Health budget literacy, advocacy and accountability for
universal health coverage
Toolkit for capacity-building

A1. What is public policy in general terms?

Broadly speaking, public policy is a set of decisions to solve a problem that the government considers a priority *(35)*. Public policy is designed by a public entity (sometimes with the participation and input of other stakeholders) and may be implemented by a combination of public and private actors. The instruments used to implement public policy depend on the objectives. Public policy is not static, and it is also the means for a government to state its vision of, for example, equality, human rights and social development.

The literature suggests a model such as that shown in Fig. 2 for understanding how public policy flows.
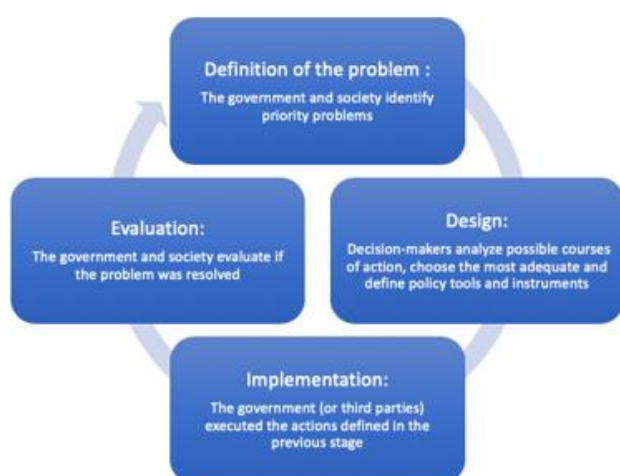
Fig. 2. Public policy cycle

Source: Reference *36*, based on a review of literature on public policy *(37–42)*.

According to this cycle, the first step in designing public policy is to define what are called in public policy literature and by experts "the public problem(s)". On the basis of this definition and the prioritization of public problems, actions to address the problems are defined and prioritized in a complex process. The way in which a government defines the public problem determines the design of the public policy and the instruments for implementing it, including the public budget as a key element. In a best-practice scenario, public policy is evaluated to identify its impacts and contributions.

The main concept in this approach is the "public problem", as policy design and implementation stem from it. Broadly speaking, the public problem can be understood as the gap between the current situation and a desirable situation that will affect a group of people in a given context. For policy-makers, defining the public problem entails at least the following:

- identifying what the problem consists of;
- identifying its underlying causes and those that are the most important;
- identifying who it affects and to what extent; and
- determining how it will evolve if it is not addressed.

**Chapter 2. Core content for understanding universal
health coverage and public budgets for health**

**Module 2. Introduction to public financing for health
relevant for budget advocacy for universal health
coverage**

**Section A. Introduction to public policy and
its association with budgets in relation to
universal health coverage**

1

The definition of what constitutes a public problem is neither neutral nor objective but depends on who is defining it and their ideology, prejudices, political agendas, etc. The same type of public problem can be defined (and therefore addressed) in different ways, depending on who defines it. A public problem has at least three dimensions:

- **a technical dimension:** data that sustain the argument of why it is a public problem, the main causes and the priority solutions;
- **a political dimension:** solid justification for prioritization of a public problem in lieu of others; and
- **a social dimension:** the implications of the choice for society as a whole.

Table 2 summarizes the considerations of government actors in defining a public problem according to public policy theory and the policy to address it.

Table 2. What to consider in the design and implementation of a public policy

Justification	Why should we intervene?
Diagnosis	What are the causes and consequences of the problem?
Objective	Why and how should we solve the problem?
Process	What are the steps in solving the problem?
Actors	Who will participate?
Resources	What tools are available?
Temporality	When do we expect the problem to be solved?
Expected results	What changes do we expect to see after the intervention?

Source**:** Adapted from reference *36,* based on a review of literature on public policy *(43, 44)*.

National development plans are a common instrument for providing a government's perspective on what it has identified as priority "public problems" and how it plans to address them. Such plans follow the life cycle of a particular government and offer a view of what it will prioritize as public problems and how it will address them during its administration. It is therefore a multi-year blueprint of a government's priorities and its views on the best ways to address them.