HEALTH PLANNING AS PART OF THE DEVELOPMENT PROCESS

Approach and prospects in Latin America: A synopsis

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Background document for reference use at the technical discussions on "Health Planning as an Administrative Tool".
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1. BACKGROUND INFORMATION

During the nineteen-sixties, the Latin American countries have been making a special effort to plan for health as part of their general economic and social development process, a path to which they formally committed themselves when they signed the Charter of Punta del Este in August 1961. It is stated in the Charter that "there is an agreement between the governments of the American states for the simultaneous planning of economic growth and social progress and that, in view of the mutual relationship which exists between health, economic development, living standards and well-being", arrangements should be made to prepare national health plans for development purposes.

With this aim in mind, it was agreed to create planning and evaluation units in the ministries of health, with appropriate representation at the national agencies for the overall planning of economic development and social progress to ensure the closest possible co-ordination.

In addition, the Charter recommended that the Pan American Sanitary Bureau should assist the governments concerned in establishing systems of health planning and in formulating and carrying out the plans.

Various technical and political meetings subsequently adopted a number of recommendations for fulfilling the commitments undertaken and achieving the goals set, and the measures proposed have been put into effect.

It was of course recognized that it was necessary to train senior public health officials in health planning techniques and the general principles of economic and social development planning. It was also considered essential to prepare a methodology of health planning that...
would take into consideration the problems inevitably produced by the integration of health plans and development plans, thereby tacitly acknowledging that the health programmes formerly prepared by the public health services had not paid sufficient attention to those aspects.

In order to comply with the mandate laid down in the Charter of Punta del Este and implement subsequent recommendations, the Pan American Sanitary Bureau adopted a number of measures. It concluded an agreement with the Centre for Development Studies of the Universidad Central de Venezuela (CENDES), for the preparation of a methodology of health planning for development purposes, which was published in 1965. It also signed an agreement with the United Nations Latin American Institute for Economic and Social Planning in 1962, under which it has been possible to train about 200 officials from the health services of all the Latin American countries in the theory, practice and techniques of health planning for development purposes. These officials have trained others, in their turn, and by now some 2000 persons have acquired sufficient expertise to shoulder the task of plan formulation.

2. HEALTH PROBLEMS IN LATIN AMERICAN DEVELOPMENT

Despite their profound differences, all the Latin American countries have certain features that stamp them as developing areas. With the exception of one or two regions in the larger countries, their methods of manufacturing are still fairly rudimentary. Per capita income ranges from about 100 dollars a year to approximately 700 dollars in the countries that export more, but income distribution is highly unequal in all of them. The population of the region grows at the rate /of about ...

of about 3 per cent. annually; its structure, its distribution between town and country, the proportion of active population and, in fact, its characteristics in general are typically those of a developing area.

The magnitude and nature of the health problems are also typical of developing countries. The high mortality and morbidity rates are caused by the heavy incidence of communicable, infectious and parasitic diseases, which could be reduced and even eradicated. They are largely the result of bad sanitary conditions, malnutrition and the structural and functional problems produced by the shortage and mismanagement of public health resources. This, in its turn, stems from the conditions in which such shortages occur, and from the political and social disputes that break out over the division of resources, when the structure of government is unsound for those same basic reasons.

These health problems are made worse not only by the insanitary conditions, under-nourishment and the lack of adequate and well-managed resources, but also by other factors that are characteristic of the state of under-development. The rapid growth of the population means that the resources are spread very thin, and the situation is aggravated by the want of co-ordination with the private sector and the failure to distribute health personnel adequately over the country as a whole. Owing to the slow growth of agriculture, unsatisfactory industrial policies and the limited nature of export trade, the cost of health inputs is pushed up enormously, thereby raising the cost of the services as well. Proper utilization of the resources available is made even more difficult, especially in rural areas, by the low educational level of the population and the lack of transport facilities and road networks, which makes it impossible for the people to get to the facilities that do exist. Health administration and organization are inadequate, with the result that productivity is low to begin with, and is reduced even more by the gap between expenditure and investment in health itself, since the bulk of what resources there are must be devoted to consumption expenditure and less to building construction and up-keep.

/The low level...
The low level of health in the Latin American countries compared with the superior levels and differences of structure found in more developed countries has far-reaching social repercussions. On the one hand, health requirements as an end in themselves are obviously not being met. On the other, the low level of health reduces manpower productivity by affecting the calibre and numbers of health personnel.

However, the efforts made to raise the level of health cannot rely for their inspiration solely on considerations of productivity, which is the factor usually invoked in the developed countries when public health measures have to be taken. A low level of health is a structural defect from which large sectors of the population suffer, and its improvement is one of the requisites of social change which is in itself a development target.

Moreover, expenditure on health will obviously have to be stepped up as medicine becomes technically more advanced and the demand for medical services increases. Current studies show that developing countries are allocating at least 10 per cent. of their budget and 2 to 3 per cent. of their gross national product to health.1

These are the main reasons for making health planning a part of the development process. In so doing, it is hoped that the resources earmarked for health requirements will be used more rationally within the balanced overall distribution of funds to all the sectors that play a part in development.

/3. HEALTH PLANNING ...

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1 Abel-Smith points out that the rate of increase is usually such as to indicate that every ten years an additional 1 per cent. of the gross national product will be set aside for medical expenditure and that, by the end of the century, certain countries will be spending more than 10 per cent. of their gross national product on health.

3. HEALTH PLANNING IN LATIN AMERICA

The situation that has just been outlined is sufficient reason for the Latin American countries to make every effort to improve it by means of health plans drawn up in conjunction with their national plans for economic and social development.

Although they have only just begun to make headway in this task, they have already obtained some results that indicate the way in which they should proceed in future. They are, in fact, searching for solutions on the basis of a new methodology and approach, which transform the methods of programming traditionally used for the public health services.

They take as their starting point a description of the health situation in the country as a whole and in different parts of it so as to establish the local and regional variations and the nature and quantity of the factors that determine the different levels of health existing there. The description will show how these levels are associated with the economic and social environment that gives rise to the factors in question. The next step is to make a study of health resources and of the policies that have so far governed their utilization in each area of the country in terms of the capacity of the resources allocated to bring about a satisfactory level of health or to improve the existing situation. By linking resources and methods and their respective costs with particular levels of health, the terms of reference are obtained for establishing goals and targets for the health plan in the light of national health policy requirements. This policy must, in its turn, have been framed in relation to a development policy in which due account has been taken of the limitations of resources and economic and social demands.

/By working on ...
By working on these lines, an integrated solution can be found for health problems in relation to development, but its implementation will entail radical changes in the outlook, system and modus operandi of the public administration.

These are the theory and principles that have guided the Latin American countries in formulating national health plans as part of the development process, and the practice that they have followed.

Nearly all the governments set up or improved a system of national health planning as soon as they had a trained group of specialists available. Six countries drew up a health plan in the first half of the nineteen-sixties, and some of these have already reached the more complex stages of evaluation. Other countries subsequently embarked upon the work of plan formulation, and most of the Latin American countries have now followed suit. There are, however, a few that have not yet done so, or that continue to rely on traditional principles and methods of programming health services.

Their experiences have varied considerably, owing to their great differences in size, the medley of geographical, economic and social areas of which so many are composed, the calibre of their leaders, technicians and officials in general, and their politico-administrative structures.

Thus, it is clear that the decision to embark upon health planning as a part of the development process is not necessarily the outcome of a formal commitment or of the fact that the technical experts trained can be certain of finding an easy field for applying the knowledge they have acquired. The obstacles and possibilities encountered and the good or bad results obtained have been used to shape a strategy for the introduction and development of health planning which has met the main planning requirements, identified the various factors to be dealt with and determined the ...
determined the importance and timing of the measures to be adopted. These basic requirements seem to be chiefly related to the formulation of health policy and to the factors that ensure that the planning process will be effective in practice and not simply a formal undertaking on paper known as the National Health Plan.

A. The formulation of health policy

Health policy encompasses a vast number of decisions which reflect the degree of importance placed on health as an end and a means in the national development process. It is through the adoption of a policy for health that the field of planning is demarcated, and its radius of action and the social requirements with which it should comply are determined in practice. It is, however, the effectiveness and dynamic force of the planning process itself that will be the instrument for modifying that policy.

The major decisions that make up a health policy may deal with the following points:

(1) The choice of national institutions through which the health sector will operate, either directly or indirectly, the real and financial resources to be allocated to health through the medium of those institutions, and the financial and manpower training policies involved.

These questions are particularly important in Latin America, where the growth of the population and the social pressures that are producing a cultural transformation give rise to particularly thorny problems in such areas as social security policy, the role of the private sector, professional training at the university level, etc.

(2) The geographical, economic and social areas that will be considered in relation to the administration of the health services, and in particular, to the integration of local and regional health plans in regional and national programmes.
Given the wide variety of conditions in the Latin American countries as regards the distribution of resources and the potentialities of the different areas, this point is of vital importance for health policy, since it should determine all decisions on national resource allocation.

(3) The population groups to be given preferential attention in the light of development aims and means of implementation.

Overcrowding in the big towns, the high proportion of the population that is under 15 years of age, the relatively small number of people that are economically active, and the progressive depopulation of the rural areas are some of the many problems a health policy must grapple with, and are particularly serious in Latin America for the reasons set forth above.

(4) Priorities for attacking specific health problems, in accordance with their importance for national development.

The economic and social justifications for the campaigns to eradicate communicable diseases in the developing countries are too well-known to cite here. However, these countries are also influenced by a number of traditional and cultural considerations associated with the importance that the people in general give to health and the socio-economic characteristics of the demand for health services.

(5) The organizational, administrative and technical reforms required, since they bear on the people's needs and the availability and use of health services.

Questions of health organization and administration loom large in the Latin American countries and are a vital consideration in the formulation of health policy.

/(f) The preference ...
(6) The preference given to the satisfaction of current health requirements over future demands or vice versa; that is to say, whether the bulk of the funds available should be assigned to current expenditure or to capital investment.

This is an ever-present problem in the developing countries because of the limited supply of funds and the social pressures for more current consumer expenditure on health for such items as medicines, wages, hospital food, etc., at the expense of capital expenditure on, for example, construction of hospitals, training and research.

B. The effectiveness of the planning process

The second requirement for health planning is that it must be initiated and conducted as part of a continuing process, which necessarily involves the idea of continuous change or transformation, moving gradually and steadily from one stage to the next. This means introducing a multi-staged cycle extending over a period of time which would automatically ensure improvement through successive modifications, each bringing the process more into line with the proposed model for change.

In practice, this will be the most difficult problem which will have to be solved if planning is to bring about the changes required by any policy. Experience in Latin America shows that to achieve this result, the requirements on which the effectiveness of the process depends must first be defined. As these requirements are met, the planning strategy that must be adopted vis-à-vis government authorities and the different social and organizational groups that are to participate in the process will emerge.

If planning is to become part of a continuing process, three things are essential: a favourable attitude towards planning, the operation of a suitable planning system, and the adoption of methods by which the allocation of resources in line with the policy requirements can be determined.

/The significance...
The significance of each of these factors is discussed below.

(a) The attitude

A favourable attitude towards planning is one of recognition and acceptance of the need for planned action, which involves both the capacity to make an informed choice between alternatives and the will to carry through the changes required to reach the targets indicated in the plan. If the latter aim is to be achieved, there must also be full authority over and full responsibility for the instruments with which the plan is to be carried out.

The mere delineation of the problem reveals the complexities involved in promoting a positive attitude to planning, which is nothing more nor less than a complete departure from the traditional use of the resources with which the sector operates.

It cannot be said that, in the short time that health planning has been part of the development process in Latin America, there has been any substantial change in the attitude of governments or administrations towards planning. The personnel already trained have certainly done much to bring about a change in this attitude, which is partly due also to the favourable results achieved. Nevertheless, it is certainly in the field of health planning that one of the most complex and difficult tasks has to be undertaken in order to ensure that countries formulate and execute national health plans as part of the development process.

(b) The system

The second factor which makes the planning process effective is the existence and operation of a planning system with the following principal components:

/(1) Personnel ...
(i) Personnel trained in the tasks of plan formulation, to ensure solution of the technical problems and facilitate co-ordination among the participating agencies. As mentioned above, special consideration has been given to this task in Latin America. Most of the personnel trained to formulate health plans as part of the development process are using their training at various levels in the health agencies of the countries of the region.

(ii) A planning unit linked to the national development planning machinery to advise participating agencies on the formulation of the national health plan. This component of the planning machinery was described in the Charter of Punta del Este as an essential pre-requisite for national health plans. Practically, all Latin American countries do have planning units at the sectoral level and, to a greater or lesser extent, they have been organized according to certain common principles.

(iii) Availability of statistical data, both for the formulation of the plan and for its execution and evaluation. As is well known, the developing countries lack statistics with which to operate, which makes some people dubious about the possibility of formulating plans which will follow the guidelines being set in Latin America. It cannot be denied that the depth and precision of the analysis will depend on the quantity and quality of the statistics. It must also be remembered, however, that the existence of a planning process /is probably ...
is probably the best means of encouraging the collection of statistical data and improving their quality since the statistical information is constantly being compared with the actual situation.

In several Latin American countries, even before the formulation or execution stage of the plan, the mere initiation of the planning process has done much to promote the establishment of statistical offices and improvement of the information they supply.

(iv) The existence of long, medium or short-term national health plans, as indicators and operational tools. While such plans do not constitute the actual goal of the planning process, as we have pointed out before, they are an essential part of the process. To the extent that they are accepted and adopted as a formal expression of this process, they will also help to adapt the administrative machinery for their execution.

(v) The adaptation of the traditional administrative machinery to the requirements of the formulation and, in particular, the execution and evaluation of plans is one of the most important elements in the life of a planning system. For the reasons given above, and especially because of the profound sociological significance of changes or improvements in the administration, the administration has become one of the biggest obstacles to health planning for development purposes, and increasing attention is being given to it.

/The problem ...
The problem that has arisen in Latin America is how to obtain these formal instruments -- even if some trained personnel, as well as planning units and statistical data are available -- if the size of the country, negative political and administrative attitudes or other obstacles do not favour the formulation of long-term indicative plans and their corresponding operational plans. This has become one of the most important problems in designing a planning strategy and it has meant, in many cases, that planners, with greater or lesser official support, have begun to plan by areas or by regions, or have begun by studying the production functions of the public service agencies in the sector, when the sector has a very complex structure. In all these cases, results can be obtained from these approaches which make it possible to provide the public authorities and the administration in general with a quicker way to improve services and create a favourable attitude towards the introduction and improvement of the planning process in all its dimensions.

(c) Methods

The third factor in the planning process is the adoption of methods by which resources can be allocated in the plan to meet policy requirements, as described above.

As has already been said, the CENDES-PAHO method has been used in Latin America. The method was evolved by CENDES in conjunction with the Pan American Health Organization (PAHO).

The methods were defined by a working group assisted by health administrators, economists, statisticians, epidemiologists and medical specialists in various fields and other technical personnel who were consulted on specific topics and problems.
The methods were worked out bearing in mind the theoretical and practical requirements for formulating a national health plan as part of overall development planning. Consequently, the central problem they deal with relates to the evaluation and adoption of criteria for distributing resources between health needs, i.e., between diseases and dangers to health, which must be applied in conjunction with the overall planning principles.

These principles have already been defined and applied as part of the general process of development planning for the countries of Latin America which the Economic Commission for Latin America (ECLA) has been promoting for about the last fifteen years. Under the CENDES-PAHO method, the allocation of resources to health needs would be based on the following major considerations:

(i) a cost-benefit analysis for the purpose of allocating resources with the greatest technological efficiency consistent with the general principle that resources are relatively scarce in the context of under-development;

(ii) the application of ethical principles related to the value that the society places on health (fair shares for all, etc.) with a view to preventing a deterioration of the health levels already attained in the different parts of a country.

This method has been a break-through in knowledge of and study of public health problems, especially problems related to the structure and management of sectoral resources. A cost-benefit analysis leads to complex and detailed studies and current techniques and to the revision of structural and functional standards. At the same time it ...
time, it necessitates a major change in views on the classification of diseases and other concepts which are fundamental elements in formulating the plan.

4. RESULTS

It is still too early to draw conclusions from an evaluation of what has been done in Latin America in this field, with a view to introducing radical changes in the policy and methods adopted.

Successes of various kinds are observable, although it may also be asserted that no country has reached full maturity as regards the planning system or process. All are in the initial stages, and, as has been pointed out, several countries have not yet shown any real interest in planning.

Among the favourable results achieved, primary importance is usually attached to the impact of the adoption and application of planning methodology on understanding of the structure and operation of health services. Thanks to this fuller knowledge, the measures which should be taken to remedy defects can be more precisely defined. Espinosa \(^1\) notes that planning activities in Chile's National Health Service, besides bringing about a manifest change in the attitude of the executive personnel, have made it possible to achieve practical results in a number of fields. These include, inter alia, the improvement of statistical data; the introduction of performance budgeting with the corresponding controls; better methods of supervising personnel and keeping staff files; measurement of costs in the health sector; more exact knowledge of the way in which resources are allocated to the

\(^1\)Espinosa Solis de Ovando, N. (1967) El proceso de planificación en el Servicio Nacional de Salud de Chile: A paper presented at a workshop organized by the Chilean Public Health Association (Sociedad Chilena de Salubridad)
various problems, with the consequent establishment of a sounder criterion for the definition of priorities; clearer justification of health investment policy; and more accurate definition of the type of technical and administrative standards and regulations that should be formulated.

These are achievements which stem from the establishment and implementation of a planning process, and which may, therefore, be expected in any country where planning operates on similar lines and where rational methods are applied to promote the more efficient use of health sector resources.

The results of health planning must also be evaluated in respect of what is genuinely new about it at the present time. In the opinion of Evang, what is new in the situation is not that health planning has been started, but that it is regarded as an integral part of economic and social planning for the country or region as a whole.

Viewed in this dimension, health planning cannot be evaluated unless, the concept of the relation between health planning and economic and social planning is defined, and, in the second place, account is taken of how the whole planning effort has fared in the developing countries.

As regards the first point, in connexion with the components of the health policy and the CENDES-PAHO methodology, an indication was given of the factors from which the relations in question can be inferred: for example, the production capacity of health services, instruments, expenditure, relations between the level of health and the level of living, health plan targets, investment, the domestic financing available and the economic policy pursued, etc. In this field, statistical ...

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field, statistical data may be described as illustrative of the positive correlation between the level of health and level of development, although very little is known as yet of what Cibotti calls the "incremental ratio", i.e., how great an increase in health is required to produce a given acceleration of the rate of development, or, conversely, to what extent the development process speeds up when a given improvement in the level of health takes place.

In the Latin American countries, even in the absence of complete information on these relationships, the evidence to hand has generated a movement towards progressively closer contact between the health sector and the other economic and social sectors, through the central planning offices of the governments concerned. In this way, formal machinery for inter-sectoral linkage is being set up, and is stimulating mutual understanding of sectoral problems, and also the conduct of studies and research designed to elucidate them on scientific bases.

Lastly, the health planning effort in Latin America must be judged in the light of what is happening at present in respect of the whole planning process in the developing countries of the non-socialist world. Such an analysis would be beyond the scope of the present study. However, a few important facts must be placed on record.

In the first place, planning as a development mechanism is no longer open to question, whatever its results may have been hitherto; the problem is how to tackle it.

Secondly, in the space of a very few years, the idea of planning has rapidly gained the support of the great majority of governments, and they have taken action in various directions to put it into effect.

Thirdly, the results of the initial planning efforts undertaken in the developing countries in the last ten years, particularly in Latin America, have fallen far short of expectations. Salgado\(^1\) says that the adoption of planning has brought about no radical changes in economic policy or in the traditional style of government; its influence may be regarded as superficial, and it is still "a foreign element in the institutional life" of many Latin American countries.

Fourthly, despite these weaknesses, there are favourable symptoms which suggest that where planning is in operation, a higher degree of rationality in public sector activities is also observable.\(^2\)

Studies of this situation lay emphasis on a variety of causes which possibly stem from the same structural factors of psychological and social origin that are linked to the causes or effects of underdevelopment itself.

Waterston, in a work which has by now become a classic,\(^3\) stresses the importance of administrative obstacles and of the problems relating to plan implementation. ECLA, in a report prepared for the United Nations Committee ...

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\(^2\) Latin American Institute for Economic and Social Planning (1966) Discusiones sobre planificación. Informe de un seminario (Editorial XXI)

Nations Committee for Development Planning,\(^1\) underlines the general inadequacy of the system. Gross\(^2\) makes a very comprehensive analysis of the conceptual and procedural errors imputable to planners themselves, but maintains that every hope of achieving results through economic development planning is likely to be disappointed unless satisfactory administrative machinery is available.

All these considerations are equally valid when attention is turned to the effects of health planning on development, with the destiny of which it seems to be indissolubly linked. It would be unfair and superficial to draw an unfavourable conclusion from the analysis of the initial attempts at planning, since the process described must necessarily go hand in hand with the difficult task of bringing about radical changes in the individuals and in the services involved. On the other hand, the entry into operation of the planning process immediately brings to light the existing defects in the services, and makes it possible to demarcate the areas of study and research to which the health sector should devote attention in order to keep abreast of the scientific requirements of those modern disciplines which are taking part in economic and social development.

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\(^1\)ECLA (1967) Experience and problems in the implementation of development plans. Planning in Latin America: A paper presented at the second session of the United Nations Committee for Development Planning, Santiago, Chile (Document E/AC.54/L.13)