



SOCIAL DEVELOPMENT DEPARTMENT

THE WORLD BANK

*Increasing Social
Inclusion through Social
Guarantees*

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World Bank, OAS and Funasupo

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Social Development in Latin America
and the Caribbean

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Origin of this Work

- This work has been conducted in response to, and in collaboration with, the Department of Social Development and Employment of the Organization of American States (OAS) and the Chilean Foundation for Overcoming Poverty (FUNASDUPO).
 - There are two main outputs: a World Bank Analytical Report (*Realizing Rights through Social Guarantees: An analysis of new approaches to social policy in Latin America and South Africa*). And a Policy Note *Increasing Inclusion through Social Guarantees* to be presented at the Santiago Social Development Summit in July 2008
 - The Inter-American Development Bank, the United Nations Economic Commission for Latin America and the Caribbean, and the Department for International Development of the United Kingdom (DFID) also supported this work.
 - The study explores the role that rights-based approaches to social policy could have in the provision of services and country governance.
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Background

- This work is based on 10 country case studies (Bolivia, Chile, Colombia, Ecuador, Guatemala, Jamaica, Paraguay, Peru, St Kitts & Nevis, Uruguay) from the LAC region and South Africa. The country studies were conducted by national research institutions.
- Preliminary findings were discussed with representatives from the Chilean Ministry of Planning (MIDEPLAN), the OAS, IADB, ECLAC, DFID, UNICEF, OHCHR, country teams and civil society organizations during a conference held at ECLAC Headquarters in Santiago, Chile, April 2007.
- A preliminary draft of the Policy Note was reviewed at the 2nd Meeting of the Inter-American Committee on Social Development of the OAS in October 07
- All reports can be downloaded at the World Bank's Social Development Website

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/>



Human Rights and Development

- Rights are widely characterized as legitimate claims that give rise to correlative obligations or duties.
 - A rights regime is a system of rights which derive from a particular regulatory order or source of authority.
 - A rights-based approach contributes to sustainable development in two major ways:
 - (i) it reduces social and political risks through the enhancement of social justice and focus on inclusion and non-discrimination;
 - (ii) it creates stronger and more equitable institutions - crucial in the effort to strengthen democracy and governance.
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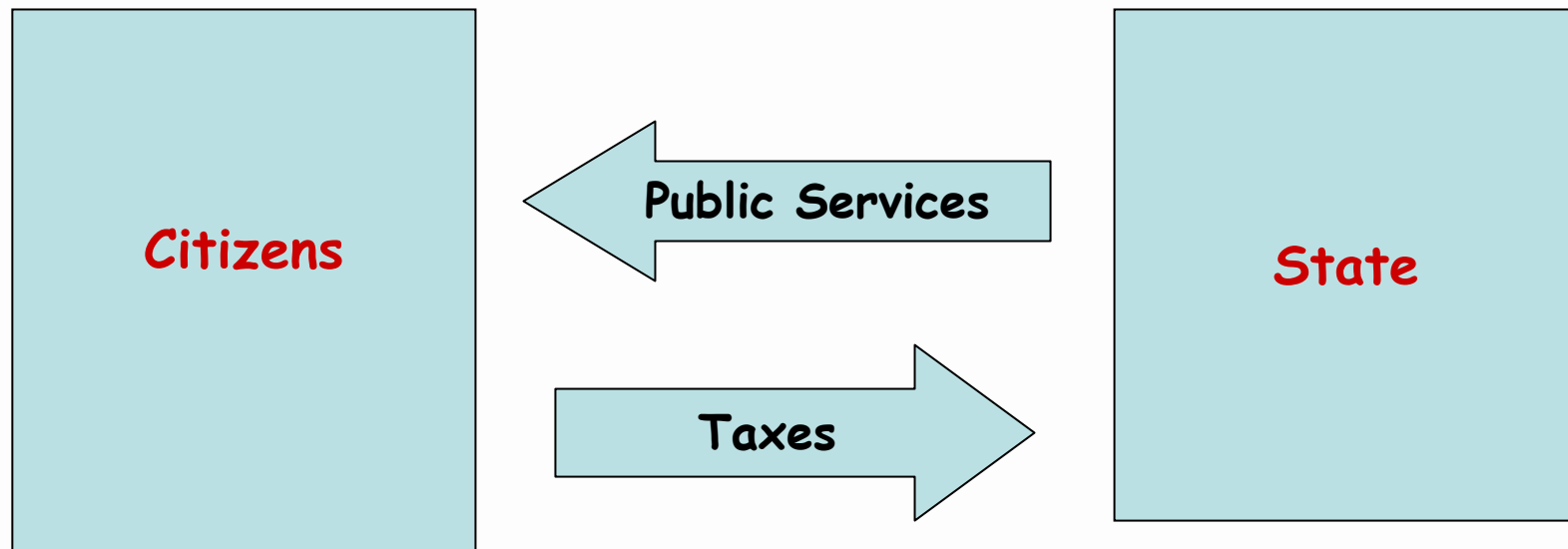
A Rights-Based Approach to Social Policy Involves:

- The definition and widespread communication of rights, entitlements and standards.
 - The availability of mechanisms for redress where citizens can go if they are unable to enjoy specified entitlements or social minimums.
 - A commitment to the equitable delivery of the specified rights, entitlements and standards to all.
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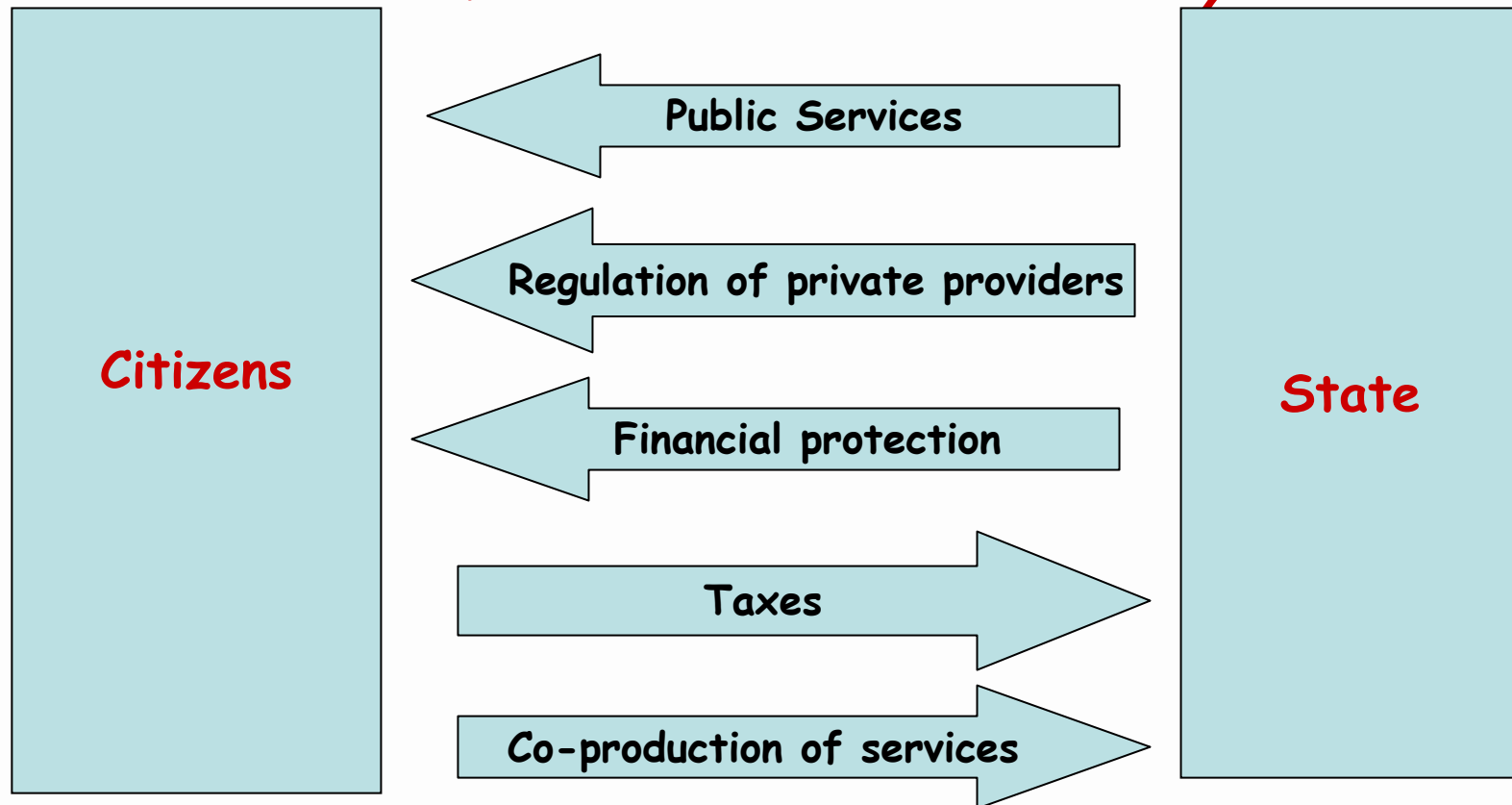
Social Guarantees and the Social/Fiscal Pact

Basis for the Social Fiscal Pact under simple welfare state model:





*Most middle-income countries - contemporary model
for social service delivery*





Issues in the transition from model 1 to 2

- **Equity** - sectors tend to become segmented between those who access high quality private provision and those who don't
 - **Transparency** - when the state is seen as universal provider the process for standard setting is clear. The state's side of the bargain becomes less clear under SFP2.
 - **Accountability** - the responsibility for ensuring citizens have basic services becomes less clear. This risks undermining the relation between citizens and the state and undermining social cohesion and solidarity.
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Rebuilding the SFP through Social Guarantees

- Social guarantees provide a means to re-build the SFP by providing:
 - **Clarity of minimum standards** which can be revised on an ongoing basis
 - **A basic framework for equity** between those in different segments
 - **A framework for redress** if minimum standards are not met
 - **A process for citizen participation** in setting a framework for public and private provision
 - SD ministries well-positioned to lead and monitor a system of SGs
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From Rights to Guarantees

- Social guarantees are sets of legal and administrative mechanisms that specify entitlements and obligations, and that states can put in place to realize a certain right.
 - While economic, social and cultural rights are to be realized progressively, guarantees imply immediate obligations.
 - Social guarantees are defined in a precise manner with reference to specific rights-holders. They should have a legal expression that results in explicit state responsibility.
 - The content of social guarantees may differ across countries or historical periods i.e. the guarantees are flexible and revisable. They should reflect the underlying political and social consensus achieved in society, the level of economic development, budgetary commitments, and institutional landscape.
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Social guarantee programs should address a set of essential areas or sub-guarantees:

- ***Access:*** to ensure that rights-holders are able to access the set of defined services.
 - ***Quality:*** to ensure that social services are delivered according to established quality standards.
 - ***Financial Protection:*** to ensure that individuals, who cannot afford the costs of receiving the service, would still be able to access it.
 - ***Participation and Continuous Revision:*** to ensure that the guarantees and sub-guarantees are continually updated according to the availability of resources, changing risks, political and social consensus, and the advancement of science and technology.
 - ***Mechanisms for Redress:*** to ensure that individuals or groups can claim access to the guaranteed services through judicial and non-judicial mechanisms.
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The Evolving Health System in Chile: A Promising Story

- Prior to 1980, the Chilean health system was fundamentally public, financed through the social security and public funds.
 - After the health reform in 1981, a dual system emerged where workers could be affiliated either with the public health system through the National Health Fund, or with private health insurance institutions that are associated with individual risk.
 - Hence, the health care system in Chile was strongly segmented with clear differences in quality and in the opportunities for access to services across social groups.
 - 2004 - Law 19.966 established the Regime of Explicit Guarantees in Health (REGH) or Plan Auge. Subsequent decrees established: (i) a list of priority medical conditions and services to be covered by REGH; (ii) the minimum financial commitment to realize the guaranteed services and norms for additional financing; (iii) system for accreditation and certification of providers. The Office of the Superintendent of Health was created.
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Explicit Guarantees in Health in the Plan AUGE

- Access - defines in detail the services that each subscriber to the public or private system is entitled to receive.
 - Quality - defines accreditation and certification procedures for providers.
 - Opportunity to access services in a timely manner - stipulates the maximum waiting period for each guaranteed service.
 - Financial Protection - stipulates the level of co-payments as well as the maximum annual contribution per household that could be demanded.
 - Mechanism for Redress
 - i) Administrative at the local level: direct claims to the public or private provider;
 - ii) Administrative at the national level: claims to the Office of the Superintendent of Health;
 - iii) Judicial: claims to tribunals.
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Plan AUGE: Promising Results

- The Regime progressively extended its coverage from 40 to 72 medical conditions
 - 69% of the population consider that health care in the country has generally improved after the implementation of AUGE.
 - 39% of users reported they feel more protected by the system than before.
 - 28% responded that a member of their family has been diagnosed with a health condition covered under AUGE.
 - 60% of subscribers to the public sector and 59% of those to the private system have noted that health services have become faster and better since the introduction of the new regime.
 - 42% of AUGE patients found its services better than those not covered by the explicit guarantees regime.
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Summary: Benefits from Adopting a Social Guarantee Approach

- An organizational framework for monitoring and planning of the reform or design of new social programs.
- Increased efficiency and equity of service delivery by adopting universal entitlements.
- Improved transparency and accountability of service providers. Opportunity for redress when access, quality or any other key sub-guarantee is compromised. The approach empowers vulnerable groups by ensuring that redress and enforcement mechanisms are available to them.
- Increased voice and participation through the opportunity for a more open dialogue on social entitlements.
- Increased capacity of governments to confront politically sensitive issues due to the technical character of the approach (clear definitions, operational mechanisms, budget allocations), and political process that leads to their definition.



Applying the Social Guarantee Lens

- Most countries in the study have not designed social programs on the basis of explicit guarantees.
 - The country case studies illustrate many cases where the social guarantee framework can be used to identify 'pre-guarantees' which can be used as the basis to build a more comprehensive approach.
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Ensuring Access

- Peru illustrates how it is possible to set in place basic education policies that progressively increase coverage, including bilingual education.
 - In Paraguay the universal right to basic education has been historically affected by deep-rooted disparities between the rich and the poor, urban and rural. Despite formidable difficulties the rate of coverage in basic education has increased progressively, reaching a peak of 93 % in 2005.
 - Jamaica offers an important example of how recognizing the rights to shelter through laws, policies and international treaties creates a normative framework that obligates the government to extend housing access.
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Promoting Quality

- In Chile (plan Auge) quality is defined through a system of certification and accreditation of providers
 - Colombia presents a good example of policy instruments used to advance educational quality - e.g. national evaluation system created in 1998, participation in international evaluations
 - St. Kitts and Nevis has made major progress in securing quality in primary education since the creation of the Curriculum Development Unit in 1998
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Financial Protection

- In South Africa the government acted on its constitutional commitment on the right to shelter by providing one-time housing grants to people who had never owned homes, reaching 1.4 mn households
 - In Uruguay the PANES program incorporated a rights perspective into the reform of the family allowance system, making it possible for beneficiaries to receive guaranteed minimum income and access basic services.
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Participation and continuous revision

- In Ecuador advances to ensure participation of indigenous peoples' in the design of education programs
 - Peru - a progressive legal framework for social participation in the education system
 - *However, the SG feature of continuous revision not fully present*
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Making redress possible

- Chile – office of the superintendencia of health is legally constituted and has power to impose specific and binding decisions. More accessible than the judicial route.
 - The ombudsman (defensoria) has been active in Bolivia in monitoring health programs, and mobilizing Congress to approve a law extending services available to women.
 - South Africa illustrates a range of complementary judicial, quasi-judicial and administrative approaches to achieving redress, anchored in Constitutional provisions and an activist Supreme Court.
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Policy Recommendations (I)

- Social Guarantee systems require a sustainable fiscal underpinning - but they are also a political technique for achieving this (SFP)
 - In addition to a sound fiscal basis a SG framework requires explicit normative, institutional, and operational definition
 - Strong political and institutional leadership. The Ministries of Social Development are in a unique position to advance integration and collaboration among all social sector ministries (in education, health, housing, etc.)
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Policy Recommendations (II)

- Promotion of partnerships among the public, private, and civil society sectors. The adequate realization of social and economic rights is no longer based on the capacity of the public sector only.
 - Independent monitoring institutions are key to ensure on-time and appropriate feedback to policy makers. Countries may consider creating an Index of SGs to monitor and evaluate the progress of social policies.
 - Strong civil participation in the design, implementation and evaluation of the social guarantees.
 - Robust mechanisms for redress including administrative , quasi-judicial and judicial mechanisms where relevant.
 - Analytically, the SG framework can provide a basis for cross-country monitoring of a rights approach to service provision
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