and informal ties. Early in the process, participants noted that firms placed emphasis on insider lobbying and coalition-based proposal submissions, leveraging associations such as IPASA, HASA and BUSA to pool expertise and minimise reputational exposure. This is consistent with RDT and IB work that view alliances as natural responses to uncertainty and resource dependency (Pfeffer & Salancik, 1978; Hillman & Hitt, 1999; Mellahi et al., 2016). Over time, as the NHI bill advanced and the change became more politically entrenched. Firms increasingly perceive traditional engagement channels as unresponsive and merely symbolic.

Following the enactment of the NHI bill, CPA approaches became more defensive and could be described as confrontational. Healthcare firms' and other stakeholders deployed litigation as a mechanism to engage government. The hospital groups, medical insurance firms' and professional associations readily utilised litigation as a CPA tool, however, pharmaceutical firms largely refrained from direct court action. This was seen as a measure to protect legitimacy and long-term relationships with the state. This sectoral variation in the propensity to litigate is a distinct empirical finding that nuances IB assumptions that firms homogeneously escalate to legal strategies under high regulatory risk (Liedong, 2021; Ulucanlar et al., 2023). Informal relationships and back-channel engagement provided limited additional leverage. While they afforded access, this did not meaningfully alter the course of the NHI. This could be reflective of the constraints of operating in a dominant-party system with strong ideological commitments to its constituency and global universal health coverage norms. Overall, CPA approaches evolved from cautiously cooperative, insider strategies to more mixed repertoires that combined continued engagement, coalition advocacy, strategic media use, and selective legal action, with their calibration shaped by reputational considerations and perceived legitimacy.

7.2.2 CPA effectiveness in reducing uncertainty and shaping policy

The second sub-question examined the extent to which CPA reduced uncertainty or shaped the policy environment. The findings show that regulatory uncertainty was

pervasive and multifaceted, arising from policy ambiguity, especially in Sections 4 and 33, of the NHI, inadequate consultation and feedback, macroeconomic fragility, and doubts about state capacity. In accordance with RDT, firms responded by engaging politically to manage their dependence on the state as a controller of critical resources (Hillman et al., 2009). They attempted to secure greater predictability in timelines, procurement and HTA design, and governance structures. However, the evidence shows that CPA produced partial and uneven reductions in uncertainty. The data shows that firms' were more successful in influencing technical and procedural elements, such as raising contradictions in policy text, highlighting implementation challenges, and prompting acknowledgement in state capacity gaps, rather than in reshaping the core design of the NHI.

The results showed that influence became increasingly confined to bureaucratic and technocratic spaces, while decision-making authority somewhat shifted toward the Presidency and senior political party leaders. This aligns with IB work on policy entrenchment in politicised reforms, where firms can adjust implementation detail but seldom alter core direction (Shirodkar & Mohr, 2019; Lawton et al., 2020). Legal action or litigation contributed to the slowing and sequencing of implementation, creating temporal space for adaptation and for further engagement. However this did not fundamentally change the state's commitment to UHC and the central role of a public purchaser.

The data showed that CPA reduced some dimensions of uncertainty, by expanding engagement platforms and the acknowledgement of some design flaws, while leaving others, such as financing, procurement modalities, and patient benefit structures, unresolved. The study therefore concludes that CPA under NHI was partially effective in managing and reducing uncertainty, by securing time with policy makers, access and recognition, but limited in reshaping the underlying trajectory of the NHI.

7.2.3 How effectiveness was understood and assessed

The third sub-question focused on how actors defined and assessed CPA effectiveness. The analysis shows that effectiveness, in the context of NHI, was multi-dimensional, incremental, and strongly shaped by legitimacy considerations. The participants rarely framed success in terms of outright policy victories or defeat of NHI. Instead, they pointed to outcomes that can be categorised into four groups. First it was procedural outcomes, which included gaining a seat at the table at forums like NEDLAC or the creation of the

Presidential Health Compact, which provide an platform for substantive dialogue. Secondly, there were temporal outcomes. These included a slowing or phasing of NHI implementation, which effectively “bought time” for further engagement and adaptation in CPA strategies, and highlighted that a rapid roll-out is unlikely. The third outcome was the explicit acknowledgement by a powerful and influential government institution, of the fiscal challenges involved. The admission, expressed through compacts and consultations, that the government could not “fix the system alone” was seen as positive outcome by healthcare firms. Lastly, it was the technical corrections that were achieved through legal pressure, such as addressing contradictions in policy wording that had clinical or constitutional implications.

These assessments differ from traditional IB metrics that equate CPA effectiveness primarily with profitability or favourable regulatory concessions (Wocke & Moodley, 2015). In the NHI context, effectiveness was understood as the ability to moderate trajectories, secure strategic alternatives, and maintain sectoral viability rather than to block reform outright. Crucially, perceptions of effectiveness were intertwined with legitimacy. Healthcare firms recognised that highly adversarial or visible strategies could erode their public standing over the long term. Therefore, they judged effectiveness not only by immediate outcomes but also by whether actions preserved reputational capital and room for future engagement. In summary, effectiveness was interpreted as bounded, relational and legitimacy-mediated

7.3 Theoretical contributions

This study offers several theoretical contributions to RDT and international business scholarship on CPA in emerging markets, particularly in socially significant sectors such as health.

7.3.1 Extending RDT: Political dominance as a boundary condition.

This study firstly extends RDT by demonstrating that increased dependence on the state does not linearly translate into more assertive CPA. In the NHI case, high dependence co-existed with strong incentives for strategic restraint due to reputational risk and legitimacy concerns, factors that were strongly entrenched in South African healthcare firms. This challenges the classical assumption that resource dependence primarily motivates firms to escalate influence seeking behaviour (Pfeffer & Salancik, 1978), and aligns with recent work by (Hillman et al., 2009; Liedong, 2021), emphasising political

and normative constraints shaping dependence management. Secondly, the findings reveal new mechanisms through which firms interpret and respond to dependence. Past regulatory memory of policy shocks, such as the SEP, shape expectations of future state action and deepen perceived vulnerability, and system-level fragility, where uncertainty is understood not only in terms of firm-level risk but in relation to public system failures and capacity gaps. These mechanisms broaden the scope of RDT by showing that firms in health systems frame dependence ecologically, across an entire sector, rather than solely bilaterally.

7.3.2 CPA as contextual, relational and legitimacy-mediated

The results of this study contribute to IB literature by conceptualising CPA effectiveness as a contextual, relational and legitimacy-mediated outcome, rather than one that is universally driven by resource endowments or financial performance. While prior research recognises the importance of political connections, lobbying and coalitions (Mellahi et al., 2016; Lawton et al., 2020; Wocke & Moodley, 2015), this study shows that, informal political ties can yield access without influence when policy changes are politically symbolic, challenging assumptions that political embeddedness is reliably advantageous (Liedong et al., 2020). The sectoral identity and legitimacy pressures shaped CPA approaches show with pharmaceutical firms strategically avoiding litigation, relying on others to lead adversarial strategies, despite facing similar financial exposure.

Informational CPA, which includes evidence generation, framing, and calibrated media, became a key tools or modalities for healthcare firms' in legitimacy-sensitive environments, yet its influence is filtered through trust and historical narratives (Doh et al., 2015; Katic & Hillman, 2023). The revised conceptual framework thus adds nuance to CPA theory by highlighting that who is acting, in which sector, under what political-symbolic conditions, and with what legitimacy significantly influences how CPA is designed and what it can realistically achieve.

7.3.3 Integrating institutional context into CPA theory

Finally, this study underscores the importance of integrating institutional structures, such as dominant-party systems, fiscal constraints, and global health norms, into CPA theory. The study shows that political parties in power can structurally restrict firms' capacity to manage dependence, even when they have significant resources. The economic scarcity and fragmented state logics encourage defensive, risk-mitigating CPA, rather than long-

horizon institutional upgrading (Andrews & Luiz, 2024). Global UHC norms and multilateral frameworks create external legitimacy structures that anchor policy direction, potentially overshadowing domestic business influence (Kostova et al., 2019; Witt, 2019). These insights suggest that CPA research in emerging markets should focus more carefully on how domestic and global institutions shape and limit the strategic choices available to firms.

7.4 Practical implications

7.4.1 Implication for healthcare firms

For healthcare firms and industry associations, the findings highlight several practical lessons. Firstly, investing in legitimacy, not only access is necessary but insufficient without credible public-interest framing and trust-building. Firms should integrate CPA with visible, consistent contributions to equity, system strengthening and transparent pricing debates. Secondly, strengthening coalitions and cross-sector alliances helps to reduce reputational exposure, aggregate resources, and improve the credibility of engagement. Coalitions that include professional bodies, patient groups, and civil society may better align with public narratives than purely business-led alliances. Third, calibrating litigation and visibility can be effective in correcting contradictions and securing procedural rights, but its reputational costs must be carefully weighed. Lastly, a focus on implementational spaces may yield greater returns rather than attempting to reopen core policy direction.

7.4.2 Implication for policymakers and regulators

For policymakers, this study reveals opportunities to improve reform quality and trust. Firstly, the enhancement of the quality of consultation, to meaningful two-way engagement, can leverage private-sector expertise while improving policy design and implementation feasibility. Secondly, addressing the capacity gaps openly is essential for building a credible NHI trajectory. Thirdly, clarifying and communicating the timelines and sequencing will reduce uncertainty and facilitate planning in both public and private sectors. Lastly, creating safeguards for legitimacy, will help ensure that corporate inputs are evaluated on their merits, while maintaining public trust.

7.5 Limitations

This study has several limitations that the researcher acknowledges. First, it is a single-country, single-sector case study, focusing on South Africa's healthcare industry. While this depth allows rich contextual insight, it limits the generalisability of findings. The dynamics observed may differ in other emerging markets with different political configurations, economic conditions, or health system structures.

The second limitation is based on the reliance of qualitative semi-structured interviews with a purposive sample of policymakers, bureaucrats, and senior private healthcare sector leaders. Although the sample was diverse, it inevitably reflects particular perspectives, and some stakeholder groups, such as patient advocacy organisations or clinicians, were not systematically included. The analysis therefore prioritises firm and policy perspectives on CPA and may have underrepresented other voices.

The third limitation is that the study captures a specific period of the NHI policy process, spanning the transition from Bill to Act. CPA strategies and state responses are dynamic. Subsequent legal outcomes, political shifts, or economic shocks may alter dependency structures and the perceived effectiveness of CPA. A longitudinal design could track how strategies and influence evolve over a longer horizon.

Finally, as with all interview-based research, there are risks of recall bias and strategic self-presentation. Participants may retrospectively rationalise decisions, underplay self-interest, or overstate influence. Triangulation with documentary sources and public records helps, but cannot fully eliminate these biases.

7.6 Directions for future research

Building on the limitations stated in the previous section, the study suggests several avenues for future research:

1. Comparative studies across sectors and countries

Future research could compare CPA under NHI with other South African sectors, such as energy, mining, or telecommunications, or with health reforms in other emerging markets. Such work could explore whether the patterns identified here, legitimacy mediated CPA, bounded influence under dominant party systems, and sectoral variation in litigation, are context-specific or more general.

2. Quantitative and mixed-method approaches

Survey-based or archival research could quantify relationships between financial resources, political ties, and CPA outcomes, testing some of the propositions developed inductively in this thesis. For example, whether firms with higher reputational sensitivity systematically favour informational and coalition-based strategies.

3. Micro-level and intra-organisational perspectives

Further qualitative work could investigate how CPA decisions are made within firms, how strategy, public affairs, legal, and medical teams negotiate trade-offs between influence and legitimacy, and how global headquarters shape local nonmarket strategies in emerging markets.

4. Patient and public perspectives on corporate legitimacy

Given the centrality of trust and legitimacy in this study, future research should explore how patients and the broader public evaluate corporate involvement in health policy, and how these perceptions condition the political feasibility of business engagement

7.7 Concluding remarks

This dissertation examined how healthcare firms in South Africa used CPA to navigate and influence the NHI policy reform. It has shown that regulatory uncertainty is a key driver of CPA, but its effects are mediated by a web of political, economic, institutional and legitimacy constraints. In a dominant-party, fiscally constrained, globally norm-saturated setting, firms' ability to manage dependence on the state is structurally bounded. The findings reveal a CPA repertoire that is collective, informational, and reputationally cautious. Firms seek to defend organisational interests and to co-create an enabling environment for UHC, even as they contest aspects of design and implementation. Influence is real but modest. It manifests in technical and procedural domains, in delayed timelines and enhanced recognition of state capacity gaps, rather than in wholesale redefinition of NHI's redistributive ambitions.

The study's revised conceptual framework captures this complexity by positioning CPA under NHI as contextual, relational, and legitimacy-mediated. It contributes to RDT and IB literature by highlighting new mechanisms, historical regulatory memory, system-level fragility, and sectoral variation in litigation, while foregrounding legitimacy and

institutional structures as critical moderators of nonmarket strategy. Ultimately, the South African NHI case underscores that the politics of health reform in emerging markets cannot be understood solely through the lens of corporate power or state dominance. Instead, it requires attention to how firms, governments and global institutions negotiate interdependence under conditions of uncertainty, inequality and contested legitimacy. In this sense, the study not only explains how CPA has unfolded under NHI, but also offers a lens for understanding the evolving relationship between business, the state, and society in the pursuit of UHC.

7.8 References

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7.9 Appendices

Appendix 1 – GIBS, UP ethical clearance approval

GIBS ETHICAL CLEARANCE APPLICATION FORM 2025/26	
RESEARCH PROJECT INFORMATION	
NAME:	
STUDENT NUMBER:	
PHONE NUMBER:	
E-MAIL ADDRESS:	
PROPOSED TITLE OF STUDY:	Exploring the effectiveness of corporate political activity in an emerging market: An embedded case study
RESEARCH SUPERVISOR:	
E-MAIL OF SUPERVISOR:	
RESEARCH CO-SUPERVISOR	
E-MAIL OF CO-SUPERVISOR	

The purpose of this Research Ethics process is to ensure that all research conducted under the auspices of GIBS is done so in an ethical manner, in accordance with the University's policy and in such a way that the rights of all stakeholders associated with the research are protected.

In order for the GIBS Research Ethics Committee to assess your application, you are required to submit a description of your Research Methodology that must contain sufficient detail to ensure that the required steps have been taken to achieve this purpose, in the research design, data collection, analysis and storage of data used in the conduct of this research.

Please indicate the nature of the output your research is aimed at producing (mark one box only):

- ☐ ABP Applied Business Project
- ☐ MBA Research Report
- ☐ MBA Project Publish Article
- ☐ MBA Teaching Case Study
- ☐ MBA Entrepreneurship Stream Portfolio
- ☐ MBA Consulting Stream Portfolio/MBA Health Stream
- ☒ MPhil Research Report

GIBS Ethics Policy distinguishes between FOUR main types of data and THREE main types of methodology. Please complete the table for ALL the data types that you plan to use. Note that all applications must be accompanied by a description of the methodology to be used in the study. Initial all sections that apply to your research

GIBS ETHICAL CLEARANCE APPLICATION FORM 2025/26

G. APPROVALS FOR/OF THIS APPLICATION

When the applicant is a student of GIBS, the applicant must please ensure that the supervisor and co-supervisor (where relevant) has signed the form before submission

STUDENT RESEARCHER/APPLICANT:

29. I affirm that all relevant information has been provided in this form and its attachments and that all statements made are correct.

Student Researcher's Name in capital letters:

██████████

Date:

06 Aug 2025

Supervisor Name in capital letters:

██████████

Date:

06 Aug 2025

Co-supervisor Name in capital letters:

Date:

06 Aug 2025

Note: GIBS shall do everything in its power to protect the personal information supplied herein, in accordance to its company privacy policies as well the Protection of Personal Information Act, 2013. Access to all of the above provided personal information is restricted, only employees who need the information to perform a specific job are granted access to this information.

Decision:

Approved

REC comments:

Goodluck

Date: 18 Aug 2025

Appendix 2 – Research participant invitation letter

Appendix 1 – Invitation letter

[Date]

Confidential

To: Prof./Dr./Mr./Ms [Participant Surname]

Re: Invitation to participate in a research interview

Study title: "Exploring the effectiveness of corporate political activity in an emerging market: An embedded case study."

Dear Prof./Dr./Mr./Ms. [Participant Surname],

I hope this message finds you well. My name is [REDACTED], and I am a Master of Philosophy (MPhil) candidate in International Business at University of Pretoria, Gordon Institute of Business Science (GIBS). I am writing to invite you to participate in my graduate research project, which examines how professional and other stakeholder organisations have engaged with, and potentially shaped the development of South Africa's National Health Insurance (NHI) policy

Why you were selected

You play a recognised role in South Africa's health-care ecosystem. Given your role and expertise in "leadership within the private-hospital sector," / "experience in government health policy," / "insight into pharmaceutical market dynamics," your viewpoint is invaluable to understanding the strategies and effectiveness of stakeholder engagement around the NHI Bill.

What participation involves

- One semi-structured interview (approximately 60 minutes, in person or via MS Teams or Zoom, whichever is most convenient).
- Topics covered: forms of engagement with the NHI process, decision-making rationale, perceived outcomes, and reflections on future implementation.
- With your permission, the interview will be audio-recorded solely for transcription accuracy.
- You may decline to answer any question and may withdraw from the study at any time without penalty.

Confidentiality & ethics

- All data will be treated confidentially. Your name and organisation will be anonymised in all publications and presentations unless you expressly consent to attribution.
- Recordings and transcripts will be stored on encrypted, password-protected servers, accessible only to the research team.
- This study has received ethics clearance from the [University Research Ethics Committee] (Approval No. [XXXX/2025]).
- Findings will be reported in aggregate form and used strictly for academic purposes, though a summary of results can be provided to you upon request.

Benefits & potential impact

While there is no direct monetary compensation, your insights will help illuminate best-practice engagement between industry and government on large-scale health reforms—findings that may be valuable to policymakers, businesses, and civil-society stakeholders alike.

Next steps

If you are willing to take part, please suggest three preferred dates/times in the coming weeks, or indicate an alternative contact person if more appropriate. I will then confirm the interview slot and forward a Participant Information Sheet and Consent Form for your review.

Should you have any questions, please feel free to reach me at [email] or [phone]. I sincerely hope you will consider contributing to this important study and look forward to the possibility of speaking with you.

Thank you for your time and consideration.

Yours faithfully,



MPhil Candidate, International Business
Gordon Institute of Business Science
University of Pretoria
Tel: [+27...]
Email: [XXX]

Appendix 3 – Research participant consent form

Informed consent letter

Dear Participant,

Thank you for agreeing to participate in this research project titled, *“Exploring the effectiveness of corporate political activity in an emerging market: An embedded case study”*.

The aim of the research is to understand how Corporate Political Activity (CPA) influences and shapes the public policy development process, by focusing on the South African NHI policy process. You are being asked to participate in a semi-structured interview that is expected to last approximately 60 minutes. During this interview you will be expected to answer a series of questions, designed to help me understand the role and effectiveness of CPA in influencing and shaping public policy based on your experience.

Your participation is voluntary, and you can withdraw at any time without penalty. By signing this letter, you are indicating that you have given permission for:

- the interview to be recorded;
- the recording to be transcribed by a third-party transcriber, who will be subject to a standard non-disclosure agreement;
- verbatim quotations from the interview to be used in the report, provided they are not identified with your name or that of your organisation;
- the data to be used as part of a report that will be publicly available once the examination process has been completed; and
- all data to be reported and stored without identifiers.

If you have any concerns, please contact my supervisor or me. Our details are provided below.

Research Details	Research Supervisor Details
██████████ ████████████████████ 24 ██████████ ██████████	████████████████████ ████████████████████ ██████████

██████████ _____

Signature of participant: _____

Date: _____

Signature of researcher: _____

Date: _____

Appendix 4 - Semi-structured interview questions for senior leaders in the healthcare sector

Theme	Questions
Demographic - Questions about the participant	1. How long have you worked in the healthcare industry? 2. To what extent are you/have you been involved in the development and implementation of non-market strategies? 3. Could you briefly describe your position and how it connects with the National Health Insurance (NHI) policy? 4. What do you see as the main opportunities or risks associated with the NHI, and why?
Key questions to answer research questions	1. In your experience do healthcare firms engage in non-market strategies, such as corporate political activity (CPA), and how? 2. Based on your knowledge can you briefly describe some of the reasons why healthcare firms engage in corporate political strategies? 3. What factors influence the choice of CPA strategies used, and what influences this choice? 4. In your opinion, should non-market strategies, like CPA, be integrated into an organisations overall strategy, and why? 5. In your opinion, would you say that there has been an increase in CPA in the South African healthcare sector and why? 6. In your opinion, would you say corporate political strategies have been or are effective in achieving their intended outcomes? 7. Which CPA tactic(s) are you likely to use or have observed as most likely to be used in the shaping or influencing of public policy, and why? 8. Can you describe how you would determine the success or failure of corporate political strategy? And if possible, share examples of parameters you use to determine success. 9. Can you briefly describe an external environmental event that caused risk and uncertainty, required CPA 10. Can you describe your involvement in any strategies implemented to shape or influence the outcome of the NHI policy process or any other policy posing environmental uncertainty.

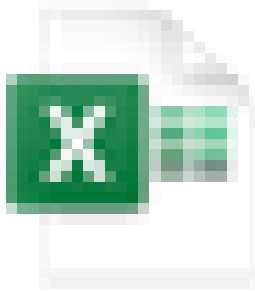
	11. Would you describe the CPA tactics used in shaping and influencing the NHI as effective in achieving intended objectives, and why? 12. How has the NHI policy process and subsequent signing of the act impacted the performance healthcare firms? 13. Has your perspective on and approach to CPA changed since the signing of the NHI bill in 2024, and why?
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Appendix 5 - Semi-structured interview questions for policymakers and government

Theme	Questions
Demographic - Questions about the participant	1. How long have you been a policymaker or been involved in the policymaking process? 2. Could you briefly describe your position and how it connects with the public policy development 3. To what extent are you/have you been involved in the policymaking process for the National Health Insurance (NHI)? 4. What do you see as the main opportunities or risks associated with the NHI?
Key questions to answer research questions	1. In your experience do firms in the healthcare sector engage in non-market strategies, such as corporate political activity? 2. Can you describe some of the reasons healthcare firms would engage in corporate political activity? 3. In your opinion, should non-market strategies, like CPA, be integrated into a healthcare firms overall organizational strategy, and why? 4. In your opinion, has there been an increase or have observed increased CPA by South Africa's healthcare firms and can you elaborate why? 5. Which CPA tactic(s) would you say is more likely to be used by healthcare firms in South Africa, and why? 6. Based on your opinion, who are the likely targets of corporate political activity, and why? 7. In your opinion, do you think corporate political strategies are effective at achieving their intended objectives, such as influencing outcome of a policy? 8. Can you describe how you would conclude that CPA has been successful, and if possible, share examples. 9. Would you describe the CPA tactics used to shape and/or influence the NHI as effective, and why? 10. How has the NHI policy process and subsequent signing of the act impacted or changed the CPA approach by healthcare firms? 11. Is this change in approach likely to be effective?

Appendix 6 – Data analysis code list

*interested file can be extract from pdf as well.



Exploring the
effectiveness of