



**A Resource
For Managing
Health Sector
Reform**

Issue Brief



Policy Process of Health Reform in Latin America

How do governments adopt major health reform programs?

Few countries have successfully made major systematic changes in their health systems, despite the wave of international interest in health reform. In Latin America, two countries have embarked on major reforms—Chile’s private insurance reform in the early 1980s and Colombia’s managed competition insurance reform in the early 1990s. By contrast, Mexico has experienced several attempts to initiate major reforms, none of which have been successfully implemented.

The DDM project, with support from the USAID LAC Bureau’s Health Sector Reform Initiative, has studied these three experiences in order to develop lessons for the policy process of health reform in other countries. The studies have revealed significant similarities in the Chilean and Colombian “success stories”—factors lacking in the Mexican case that did not produce reform. Rather than evaluating the success or failure of the reform policy itself, the analysis focused on the political strategies that proved successful for the adoption of a significant reform.

Politics happens in all regimes

Political processes occur irrespective of type of regime. It is often argued, for example, that it should be easier

to implement broad reforms in authoritarian regimes. They may be able to make decisions without having to respond to different interest groups that, in democratic systems, can often block reforms.

Contrary to this expectation, we found that reforms occurred in both democratic Colombia and in Chile during the Pinochet dictatorship, while the limited democratic regime of Mexico did not produce reforms.

Furthermore, we found that even within the restricted range of political actors in Pinochet’s Chile, there was significant bargaining and negotiating among major stakeholders who were able to delay reforms as well as limit their scope during the adoption and implementation of the changes.

“Change Teams” matter

We found a major factor in the success of reforms was that a relatively stable and coherent “change team” was formed. This team was formed with individuals drawn from, and with continuing links to, a macro-economic “change team” that had successfully developed policies of economic reform. The health sector change team was made up of technical experts with a coherent shared ideological commitment, but who did not primarily see themselves as politicians.

DDM Issue Briefs communicate important findings of our research on critical issues in health sector reform to key health policy makers, counterparts, and colleagues in the field.

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These change teams were supported by the presidents and other major political actors in both Chile and Colombia. Their members were drawn from the Ministry of Planning and the Ministry of Finance and had initially worked on macro-level reforms and pension reforms, often with significant success.

Successful teams were initiated and recruited in a conscious effort, usually by cabinet level officials or their immediate subordinates. In some cases, members of the macroeconomic change team then turned their attention to the health sector and sent key members to work in the Ministry of Health. Mexico failed to produce reform, in part, because efforts to create a change team in health were frustrated by internal competition among key macroeconomic change team members over the anticipated selection of the next president.

Political strategies for reform

The health sector change teams pursued different strategies to get their policies adopted. One of their strategies was to isolate the change team from the broader political process until it had developed a significant, technically defined package of reforms. This strategy appears to have been more successful than the broad public debate that is often recommended before the development of a health reform package.

The reform package was then presented as a complete reform and as the president's own proposal for legislative attention. During the legislative process (which occurred even in the Pinochet dictatorship) the change team was able to overwhelm the opposition with well-developed technical arguments. It was important throughout for the change team to demonstrate full technical command of the issues and present evidence-based arguments. The team's own legitimacy and effectiveness in building and maintaining high-level support depended on credible rational arguments.

Lessons for USAID health reform efforts

The studies suggest the following lessons for major health reform efforts:

- Develop support for health reform at **the presidency, cabinet, and in the planning and finance ministries**. Reform initiated only in the health sector is unlikely to have sufficient support to be pushed through the executive and legislative processes.
- Pay attention to **recruitment of a like minded, technically competent “change team”** with strong vertical links to high-level officials and horizontal links to other sectors.
- In political processes, **sound technical arguments and good data matter**. The legitimacy and effectiveness of change teams depend on their ability to marshal strong arguments based on credible data. This is the source of their power.
- **Isolation of the change team in the formulation of policy** may be an effective strategy to create a single and coherent reform package that has the support of major political actors.

For the full study see Alejandra González-Rosetti and Thomas J. Bossert (2000). *Enhancing the Political Feasibility of Health Reform: A Comparative Analysis of Chile, Colombia, and Mexico*. Boston: Harvard School of Public Health—Data for Decision Making Project/LAC HSR Initiative.

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