

# Social Protection in Health Care

European Assets and Contributions

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## Outline

- ➔ Why this presentation?
- ➔ Nine European Assets
- ➔ What might be shared?

## Why this presentation?

**Europe's systems for social protection are based on some inherent principles and values that might be of interest for the current discussion in low and middle income countries**

## Europe is the cradle of the modern social protection systems

- **Response to increasing poverty and unemployment**
- **Traditional systems could not cope any more**
- **Access to health care as a right, not as charity**

## Europe's systems of “modern” social protection – more than one century of experiences

- ➔ Experiences go far beyond technical matters and “national models”
- ➔ Balance between social goals and private preferences
- ➔ Balance between equity, efficiency and effectiveness
- ➔ Catering for the disadvantaged and indigent
- ➔ Generating and sustaining finances, and prevent fraud

## What types of European „assets“ might be interesting for low and middle income countries?

- ➔ Principles and concepts
  - Solidarity and subsidiarity, equity, ...
- ➔ Procedural and societal approaches
  - How to get people on board – how to implement change
  - Support of dialogue between stakeholders
  - Political and social participation
- ➔ System techniques
  - Large variety of European “models”, attitudes, know-how, e. g.
    - ✓ Development of standards in social protection
    - ✓ Quality management systems

## Asset 1: Solidarity is the first step to stability

### The ethical platform

- **Everyone should have access to the same benefit package and same quality of care *on equal terms***  
No family should be financially over-burdened by illness

- Implies:
- the wealthier pay for the poor
  - the young pay for the old
  - the healthy pay for the sick
  - small families/singles pay for larger families

## Asset 1: Solidarity is the first step to stability

Bridges the gap between financial risks and the citizens' ability to pay

- **Helps to develop universal coverage – health care for all**
- **In economic terms, solidarity mechanisms contribute to**
  - Stabilization of demand
  - Growth of internal market
  - Capital formation
- **In social terms, solidarity mechanisms contribute to**
  - Poverty alleviation and prevention - removes financial access barriers
  - A more equitable and just society
  - Security and social cohesion
- **Can be considered a public good**
  - Thus benefiting net payers and society as a whole

## Asset 1: Solidarity is the basic value – despite various structural approaches



### Beveridge *and* Bismarckian

- State-run systems as in Scandinavia
- Insurance-based systems as in France and Germany
- Funded by contributions, by general taxation or mixed



### Solidarity goes beyond national borders

- Portability of health care benefits
- EU social fund, regional fund, ...
- Principles: partnership, subsidiarity, co-financing

## Asset 2: Process Orientation rather than a Model or Blueprint

### Systems not designed as such

- But result of complex processes –  
Social service systems need to be flexible to adapt and evolve
- Large variety of cultures, interests and economic strengths -  
EU institutions evolved beyond traditional concepts of states  
and federations
- Basis:  
set of agreed values, guiding principles and historical experience

## Asset 3: Responsibility, Self-reliance and Self-governance

Individual responsibility reduced by solidarity and mutual support?

- **Subsidiarity**
    - has become an integral part of European policies, including civil society organizations
    - counteracts the potentially negative effects of formal solidarity mechanisms
    - strengthens responsibility, accountability, self-reliance
  - ➔ e.g. in Germany financing for health care has been delegated to decentralized non-profit bodies, ruled by public law, that are fiscal autonomous, financially self-sufficient, self-governed
- The “social economy” plays a vital role in Europe

## Asset 4: Competitive Markets and Social Protection

### „Social Market Economy“

- Europe has proved it is possible *and advantageous* to combine comprehensive social protection and elements of free markets
  - Private ownership, freedom to enter into contracts
  - Competitive rights (“the winner gets it all”) combined with societal responsibility (“sharing and caring”)
- Needs strong guidance and regulation by the state
  - ➔ Challenge within the health sector, to secure social and not market driven distribution of health care benefits

## Asset 5: There is more than one Public-Private Mix

The EU does not limit itself to a simplistic „either-or“ view

- Large number of models, e.g.
  - UK: internal market, trusts
  - France: mutualités
  - Germany: association of panel doctors
- Prices and terms of health care often negotiated between providers and financing agencies
  - Private, semi-public, public, or civil society based
  - For-profit or not-for-profit
- Resource generation and allocation seems to need more public guidance and regulation than service provision

## Asset 6: Sustainability

EU experience reveals this to stem from

- Involvement of all actors, stakeholders and beneficiaries
- Respect for minorities and disadvantaged
- Flexibility, tolerance and patience
- Mutual Support
- Transparency
- Courage to search for new solutions

## Asset 7: Portability does not mean Uniformity

### Portability achieved step by step

- For beneficiaries *and* health care providers
  - e.g. for tourists and migrant workers
  - Special regulations in border areas
- Regulations regarding different national social protection schemes subordinate to the common objective of freedom of movement
- Possible to pursue social objectives without imposing uniformity

## Asset 8: Variety, Co-ordination, Convergence

Almost all system elements debated worldwide are found in Europe

- Multitude of institutional set-ups
  - Membership versus citizenship, benefit packages
  - Financing mechanisms, purchaser-provider split
- Co-ordination, but no plans to impose “harmonization” of systems
  - Portability (asset 7)
  - Regulation of private health insurance
  - Health information systems and public health activities
- Convergence
  - Gradually achieve agreed objectives, structures, regulations
  - Equal (comparable) levels of socio-economic development

## Asset 9: Tradition and Innovation

European Citizens accept “coercive” elements of social protection

- Reasons: trust in the system, ethical considerations, feeling of safety
- However, tradition may lead to inertia, impede progress
- Constant need for improvement on institutional and legal level achieved in Europe through a process-orientated approach
- Incremental adjustments preferred rather than a radical system change attributable to cultural rationale, economic, political and social reasons

## Conclusion

- ➔ Social Protection is a matter of shared societal values and adequate social and political processes – it goes beyond technicalities
- ➔ Social protection contributes to social cohesion, a determining factor
  - to achieve macro-economic stability
  - to prevent poverty
  - to create a pro-innovative environment
  - to maintain democracy and peace
- ➔ Beneficiaries ultimately have to develop full ownership
- ➔ Good governance is essential –a key to public and individual trust!

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**Thank You  
For  
Your Attention!**