Making the case for Social Determinants of Health
Through a Social Protection System
The Chilean Case

I. Introduction

Nowadays Chile faces favorable conditions to make the case for financing interventions that affect the social determinants of health. First, under the leadership of President Bachelet, the Chilean government is strongly committed to establish a rights-based social protection system. Second, economic growth will require significant advancement in equality of opportunities and comprehensive social protection to be sustainable. Third, population health is characterized by the predominance of non-communicable diseases, violence and accidents, mostly determined by unhealthy lifestyles, environmental risks and socio-cultural factors, which cannot be tackled by medical care nor by the health sector alone. Fourth, the consolidation of a responsible fiscal policy and high copper prices, provide an excellent economic stand to build and sustain a social protection system. Fifth, several social protection initiatives are already in place and supply useful lessons about the agenda setting and implementation process. Sixth, powerful management tools are available within the public sector to monitor and promote a SDH approach.

As said, political, economic, health and public management conditions are encouraging for the implementation of public policies based on a SDH approach. In fact, 68% of the total public budget for 2007 is going to be oriented to social expenditure, a 11,2% increase compared to 2006.

However, this poses several challenges. Among them, the most relevant is to trigger a process where actors both inside and outside the health sector get involved in the SDH approach in order to improve health status. To succeed in this endeavor, SDH should be integrated into more comprehensive goals, such as social protection or quality of life, which may be linked to strategic goals and products of different Ministries and agencies. It will also require proving and quantifying the influence of diverse programs over SDH and of these over the more comprehensive goals. Health leaders should also abandon health-centered language but develop one with a more universal appeal, which may encourage actors outside the health community to engage in a SDH approach.

The aim of this document is to show how the Chilean government has the basic elements for assuring the inclusion of SDH in the social protection system, and by this way, tackle inequity in health.
II. A Window of Opportunity

The confluence of political will, economic sustainability, public management capacity, as well as the necessity of more equitable opportunities and comprehensive social protection in order to both improve population health and attain economic development, provide a unique window of opportunity to advance a Social Determinants of Health (SDH) agenda in Chile.

a. Political environment:

A new presidential period of four years started on March 2006 with the inauguration of Bachelet’s government. The President, and the political coalition that supports her, have a strong commitment to advance a rights-based policy approach, which will make of Chile an inclusive society that put the individual at the center, without leaving anyone behind. Her belief is that Chile must not only outline rights but it must guarantee them to all its citizens (Presidential Message, May 21st, 2006). In this context, the advancement of a social protection system is a high governmental priority. Therefore, how the SDH are embedded into the Social Protection System will only depend on how the health sector advocates for SDH and intersectoral responsibility.

Nonetheless, advocating for considering and financing SDH is not only based on ethical and political grounds. Sustained economic growth in the years ahead is also dependent on the ability to bring into play the talents and effort of all its citizens, including those of currently disadvantage groups. Talents are distributed among the population in a much more homogeneous way than wealth, and failing to create the conditions for this potential to blossom is not only unfair but inefficient. For Chile, growth and security, dynamism and equity, are the sides of the same coin. For a very simple reason in modern world, countries grow, accumulate wealth and become more affluent when their individuals and companies dare to innovate. However, daring implies risks as well. The existence of a social protection system and equality of opportunity is precisely what people need to have the courage, to have the opportunity to innovate. In addition, for people to be protected, our economy must be protected. A responsible fiscal policy that mitigates fluctuations in income and employment is needed to foster economic growth and to improve equity.

Policies and mechanisms to protect from health risks are an essential component of a social protection system. However, to mitigate losses associated to an episode of illness not only requires the development of health care insurance and health care delivery systems, but a strong public health approach aiming to reduce the probability of occurrence of an adverse health event. At this moment, such goal will not be feasible without intervening on the SDH that explain lifestyle, environmental and social and cultural risks factors.
b. **Economic environment:**

The economic perspectives for Chile are very positive. The world continues to grow, and the price of our products, copper among others, remains high. The price of fuels, which has strongly affected many of us this year, has started to fall. Chilean exports are increasing, as is the productive capacity of our economy. The poverty rate has decreased from 39% in 1990 to 18% in 2003. However this positive perspective is not the same for all the society, although poverty has being reduced, Chile remains highly concentrated both in terms of income distribution and geographical location of wealth. In 2003, the wealthiest 20% of the population earned 52.3% of total income, while the poorest 20% earned only 6.9% of total income. In 2001, the wealthiest 10% of municipalities captured 65.5% of the municipal system’s income (mainly through the real state taxes), while the poorest 10% held only 0.2% of those resources. The concentration of income reflects that great inequalities and inequities still persist in Chile. A similar situation can be observed in health status indicators. A preliminary evaluation of the “National Health Objectives for the Decade” shows an increase in the ratio of infant mortality between the children born to mothers of different educational levels, even though figures have improved in all levels.

The year 2007 we may grow to 5.7 per cent. Since the high price of copper will not last forever, we have been saving and investing for the future. This allows us to sustain public investment and social spending in time in a stable way, without being subject to the effects of fluctuations on both the domestic and international markets. This has translated into an extraordinary and sound situation of indebtedness and patrimony of the Chilean Government, providing an excellent economic stand to build and sustain a social protection system which intervenes on the SDH.

c. **Government managerial environment:**

The systemic approach of a social protection system, including interventions that target SDH require public management capacity to coordinate and involve different sectors and actors with sometimes incompatible interests. Chile is in a good stand to accomplish this task.

For the last eight years the Ministry of Finance has gradually set up a System of Management Control and Results-Based Budgeting (SMC), which is aimed at making public resource allocation to programs, projects and agencies more efficient and results-oriented. SMC consists of the following tools, which are embedded into the budget process: Strategic Definitions; Management Improvement Program; Performance Indicators; Program and Agency Evaluations (including Comprehensive Spending Reviews); Standard Forms to Submit and Process New Budget Proposals; and Comprehensive Management Reports. Among these tools, Program Evaluation (PE) and the Management Improvement Program (MIP) may be the most susceptible of adaptation in order to include SDH indicators within its components. Of course, this requires to make the case for the pertinence the SDH approach within the broad goals of
social protection system, and to align interventions on SDH with these tools’ logic and the broad goals of the SMC.

**Program Evaluation:** As a tool, PE comprises three types of evaluation: Governmental Program Evaluation (GPE), Impact Evaluation (IE), and Comprehensive Spending Reviews.\(^1\) Governmental Program Evaluation and Impact Evaluation may be particularly useful to engage the whole public sector on a SDH policy approach, by including dimensions such as program consistency with or impact on population health. GPE uses the logical framework methodology utilized by multilateral development agencies such as the World Bank and the IADB. In all three types, evaluations are conducted by a panel of external reviewers selected through an open application process. There is also an Inter-Ministry Committee [SEGPRES, MIDEPLAN, and Finance (chair)] in charge of providing policy orientations and coordination, and commitment to the evaluation process. The National Budget Office (DIPRES), dependent of the Ministry of Finance, is responsible for carrying on the process; for integrating the evaluation results into the budget cycle, and for establishing Institutional Commitments for the improvement of the programs so evaluated. Members of Congress can propose programs to be evaluated, and can use this to discuss programmatic and budgetary decisions with the Executive.

**Management Improvement Program:** The MIP links the level of attainment in certain indicators to a performance bonus for government employees. Compliance with the management objectives in an annual MIP gives employees the right to a 3% salary increase the following year, provided the agency has met at least 90% of the annual objectives. The increase is 1.5% if compliance is between 75% and 90%. The preparation of the MIPs by the agencies is part of a group of management improvement areas common to all public sector, known as the Framework Program. The MIP includes goals related to improve human resources management, intersectoral planning, customer services, financial management and gender equity. These goals are set according to each Agency’s or Ministry’s Mission, strategic goals and strategic products. If pertinent, SDH objectives and indicators could be included in the MIP Framework.

Fortunately, various components of the social protection system are already in place and provide useful lessons about agenda setting and the implementation process. Among those, Health Care Reform offers an interesting example of a rights-based approach to public policy. For a list of 40 diseases, the GES (Health Explicit Guarantees\(^2\)) system grants the right to access care within a certain period of time, define a maximum co-payments, and quality standards for each individual. Also creates the institutions and

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\(^1\) For a recent appraisal see The World Bank, Poverty Reduction and Economic Management Unit Latin America and the Caribbean: “Chile: Study of Evaluation Program Impact Evaluations and Evaluations of Government Programs” Executive Summary, Final Report, April 18, 2005

\(^2\) Guarantees are the right or entitlement each individual has in the Chilean health or any other social protection system.
mechanisms to redress the guarantees described before. The diseases included are the main causes of morbidity and mortality in Chile.

On the other hand, Chile Solidario is the first intersectoral program with a systemic approach to social protection. This program aims to effectively coordinate different social sectors in order to target families in extreme poverty, to ensure access to those interventions designed to increase social inclusion. Both, Chile Solidario and GES, provide valuable insights about the critical requirement of a comprehensive integrated information system, to ensure that social programs reach those who need the most, and to preclude the social protection system from falling prey to abuse.

III. A Social Protection System: Chilean Priority for Today

Using Chile Solidario as a model, President Bachelet has prioritized a social protection system with universal coverage for all population throughout the life cycle, with comprehensive network of services based on a human rights framework. Because of the large scope of work and resources required, the network is built in a progressive manner, starting with young children and the elderly. The Social Protection for Young Children “Chile Crece Contigo”. (Chile grows along with you) was launched last week.

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<th>CHILE CRECE CONTIGO: A COMPREHENSIVE EARLY CHILDHOOD SOCIAL PROTECTION SYSTEM</th>
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<td>On Friday October 13 President Bachelet launched the Comprehensive Social Protection System on Early Childhood (CSPS – EC). The CSPS – ECD offers differential support for all children 0 – 4 years old and their families. It considers universal actions for all children that age, some actions targeting only children who participate in the public health sector, and other actions specially targeting vulnerable children who belong to the 40% of the most poor households – which encompasses around 60% of children from 0-4 years old in the country. With this system Chile is assuring equal opportunities for early childhood development, enabling the future social and economic development for the country.</td>
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<td>Chile Crece Contigo is the final result of the work done by the “Consejo Asesor Presidencial,” an expert’s commission on Early Childhood Development Policy Reform. And the later effort done by the Social Protection Ministry Committee who translated the suggestions from the experts commission into this National Intersectoral Plan that will be implemented in a coordinated way at the municipal level, guaranteeing a set of basic services and programs tailored to the needs and wants of the different developmental stages of children.</td>
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<td>The National Plan is organized in a progressive manner starting on January 2007 in 100 vulnerable municipalities, adding 250 in 2008, and the whole country on 2009. On 2010 all children born in the health public sector will be covered by the CSPS – EC. As a starting point, the Social Protection Ministry Committee developed a vulnerable mapping selecting the 100 vulnerable municipalities. Each selected municipality will be invited to develop its own CSPS – EC plan of action with measurable goals and monitoring process.</td>
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<td>The ministry of finance has divided the 2007 budget into four main categories. a) Budget for National level institutions responsible of providing services. Such is the case for the health sector responsible for pregnancy control, quality based childbearing, and health monitoring of one children up to one year old. b) Budget for Municipal Coordination through small grants that municipalities can access with their action plan, and innovation projects aiming for improving quality services already in place. And c) budget for acquiring informatics systems for monitoring and evaluating the different services provided to each child and family.</td>
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Even though Chile is recently implementing this methodology, it is possible to identify strengths and challenges. The strength being the social participation assured by the different commissions and government stakeholders involved, and that implementing the social protection system should not required extra budget for inter-ministerial coordination but only for increasing budget in the different sectors involved in providing social protection.

Therefore, this leads us to the main challenge; witch is to assure efficiency and coordination among the different government stakeholders, in the different levels of action (meaning, the Social Protection Committee at the national, regional and local level). Secondly, assuring social representation of people needs and wants. And third, to include a SHD as a comprehensive focus in order to go beyond the “service provision” model to a model based on the promotion of quality of life, equity and human development.

IV. Health Sector Responsibility:

The main challenge for the MOH is to identify the population needs at the national, regional and local level, offering concrete solutions, in a timely manner, combining curative care, preventive care and health promotion, in a quality aware environment. The later, aiming for each individual to feel secure and protected, ready to take the risks necessary for innovation and growth.

In 2000 the Chilean Ministry of Health initiated a reform project approved by the Congress in 2004 and currently being implemented. The reform fundamental pillars are: the right for health, equity in health, solidarity, efficiency in the use of resources, and social participation.

In order to reorient public health policies towards Chilean health priorities, the health reform is oriented by the four National Health Objectives for the Decade (2000–2010): 1. To improve health goals attained; 2. To face challenges of aging and changes in society; 3. To decrease inequalities in health and 4. To provide health services coherent with people expectations. Based on these measurable and feasible objectives, the health department has defined strategies and planning actions necessary to guarantee and improve populations’ health.

An important part of the reform has been to reorganize the health authority, separating health care provision and public health responsibilities within the sector. The Ministry of Health was divided in two undersecretaries: The undersecretary of Public Health in charge of public health regulation, and the Undersecretary of Health Care Networks in charge of health care regulation and coordination. At the sub-national level, the Reform also separates public health authorities from health services management.
The new legal framework creates 13 Regional Health Authorities in each of the 13th country regions. They are in charge of defining the set of priorities for their territories, and the public health plans to intervene health determinants and risk factors. Each of the regional health authority must subscribe an annual performance contract with the MOH related to the accomplishment of such initiatives, that comprise environmental interventions, health promotion, occupational health, surveillance systems and preventive programs (vaccines, TB control, HIV-AIDS, Tobacco, Obesity, Nutritional Support, Zoonotic diseases prevention, among others). Identifying and tailoring interventions for vulnerable and hard to reach groups, is a basic requirement of these plans.

However, in order for the different services to coordinate and be effective there needs to be political will at the national and regional level, as well as an empowered civil society who is demanding its rights as Chilean citizens.

In summary Chile has a window of opportunity to advance a Social Determinants of Health agenda. The epidemiological and demographic situation, as well as the political will, economic sustainability and the public management experience, create a fertile environment for intervening in SDH in order to improve population health and attain economic development. However, one of the main challenges for success is represented by the need of rephrasing SDH in terms of quality of life and human development, were health sector plays a role that can be seen as equivalent with other social sector priorities.