Introduction

Since the implementation of comprehensive health reforms in 2009, health outcomes in El Salvador have shown significant improvements. The last decade has witnessed a substantial decline in maternal and child mortality rates, with 38 per 100,000 and 8 per 1,000 live births, respectively, in 2013 as compared to 66 per 100,000 and 16 per 1,000, respectively, in 2006. The share of the health budget increased from 9 per cent to 16 per cent of the total government budget between 2008 and 2010 and in the following five years, it has maintained an average share of 15.4 per cent.

In the initial phase of the health reforms, foreign loans played a significant role, accounting for close to a quarter of the health budget. But this was clearly unsustainable in the long term, in a country that already spends more than a quarter of its government budget on debt repayment. Gradually, general taxation has become the major source of financing for the health budget. However, constraints exist in expanding the tax base in an economy that has limited productive capacity.

The design and implementation of the health reforms have been a jointly conceived and by the government and social movements for the right to health. A novel component of the Salvadoran health reforms is the institutionalization of social participation, and the design and implementation monitoring of services. The National Health Forum (Foro National para la Salud or FNS) has taken on the role of a pressure group to influence key political actors. As the struggle for health expands into the political and economic arenas of the country, the role of social movements as a political force will be a decisive factor for the reforms to proceed.

Health reforms: key interventions

The government of the left-wing Frente Farabundo Marti para la Liberacion Nacional (FMLN), which came to power in June 2009, inherited a fragmented health system focused on curative care. Different institutions provided care of varying quality to specific populations. An underfunded network of facilities under the Ministry of Health (MINSAL), partly financed co-payments, provided care to the general population. An insurance based system, funded by contributions from employers, employees and government, covered around 20 per cent of the population. These were supplemented by a small charitable...
sector and a few private tertiary care hospitals for the elite, which had emerged in the 1990s.\(^2\)

In the 1990s, public hospitals and specialty care services faced the threat of privatization. By the 2000s, this threat extended to the social insurance system and primary care facilities. However, a wave of public protests stalled these attempts. It is in this backdrop that Mauricio Funes came to power. The new government initiated discussions on a new health policy by issuing a proposal for reform titled *Construyendo la Esperanza* or ‘Building Hope’ (People’s Health Movement et al., 2014). The proposal was based on the recognition that health is a public good and a fundamental human right guaranteed by the state. Eight core areas of action were defined in the document:

i. comprehensive, integrated health services network  
ii. national medical emergency system  
iii. accessibility of essential drugs and vaccines, including through curbing the power of pharmaceutical companies  
iv. addressing determinants of health and inequities among population groups  
v. national health forums for organizing local community participation  
vi. national institute of health for institutional research policies;  
  vii. unified health information system  
viii. creation of human resources for health development.

**Advances in health reform**

*Towards a stronger, primary care-based health system* During the eight years of the FMLN government, bold policy decisions were taken and implemented, which aimed at restructuring the health system and build a robust system that emphasized primary care. Within 100 days of installation of the Funes administration, fees for treatment were abolished in facilities under the Ministry of Health, leading to a 25 per cent increase in demand for services from 2009 to 2010 (Menjivar, 2012).

In 2010, community health teams were rolled out in the country’s poorest 125 municipalities and this number increased to 575 in 2016 (MINSAL, 2011, 2016b). Fifty more are planned for 2017. In these eight years, 402 health facilities were added, most of them community clinics. In addition to expanding the capacity of primary care through community clinics and community health teams, the area-wise division of the population has ensured that each person is under the responsibility of a specific health facility and team. These teams are connected to the rest of the health system through referral and reverse referral (from the tertiary and secondary levels to the primary level) mechanisms.

The efforts at restructuring the health system (MINSAL, 2015a, p. 38) are visible in the budgetary allocation that shifted the priority from secondary
hospitals to primary level of care, leading to proportionally more consultations in the latter (Table E1.1).

**TABLE E1.1: Number of consultations at different levels of care (2008–2015)**

<table>
<thead>
<tr>
<th></th>
<th>Primary</th>
<th>Secondary</th>
<th>Tertiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1,908,950</td>
<td>121,878</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>2,139,428</td>
<td>141,964</td>
<td>3,073</td>
</tr>
<tr>
<td>2011</td>
<td>2,258,607</td>
<td>116,864</td>
<td>3,257</td>
</tr>
<tr>
<td>2012</td>
<td>2,443,413</td>
<td>79,715</td>
<td>4,765</td>
</tr>
<tr>
<td>2013</td>
<td>2,637,754</td>
<td>74,548</td>
<td>8,200</td>
</tr>
<tr>
<td>2014</td>
<td>2,953,343</td>
<td>80,168</td>
<td>11,900</td>
</tr>
<tr>
<td>2015</td>
<td>2,983,990</td>
<td>88,691</td>
<td>9,218</td>
</tr>
</tbody>
</table>

*Source: MINSAL 2015a*
Overall, the capacity of the public health system has been consolidated. Of the estimated 8,800 human resources required, 7,100 had been hired by 2015. Across the board, infrastructure was repaired and expanded, and equipment was acquired at an estimated cost of US$ 225 million for hospitals and USD 80 million for primary care facilities in the period between 2009 and 2014 (MINSAL, 2015b).

*Curtailing the power of ‘big pharma’* Despite open hostility from the pharmaceutical industry, the Medicines Act was passed in 2012. The 2012 Act ensures a unified regulatory system. It has removed pharmaceutical manufacturers from the Medicines Regulatory Board and made a new body, the National Administration of Medicines, in charge of medicines-related policy as well as purchase and procurement. Further, the Medicines Act has instituted a price regulation system and quality control mechanisms. This has resulted in an increase in the availability of medicines in public facilities and has contributed to reducing the out-of-pocket expenditure of patients.

*Increased health budget* The share of health in the government budget has increased from 9 per cent in 2008 to 16 per cent in 2016. In the initial period significant resources were sourced as loans from international institutions such as the Inter-American Development Bank (US$ 60 million over five years) and the World Bank (US$ 80 million over four years).3 In the period between 2009 and 2015, cumulative foreign loans amounted to US$ 306.5 million. However, as the loans contributed to the overall indebtedness of the country, there has been a steady trend towards reducing the reliance on loans. Foreign loans’ share in the MINSAL budget has declined from 23 per cent to 5.1 per cent between 2008 and 2015 and is projected to further decline to 3.6 per cent in 2016. Thus, the largest source of resources for MINSAL is general taxation and the share of general taxation in MINSAL’s budget has

*Image E1.2* New infrastructure of the National Women’s Hospital in El Salvador (Boris Flores)
increased steadily, from 72 per cent in 2009 to 89.2 per cent in 2015, with projections of an increase to 90.8 per cent in 2016 (MINSAL, 2016a, p. 41).

Positive change in indicators Various indicators reflect the sector wide effects of the reforms (Minsal, 2013; Orellana, 2012; Pan American Health Organization & MINSAL, 2013):

• El Salvador has met the target for MDG 5 on maternal mortality in 2011.
• The private-to-public spending ratio has changed from 50 per cent private and 50 per cent public in 2004 to 34 per cent private and 66 per cent public in 2015 (MINSAL 2016a).
• Prenatal care coverage has gone up to 88.1 per cent and institutional delivery coverage is at 99.6 per cent (ibid.).
• Hospital beds increased from 0.7 per 1,000 population in 2009 to 1.14 in 2013.
• Institutional child and infant mortality dropped by 20 per cent between 2007 and 2012.
• Drug shortages in the public network reduced from 60 per cent to 20 per cent between 2008 and 2013.

Challenges to the health reforms
Not yet a unified system Although it had been envisaged that the health sector reforms would lead to a unified system, progress has been slow the sector remains fragmented. The Salvadoran public health sector includes MINSAL-run facilities, as well as a series of networked autonomous health facilities financed through co-payments of workers and employers. The latter includes the Instituto Salvadoreño de Seguridad Social (ISSS), which covers most workers in formal employment; Instituto Salvadoreño de Bienestar Magisterial (ISBM), which covers the teaching profession; and Comando de Sanidad Militar (COSAM), which covers the military.

The fragmentation leads to a resource drain on MINSAL, which subsidizes the other facilities through different routes, such as purchase of medicines and public health initiatives. In addition, when patients insured in other entities come to the public system, they access healthcare without paying for treatment. However, when non-insured patients go to other facilities, treatment is charged to MINSAL. The ISBM has subcontracted services to private facilities and private practitioners and, in consequence, its per capita cost is much higher than other institutions (see Figure E1.1).

Medicine costs remain high Despite the effect of the Medicines Act on out-of-pocket expenditure, the expected effect on medicine cost to MINSAL has not materialized. It is becoming clear that the supplier base needs to be broadened. New initiatives are required which would support the expansion
of production capacity for medicines in the country. The government is set to propose a soft loan for medicine manufacturers interested in increasing production capacity and improving quality of locally manufactured medicines.\textsuperscript{4}

\textit{Per capita expenditure remains low} Among the different public health institutions, MINSAL is in charge of providing healthcare to about 72 per cent of the population, or around 4.4 million persons. MINSAL’s modified budget (which includes allocated budget and additional or extraordinary allocations) has increased by 51.8 per cent, from US$ 399.3 million in 2008 to US$ 606.2 million in 2015 (MINSAL, 2014, p. 40 and 2016a, p. 37). This has allowed the per capita expenditure of MINSAL to increase from US$ 87 to US$ 130 between 2008 and 2015, a 49 per cent increase (MINSAL, 2014, p. 53 and 2016a, p. 38). Despite this, per capita expenditure on by the Ministry of Health (MINSAL) is still low as compared to other public health institutions (social insurance based) in the country (See Figure E1.1), or to other countries in the Central American region. While the per capita expenditure on health in El Salvador is higher than in Guatemala, Honduras and Nicaragua, it is still much below the levels of Mexico, Costa Rica and Panama (Datosmacro.com, n.d.).

\textit{Uncertainty regarding financial sustainability} According to Violeta Menjivar, the minister for health, if health is to be a right and not a commodity or a gesture of altruism, general taxation has to be the base of its financing.\textsuperscript{5} It is estimated that MINSAL requires at least 6 per cent of the GDP for it to be adequately resourced. Yet, in the absence of sufficient resources, MINSAL

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure.png}
\caption{Institution-wise per capita expenditure (2015, in US$)}
\end{figure}

\textit{Source:} MINSAL (2016a, p. 38).
has only received between 2.2 per cent and 2.4 per cent of the GDP in the past decade.\(^6\)

Under pressure to control the fiscal deficit, the government instituted austerity measures in the public sector starting 2011, which were reaffirmed in September 2014 (Public Sector Austerity and Savings Policy 2014). Five per cent has been cut from the approved budget, which means that all the allocated resources that have not been used as planned cannot be diverted to other activities. Medicines have not been affected as the Medicines Act provides for the allocation of a fixed percentage of the budget.

Economists have pointed out that the government will soon have exhausted its capacity to increase the health budget without increasing its overall budget.\(^7\) In fact, the 2014 health budget was slightly lower than that of the previous year, and the year on year increase from 2014 to 2015 and from 2015 to 2016 was marginal – 1.8 per cent and 2.2 per cent, respectively (MINSAL 2016, p. 43). For the health reforms to be effective, fiscal reforms that can boost government revenues and spending, as well as the sustained development of the productive economy, are clearly necessary.

**Economic landscape and government revenues**

The budgetary constraints that limit the ability of the government to expand public health infrastructure and healthcare delivery need to be seen in a broader context, which is discussed below.

*Structural challenges* El Salvador faces structural challenges, such as indebtedness, a large trade deficit and a low, though increasing, tax to GDP ratio. Its economy is dominated by a large services sector and export-oriented agriculture and manufacturing, led by monoculture plantations and *maquiladoras* (foreign-owned, export-oriented factories). The country depends on imports to fulfil its requirements in primary goods and food. As a consequence, import houses and their owners are very powerful in the political landscape.

The lack of employment opportunities, persecution during the civil war and high crime rates have driven a large proportion of the population to migrate out of the country. It is estimated that a fourth of Salvadorans live and work outside the country, sending back remittances that account for 16 per cent to 17 per cent of the GDP (Gammage, 2007). In the absence of a productive economy, oriented towards the domestic market, remittance inflows are largely spent on imported consumer goods and fuel the large trade deficit, which was more than 18 per cent of the GDP in 2015 (Index Mundi, 2016).

The Economic Stabilization Programmes and Structural Adjustment Programmes (ESPs/SAPs) of the 1990s had a deep impact on government finances (SAPRIN, n.d.). The ESPs/SAPs led to the privatization of financially healthy public banks, state-owned companies and public services (pension system, and electricity and telephone companies). This resulted in a loss of government
revenues and an explosion of its internal debt. By 2015, the public debt stood at 64.2 per cent of the GDP, with debt repayment absorbing between a quarter and a third of the government budget every year (projected at 35 per cent for 2017) (Carta Economica, n.d. b).

Yet, despite the drain on government resources, El Salvador has one of the lowest tax rates in the American continent. The tax to GDP ratio stood at 12.6 per cent in 2009. Tax evasion (illegal non-payment of taxes) and tax avoidance (legal rebates and sops) represent significant losses to the exchequer, estimated at more than US$ 2,600 million in 2015, or 10 per cent of the GDP. The quantum of tax evasion is 3.2 times the public health budget.

Further, the fiscal structure is deeply unfair. Fiscal reforms were undertaken by the earlier administrations led by the right-wing Alianza Republicana Nacionalista (ARENA),\(^8\) to change the fiscal structure of the economy in a way that the overwhelming burden of taxes fell on households (82 per cent in 2012), rather than on corporations and those in the high income bracket.

**Government response and governance** The FMLN government marks a political shift from the earlier government of ARENA. It recognizes the need to address the limitations of the current economic structure. In certain areas, concrete measures have been promoted, such as a substantial increase in minimum wages across sectors – between 20 per cent and 40 per cent, depending on the sectors (Carta Economica, n.d. e), legislative amendments to curtail tax avoidance, proactive measures to curtail tax evasion and the introduction of laws for progressive taxation.

However, ARENA remains dominant in the legislative assembly, with 35 deputies out of a total of 84 (the FMLN has 31 deputies) and the judiciary is under the control of the country’s elite. In consequence, progressive measures have been systematically stalled. In 2013, in an attempt by the government to address the practice of private companies to declare bankruptcy in order to avoid paying taxes, the government had introduced a tax of 1 per cent on gross sales of companies declaring bankruptcy but not closing within two years. The constitutional bench had struck it down and the government later introduced a 1 per cent tax on assets of companies that did not otherwise pay taxes. In 2015, this measure was also struck down by the same bench, the argument being that it would amount to double taxation.\(^9\) In 2014, when the government, in another attempt to curb tax evasion, published the names of companies that were not paying their taxes, the constitutional bench intervened *suo moto* and ruled that the list should be removed from public domain.

Since 2010, the government has taken several measures to move to a more progressive fiscal system, with the result that the contribution from indirect taxation has decreased from 64 per cent to 60 per cent. Yet, in the absence of deeper measures, the impacts remain insignificant.\(^10\) Due to the lack of financing options, government arrears have accumulated and resulted in a liquidity crunch
As a consequence, austerity measures have been in place since 2014. Observers speak of a systematic blockage of government finances by ARENA in Parliament and by the constitutional bench of the Supreme Court, backed by right-wing think tanks (such as FUSADES and FUNDE) and the media owned by the corporate lobby ANEP.

**International commitments** In the face of the liquidity crisis, the government turned to the International Monetary Fund (IMF). In its July 2016 report (IMF 2016), the IMF criticized the “distortionary” taxation measures of the government, proposed further regressive reforms of the pension system and a further contraction of the fiscal deficit. These conditionalities will add to the existing political pressure on the government to hold back progressive measures in these areas.

El Salvador’s international commitments pose further challenges. El Salvador is signatory to the World Trade Organization and several free trade agreements which provide for the gradual elimination of a number of import duties. This reduces the ability of the government to protect domestic enterprises from competition.

**Role of social movements** In such a politically adverse environment, social movements have played a key role in pressing for progressive measures.

In November 2012, a loan of US$ 60 million for health reforms had to be approved by a two-third majority in Parliament (56 out of the 84 members). However, ARENA and its allies blocked the decision. The National Health Forum (FNS) mounted a campaign, ‘I am the 56th MP’. Through mobilizations and road blocks, the FNS put pressure on parliamentarians. The loan was finally approved.

In another instance in October 2013, health professional unions supported by ARENA had called for a march to Parliament protesting MINSAL’s inability to increase salaries of health professionals in breach of dearness allowance provisions. Two organizations of health professionals (Movimiento Salvador Allende and Asociación de Estudiantes Formados en Cuba) supported by the FNS called for a parallel march to the ANEP office, asking for the latter’s constituents to pay their taxes so as to enable the government to pay health workers the dearness allowance. This was an important initiative that shifted the focus on the structural issue of who pays taxes and who does not.

Despite leading the executive, the FMLN does not enjoy the support of the judiciary or the legislative branches of the state. The support of independent and vibrant social movements is therefore critical. Street mobilizations have already shown how the balance of power in Parliament, where the government currently has a minority of the seats, can be shifted. The challenge will be to convince people why fiscal reforms are necessary and to develop joint actions and campaigns.
Popular mobilization in defence of progressive reforms

Foro Nacional de la Salud (FNS) The guiding document on health reforms in El Salvador, ‘Building Hope’, recognizes the need for a mechanism for people’s participation in policymaking and implementation. This led to the creation of the FNS. According to its coordinator, Margarita Posada, the FNS is an autonomous entity separate from political parties and economically independent, which fulfils the role of social auditing of the health system and providing information to the public and the Ministry of Health. The FNS is a formal institution, but it is not legally registered. It does not have infrastructure, paid staff or its own funds.

The FNS is organized thematically and territorially, that is, in thematic working groups and provincial (departamentos) and district (municipios) chapters. By 2015, there were six thematic working groups and five provincial chapters covering one hundred and fifty districts (MINSAL, 2015, p. 23). Each chapter has one or two point persons (referentes) who are responsible for addressing specific issues and closely interacting with the primary care facility and hospital administration in their areas. In addition, the FNS creates social alliances that link health issues with other social issues and with the broader economic and political structure.

District chapters are made up of community-based leaders. NGOs, especially those involved with service delivery, are the outreach arm of the FNS in the communities where they have worked and created trust. However, NGO professionals do not represent the community in the FNS local structure.

Image E1.3 Seventh anniversary of the National Health Forum, El Salvador (Boris Flores)
The FNS is independent of MINSAL and does not receive financial or in-kind support from the latter. However, the formalization of each new chapter is attended by the vice-minister for health policies, which gives the institution a strong legitimacy. In addition, there are established channels of communication, consultation and negotiation between the two institutions (monthly meetings with key functionaries of MINSAL, such as the vice-ministers, directors of hospitals and directors of primary care networks). Each side shares their perspective and disagreements are identified and discussed. On the other hand, the FNS has maintained close links with the FMLN to ensure that important legislations are enacted, while also maintaining its role of an independent pressure group (Box E1.1).

The FNS has developed a methodology which allows it to leverage on its political influence. This includes disseminating information through workshops and seminars attended by FNS constituents. This is followed by training workshop in the different departments where the FNS has a presence. In parallel with this the perspectives of the FNS are communicated through press conferences and gatherings (concentraciones) and by creating social alliances with like-minded organizations. After the passing of new decisions, laws or policies, the FNS monitors the implementation by ensuring that structures for implementation are created and by developing systems to check the implementation on the ground (see Box E1.2).

**Box E1.1: Allied but independent**

Since 2002, there had been several proposals for a legislation that would address the price of medicines, which was extremely high in the country. Members of the FNS have been in the forefront of pushing for this demand. Under the aegis of Isabel Rodriguez, minister of health, and Eduardo Espinoza, vice-minister for health policies, a comprehensive law was drafted to address the issues related to the commercialization, quality and prices of medicines. The Medicines Bill was place before Parliament in February 2012. Though the FMLN had supported the move, its committee-in-charge did not reach a clear decision to support the bill. In its response, the FNS mobilized widely, organized marches to Parliament and engaged in road blockades in the capital city, calling for the support of the bill. It also decided to make public the names of the parliamentarians who pronounced themselves in favour of the bill, in a move to push all parties to take a stand. The FMLN raised an objection, but the FNS went ahead. The law was approved unanimously, with 80 out of 84 votes (Anonymous, 2012).
Box E1.2: Intervention by FNS to ensure access to care

Alejandro, a six-year-old, broke his foot on October 2015 near his house in Sensuntepeque, in the province of Cabanas. When brought to the Sensuntepeque regional hospital, a public facility, on that same day, his mother, Sara, was asked to pay US$ 400 for his treatment. Alejandro’s uncle, Nelson, a driver in one of the FNS member organizations reported the case to Ernesto, the FNS point person in the district, and requested him to take up the matter.

Ernesto requested a meeting with Vicente Robira, director of the Sensuntepeque hospital, which took place at Vicente’s private clinic on 31 October. The meeting was attended by Ernesto, Nelson and Boris (family doctor and FNS member) and Susana (author of this report). The doctor justified himself by saying that he was not charging for treatment but only providing an opportunity for the patient to be treated closer to his place of residence. He explained that as the needed equipment was not available in the Sensuntepeque hospital, the family would have had to go to another city to seek treatment and his intention was to facilitate buying the required medical supplies and equipment.

After the meeting, the team went to the hospital to meet Sara and Alejandro. The guards were unfriendly despite the written permission from the director of the hospital, but backed off when the team mentioned its link with the FNS.

Sara clarified that she had not been given any option for free treatment in another hospital, but that her son was offered a cast or an operation for the cost of US$ 400. She was also not aware that there was no urgency to conduct the operation. The team felt that the doctors had kept her in the dark intentionally. Sara is a self-employed vendor, with an income of around US$ 100 a month.

The team established that the hospital was in error, and that there was no reason to not bring in the necessary equipment from another hospital, and, further, that this had been done previously for similar operations. Transfer of supplies and equipment was part of the routine functioning of the hospital network and could have been done on request by the hospital director.

Alejandro’s family decided against getting him operated in Sensuntepeque hospital to avoid possible lack of support by the senior staff. Ernesto facilitated the child’s transfer and care to another hospital close by with help from the hospital director. The FNS followed up the case with the vice-minister for health services, responsible for overseeing hospital directors.
**FNS interventions to implement health reforms** The FNS has played a key role in monitoring the implementation of the health reforms. At the level of facilities, there has been unwillingness by the administration and health professionals to change their way of working or be accountable to patients and their families, especially when the latter are less wealthy or less educated. Representatives of FNS intervene on behalf of the latter (see Box E1.2).

**Furthering reforms through tax justice** In 2012, news reports referred to statements by the minister of finance that budgetary constraints would make it difficult to fulfill the expectations of different sectors, among them the health sector. In response, the FNS decided to deepen its understanding of government finances and to mobilize public opinion to demand fiscal reforms to further health reforms. To this end, it launched a two-year campaign to bring clarity on fiscal issues and their link with the health reforms.

FNS was successful in making tax reforms an issue of public debate and, in early 2013, FNS developed a fiscal reform proposal, as a precursor to the introduction of a Bill in Parliament. However, in the parliamentary election of 2015, ARENA gained more seats than the FMLN, creating an unfavourable situation in Parliament for such a reform to be passed. In the light of this new situation, it is evident that it is now even more important to broaden the social alliance for comprehensive tax reforms.

**Reversal of privatization of pension funds** Pensions constitute a large part of the internal debt. This is linked to pension reforms implemented by the previous government. As a result of the reform any employee below 35 years was compulsorily shifted to the private system, while employees above 35 were given the choice to stay with the government pensions fund or leave (most stayed). As a result, the government pension fund has a large number of members receiving pension and a smaller number of members paying a contribution, creating a large financial burden on the government exchequer. The FNS launched a campaign to strengthen public opinion in favour of reversing the privatization of pension funds and linked this demand to the need for tax reforms in order to increase the government budget.

**Conclusion**

Low- and middle-income countries face challenges to adequately resource their health systems. The structure of a country’s health system is linked to policy choices that governments make. In many countries, the challenge for people’s movements is the lack of political will to opt for a model that is truly fair and effective and avoids wastages created by private interests and private sector participation in healthcare delivery.

In El Salvador the government has the political will to propose and advance reforms that will deliver better health outcomes. Yet, this is not sufficient, as
even a well-structured system needs to be adequately financed. This case study has shown that a transformation of economic and fiscal structures is required in order to achieve adequate financing. Further, as the case study highlights, private interests and local elites can take democratic institutions hostage and sabotage reforms that benefit the majority. In such a situation, strong and independent people’s movements and organizations have a key role to play to protect and further progressive reforms.

The dilemma faced by the progressive government in El Salvador is typical of what other progressive governments face. In a globalized world where the global economy is integrated through myriad mechanisms, countries find it extremely difficult to create fiscal space for welfare. This calls for international mobilization designed to break the power of the international financial institutions, the international trade regime and multinational corporations. Countries such as El Salvador just cannot conduct a lone battle, and progressive initiatives such as in El Salvador will flounder in the absence of international solidarity.

Notes

1 From mid-2014, the base data of both indicators was changed; thus 2013 data is used for consistency. For maternal mortality, see MINSAL 2015a, p. 58; for child mortality, MINSAL 2010, pp. 143, 175.

2 For an analysis of the evolution of the Salvadorean health system, see Chapter E2, ‘Social change in El Salvador and the health sector’ (Global Health Watch, 2014).

3 See MINSAL (2012, p. 156).


5 Menjivar (2015), interview.

6 Author’s own calculation based on GDP figures. See Trading Economics (2017) and MINSAL (2016a, p. 37).

7 Cesar Villalona, economist (2015), interview, 28 October.

8 ARENA, founded in 1981, is socially conservative and economically liberal. ARENA controlled the National Assembly until 1985 and controlled the presidency from 1989 until 2009.

9 Villalona (2015), interview.

10 Villalona (2015), interview.


12 FUSADES is the Fundación Salvadoreña para el Desarrollo Económico y Social (FUSADES n.d.); FUNDE is the Fundación Nacional para el Desarrollo (FUNDE n.d.); and ANEP is the Asociación Nacional de la Empresa Privada (ANEP 2016).

13 Hernandez (2015), interview.

14 The document states, ‘[I]n continuity with the participatory process already begun, a National Health Forum will be created immediately, which will formulate the elements for the new system and contribute to making fundamental decisions about its development.’ See Rodriguez (2009, p. 5).

15 Posada (2015), interview.

16 Roxana Rodríguez, independent consultant and member of FNS (2015), interview, 27 October.

17 Rodriguez (2015), interview; Magdalena Cortes, executive director of NGO Fundación Maquilishuatl (FUMA) and member of FNS (2015), interview, 28 October.

18 Giovanni Guevara, director for medicines (2015), interview, 28 November.

19 Rodriguez (2015), interview.

20 Rodriguez (2015), interview.

21 Ibid.

22 While the introduction of new taxes only requires a simple majority of votes in Parliament, a comprehensive fiscal reform would require a 2/3rd majority.

23 Rodriguez (2015), interview.
References

Carta Economica n.d. c, En El Salvador los hogares –el pueblo– pagan 25.9 ctvs. x dólar recibido y las empresas sólo 4.7 ctvs. x dólar de utilidades ¡Ya no más impuestos al pueblo!, http://cartaeconomica.com/en-el-salvador-los-hogares-el-pueblo-pagan-25-9-ctvs-x-dolar-recibido-y-las-empresas-solo-4-7-ctvs-x-dolar-de-utilidades-ya-no-mas-impuestos-al-pueblo/
Carta Economica n.d. d, Reforma fiscal y declaración de suspensión del pago de la deuda financiera, http://cartaeconomica.com/reforma-fiscal-y-declaracion-de-suspension-del-pago-de-la-deuda-financiera/
FUNDE n.d., http://www.funde.org/
Gammage, S 2007, El Salvador: despite end to civil war, emigration continues, Migration Policy Institute, http://www.migrationpolicy.org/article/el-salvador-despite-end-civil-war-emigration-continues
Pan American Health Organization & MINSAL 2013, El Salvador: aportes de la reforma de salud en El Salvador al desarrollo del sistema de salud y los objetivos de cobertura universal y dialogo politico para la sostenibilidad de los logros, PAHO, Washington, DC.