Editorial

Introduction to Special Issue on Political Economy of Health Financing Reform

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CONTENTS

References

This special issue of *Health Systems & Reform*, sponsored by the World Health Organization (WHO), places political economy at the center of health financing reform. The motivation for the World Health Organization’s program of work in this area is to make political economy analysis an integral part of reform design, adoption, and implementation processes to improve the performance and equity of health systems. The articles show the importance of political economy factors in influencing the outcomes of health financing reform. They also highlight how political economy analysis can be a powerful lever to improve the chances that technically sound policy proposals are adopted and implemented.

This special issue provides guidance to reformers—those who lead health policy development and implementation—on how to use political economy analysis to advance health financing reform in support of Universal Health Coverage. The authors in this project have first-hand experience with health reform in a variety of ministerial, multilateral, and academic positions. The articles focus on how reform teams can maneuver within their own national contexts to navigate complex political economy dynamics in ways that enable reform. Each example stresses that good ideas and evidence alone often do not produce desired results. Reformers need political skills to convert reform plans into implemented policy.

Although the impetus for health financing reform can come from different sources, often policymakers and government must lead the charge for change. Typically, this is the case with health financing reform, which inherently has redistributive implications, between beneficiary groups, rich and poor, healthy and sick, young and old, and powerful and powerless. As highlighted in the *World Development Report 2004*, the push for policy change can come directly from citizens collectively organized to demand altered benefits (i.e., “people”). In the health sector, citizens can sometimes influence “providers,” but generally they cannot affect
financing reform, which is shaped most directly by government bureaucrats and political leaders (i.e., “policymakers”). The political economy framework put forward by Paola Abril Campos and Michael R. Reich and used throughout this special issue includes these three perspectives as part of six categories of politics: (interest groups, bureaucrats, budgets, leadership, beneficiaries, and external actors) for analyzing obstacles to reform and developing strategies for change (see Figure 1 that appears in the article by Campos and Reich is this special issue).

The articles in this special issue advance our understanding of the political economy of health financing reform. Examples from health reform experiences in various countries (including Mexico, Peru, South Africa, Thailand, Turkey, and the United States) are used to analyze political economy factors and strategies. Although certain aspects of these examples are specific to health financing reform, the political economy framework we propose can also be applied to broader health sector issues (as done in several articles in this issue).

The lead article in this special issue, by Susan P. Sparkes and colleagues, argues that integrating political economy analysis into health financing reform processes can help policymakers develop more effective approaches to navigate the political challenges of change management. The authors analyze recent health financing reforms in Turkey and Mexico according to the roles and positions of major categories of influential stakeholders as proposed in the article by Campos and Reich and referenced above. The strategic responses to each political economy factor illustrate the connectedness of technical and political processes. The article identifies common political economy themes relevant to health financing reform. For example, in both Turkey and Mexico, Ministers of Health used political economy analyses “to pursue health financing reform when a political window of opportunity opened in their countries and to push their reforms to the top of the policy agenda.” The authors show that political economy analysis played a critical role in the reform trajectories of both countries, and helped identify strategies for compromise and sequencing that facilitated progress. The authors conclude by proposing their own analytical approach to help reformers seeking to advance health financing change.

Thailand’s success with health financing reform is well known and has greatly improved healthcare access and financial risk protection. However, less has been written about the political economy factors that contributed to Thailand’s progress and also hindered some of the original intentions. Viroj Tangcharoensathien and colleagues show the necessity of compromise on the path towards UHC, and how the reform team in Thailand made adjustments in some areas and overcame resistance in others. The authors argue that early policy choices can set health financing systems on a trajectory that is difficult to overcome—illustrating the power of path dependency. As members of the reform team, the authors used evidence and strategy to incrementally expand benefits and relied on service-delivery investments to enable financing reforms. The article concludes that budget and bureaucratic politics were areas of particular friction throughout the reform process. However, the reform team was able to navigate these tensions through deliberate political strategies built on strong evidence to expand universal health coverage in Thailand.

Ashley M. Fox and Yongjin Choi analyze the political economy of efforts to create a single-payer health system in New York State—which would make it “the first state in the US to adopt universal health financing reform.” They analyze the prospects for health financing reform in New York State using the analytical approach to political economy proposed in this special issue by Sparkes and colleagues. Their analysis highlights the complicated role of vested interests and public perceptions. As they point out, the Democratic Party’s legislative majority in New York created a favorable political opportunity, but the prospects for change are still low—due to strong opposition from powerful interest groups and beneficiary perceptions about potential tax increases. Their analysis points to the importance of symbolism and the framing of reform to appeal to voters, which can create political economy obstacles to reform. They identify a set of political strategies that could be used in New York State to promote reform and suggest some of the broader implications for the United States. Their discussion of resistance to reform in the New York case “suggests that American political culture and a peculiar hostility towards taxation may be primarily to blame for the lack of progress towards universal health financing” in the United States.

Lucy Gilson, in her commentary, reflects on the experiences with health financing reform in South Africa to highlight the value of a political economy lens. She applies the issue’s approach for political economy analysis to explain the historical trajectory of health financing reform and the challenges of introducing national health insurance in South Africa. Her analysis highlights the critical role that leadership and budget politics have played in explaining the relative lack of progress in restructuring the South African health system. Based on this experience, she recommends...
the creation of a strong reform team that can manage the political and technical processes and has strong relationships with political and technical counterparts. She also calls for more attention in South Africa to the central role of beneficiary politics, the challenges of policy communication to the public, and the management of sub-national authorities tasked with policy implementation. She concludes, “South African experience illustrates that health financing reform must be recognized as a primarily political rather than technical process.”

Peru’s tenth anniversary of the Universal Health Coverage Act of 2009 provides an opportunity to reflect on the political economy dynamics associated with the agenda setting, adoption, and approval of reform in that country. In her commentary, former Minister of Health Midori de Habich uses first-hand experience to analyze the factors that enabled the passage of the legislation and the subsequent expansion of health insurance coverage. De Habich highlights the diverse range of leadership skills needed to pass the Act. A key lesson was the importance of convening a forum for dialogue across 18 political parties in Peru to build consensus and reach a written agreement around the objectives and direction for reform. This process allowed leaders to reduce opposition and create consensus. The trust and respect built during the initial reform stages were instrumental in working out the details of legislation and ensuring passage of the Act. As the former minister concludes, after reviewing Peru’s experiences, “Diverse leadership strategies are needed at different points of a reform process.”

The commentary by Michael R. Reich on the political economy of non-communicable diseases (NCDs) shows that political economy factors affect global processes as well as national policies, using examples beyond health financing reform. The decision by the Prince Mahidol Award Conference organizing a committee to place political economy at the center of a debate over NCDs was an important step forward for the global health community. Reich examines the roles of different political actors for each theme of the February 2019 conference. He discusses how commercial enterprises can hinder taxation on tobacco and alcohol, which is an important policy measure to curb NCDs. He highlights the critical role that social movements can play in advocating for policy change. Then, he examines how government agencies (and international organizations) have failed to provide sufficient funding or organizational attention to NCDs. Reich concludes by suggesting three concrete actions to “move the political economy from unconventional to essential in global health, starting with NCDs”: more funding on political economy from international agencies, more global health research on political economy, and more effective accountability mechanisms on the quality of political economy analyses.

In his commentary, Jeremy Shiffman emphasizes that all health financing reform takes place within political contexts. While other articles in this issue examine stakeholder dynamics and political economy strategies to produce change, Shiffman focuses on the influence of the broader political context (“some of the larger and more enduring factors”) in which the actor-based processes take place. He identifies a list contextual factors that were particularly influential in constraining the United States from adopting national health insurance (including the structure of the political system, nature of party rule, features of civil society, and political culture), and suggests that similar contextual factors could affect other countries. In assessing the reform experiences presented in this special issue, Shiffman underlines the importance of different political contexts. He concludes that “the most robust explanations for health financing reform outcomes” will need to consider both stakeholders and political contexts—“interactions between human agency, on the one hand, and the contextual factors that facilitate and constrain action, on the other.”

As noted, the article by Paola Abril Campos and Michael R. Reich lays out a framework for political economy analysis of health policy implementation that is used in other articles in this special issue. As Campos and Reich state, the published literature on health policy implementation is limited. Based on a scan of political analyses and descriptions of health policy implementation, the authors propose six major categories of politics related to stakeholder groups that often influence health policy implementation: interest group politics, bureaucratic politics, budget politics, leadership politics, beneficiary politics, and external actor politics. The authors examine the politics of these different stakeholder categories, and present examples of published case studies to illustrate implementation challenges and the political strategies used to manage specific stakeholder groups. The authors note that their framework may have broader implications beyond implementation, for example, for policy design and adoption processes. But they also believe that health policy analysts should pay more attention to the politics of implementation, because “Understanding the political dimensions of implementation can help those responsible for implementation to drive policy into practice more effectively.”

The World Health Organization’s support for the development and publication of this special issue is aligned with
Director-General Tedros Adhanom’s widely cited statement that “Universal health coverage is ultimately a political choice.” As emphasized throughout this special issue, policies needed to advance towards UHC, including those related to health financing, are political in nature. The articles in this special issue provide a concrete approach and examples that show how political economy analysis can be used in the health sector and the importance of doing more in this field. As Lucy Gilson states, the issue seeks to “breathe new life into the importance of political economy analysis” in health financing reform and health policy more broadly.

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