



## DISCUSSION POINTS: ORIGIN OF THAI HEALTH



### WITH REFERENCE TO

The publication "The Case Study of the Origin of ThaiHealth", which is part of a monograph produced from the discussion on research works of National Public Health Foundation During a symposium held in late 2003

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## P r e f a c e

### PREFACE

- A crisis has developed in Thai society due to the loss of health caused by the consumption of tobacco and liquor, which in turn has led to unnecessary expenses for individual households and for the state.
- Tobacco and liquor consumption are the foundation causes that justify the establishment of a health promotion fund for Thai people; this fund has become a remarkable non-mainstream innovation in society.
- The Office of ThaiHealth was set up by the virtue of the Health Promotion Act B.E. 2544 (2001).
- ThaiHealth is a state, but not a governmental organization, though it is supervised by the Prime Minister.
- It operated from April 2001 until November 2001 as a public organization.
- ThaiHealth is mandated to campaign, stimulate and provide funding for various agencies in Thai society involved in health promotion with the aim to reduce ailments and premature deaths.
- Funding comes from a 2% tax levied on liquor and tobacco sales.
- ThaiHealth sets an example of translating knowledge into policy.
- It creates a linkage between the Sin Tax (Sumptuary Tax) and the establishment of health promotion organizations.
- Lately, Thailand has been forced to liberalize its tobacco market (Article 301).



- It is a health organization that emphasizes health building rather than health repair.
- The concept has been disseminated worldwide under the "Ottawa Charter for Health Promotion" declared in 1986.
- Debate and study of the concept were originally limited to a small number of people, as there was no concrete attempt to translate it into action.
- With the campaign against tobacco consumption, and as the use of the sin tax intensified, there was a dramatic change in the overall health promotion campaign.
- Campaigns for the establishment of health promotion organizations culminated during 1995-1996.
- The campaign for tobacco consumption control in Thailand can be divided into four phases from before 1957 until 1996.
- The most important factor that led to the establishment of the health promotion organization was a formula of converting knowledge into policy.



## Core Team And Changes

### CORE TEAM AND CHANGES

- ThaiHealth's success is due to its outstanding core team members.
- The core team was instrumental in generating knowledge, through the promotion of research.
- The core team has been able to develop policy proposal from inception through to its implementation.
- The core team is a knowledge builder that helps to facilitate learning processes and makes use of that knowledge.
- It stimulates a process that translates knowledge into highly efficient policies.
- As members of the core team work in high ranking government positions, they have knowledge of the policy process.
- They can push for policy changes through their various connections.
- They are able to solicit various kinds of collaboration including those concerning knowledge, funds and awareness campaigns.
- The key strength of the core team is its closely knitted cooperation; they can agree quickly on points and can make use of broad-based social networks to continually expand cooperation.



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## Organization

### ORGANIZATION

- The key strength lies in the fact that the core team members can make and use connections with various organizations and institutes.
- The organization can play a sustained role in mobilizing changes and in pushing for new policy proposals.
- The organization can develop individual and organizational interests and opinions into issues that command the public attention.
- Its actions bear concrete results and it helps to spur interest and to generate alliances for a common cause.



- During 1986-1992, a crucial organizational development occurred. Several organizations were set up, including the No Smoking Campaign, Moh Chao Ban Foundation (Barefoot Doctor Foundation), Tobacco Consumption Office and Health System Research Institute (HSRI).
- All of these organizations played instrumental roles in promoting and building networks to make policy changes.
- The Moh Chao Ban Foundation helped to coordinate with various networks.
- The National Tobacco Consumption Committee and the Tobacco Consumption Office were established as governmental arms to control tobacco consumption. Their existence justified the opposition to pressure placed on the Thai government to liberalize its tobacco market (the case of Article 301).
- The Health System Research Institute (HSRI) helped with knowledge management as a result of its extensive research and with the translation of knowledge into policy, thus bridging the knowledge gap in Thai society.



## **BUILDING OF KNOWLEDGE, CAMPAIGN (1993-1997)**

### **BUILDING OF KNOWLEDGE, OPPORTUNITIES AND THE POLICY CONTEXT DURING THE EARLY PERIOD PHASE OF THE CAMPAIGN (1993-1997)**

- The accumulation of knowledge in public health circles resulting from extensive campaigns about the dangers of tobacco among a wider public, have led to the subsequent imposition of measures by the state to control the distribution and consumption of tobacco for more than three decades. This can be considered to be a "preceding set of knowledge".
- Efforts have been made to use "current knowledge" about the sin tax, laws and fiscal procedures and the establishment of a health promotion organization that builds on preceding accumulated knowledge to work for change.
- Relying on, and utilizing knowledge generated by the World Bank in its 1993 annual report on "Investment on Health", helps to justify the cost-benefit economic approach applied to health issues, in particular on tobacco. It drew attention from the state, as in 1992, when the World Bank denied lending to countries for any tobacco related investment.
- The cost-benefit economic approach applied to the study of tobacco laid the framework for a contrast between the advantages and disadvantages, and helped to generate a new set of knowledge which proved very beneficial to the campaign on sin tax.
- Knowledge and support was received from the World Health Organization (WHO)



- The study and research to generate knowledge on sin tax, and the campaign for a hike in health taxes in 1993, were supported by WHO.
- It was found that although a rise in tobacco tax helped to increase the government's income, it did not have a subsequent effect on the sales of tobacco. Designed to reduce the consumption rate among youth, this measure had no impact on tobacco factories and tobacco growers, as the sales volume did not decline.
- Taxation levied on tobacco in Thailand is lower than in many modern nations.
- Based on the calculation of actual prices of tobacco since 1976 in relation to the consumer index, while considering the increase in income of the population, it was found that in fact the prices of tobacco have been dwindling.
- Prices of tobacco have not been adjusted correspondingly to the increase in per capita income, and have thus contributed to a higher rate of tobacco consumption.
- There has been ongoing dissemination of knowledge, research to generate supporting information from within and outside the country, a coordination with WHO, and a sustained campaign within society
- Additional knowledge on the sin tax has been obtained in order both to justify, and to sustain pressure for, an increase in tobacco tax
- One of the most important sets of knowledge was learned from the Victorian Health Promotion Foundation (VicHealth), Victoria State, Australia.
- Learning from experience, and the adaptation of knowledge, was a crucial factor.
- A study tour to VicHealth in Australia and the Health Sponsorship Council (HSC) in New Zealand was conducted.
- Existing experience in tax management and collection was used in our work in order to understand the sensitive mechanisms of legalization. Such mechanisms have traditionally been the subject of interference by politicians.
- We promoted knowledge building based on research of legal settings in other countries and compared these to our own health promotion fund in order to find solutions for the ideal organizational structure.
- We exploited opportunities and political context in order to mobilize a concrete policy which included the establishment of a health promotion organization. This proposal was originally made by Banharn Silpa-archa's administration when he came to power on 13 July 1995 and followed his pledge during the previous election campaign for "political reform".
- On 19 October 1995, a governmentally appointed "Committee of Policy for Progress Decentralization to Regional and Local Areas" became interested in the concept of "Fiscal Policy for Social Cause", which paved the way for the drafting of the "Financial and Fiscal Master Plan for Social Cause". This led to extensive discussion and meetings among various parties during November 1995 - February 1996 and included extensive debate on issues concerning health promotion organization and health insurance principles.



- Attempts have been made to draw support from politicians for our policies. The core team also organized activities to raise awareness on this issue among various agencies and networks in order to broaden alliance and understanding.
- In February 1996, HSRI organized the first symposium on "Reform for Health: A new strategy on systemic development", which was aimed at raising awareness on this new policy and to mobilize support from the political sphere and social movements.
- The symposium was attended by representatives from international organizations and led to a meeting with high ranking officers at the Ministry of Finance, who participated in the symposium and tried to comprehend the issue.
- These efforts have led to the study and development of policy proposals and eventually to the meeting of "Establishment of Health Development and Supporting Organization" on 10 April 1996, during which the draft of the Health Promotion Institute Act was discussed.
- After the brainstorming sessions, symposiums were held at national and international levels in order to identify possibilities for establishing health promotion mechanisms and facilities under the WHO's framework. In addition, the Regional Workshop on Organizational and Funding Infrastructure for Health Promotion was organized from 17-19 November 1997.
- One of the outcomes from the workshop was the joint declaration signed by the ten participating countries.
- A sign of success emerged concerning the efforts to push for policy mobilization; on 9 August 1996, the Committee on the Implementation of Financial and Fiscal Master Plan for Social Cause set up a taskforce to develop mechanisms for the establishment of a private health promotion organization and the ThaiHealth Fund.
- It was a turning point at which the policy proposal was translated into action and concrete policy of the government.
- HSRI was coordinating the efforts to establish a private institute for public health and the ThaiHealth Fund. Two main emphases were made on the emerging organization to (1) have good governance and management shared by various parties and operated with transparency, and (2) receive funds on a sustainable basis.
- The taskforce developed a key proposal supporting the establishment of a health promotion organization based on the model of the Victorian Health Promotion Foundation - VicHealth in Australia and Health Sponsorship Council - HSC in New Zealand. A trip was made to visit the two organizations in order to study their management, their obstacles, constraints and income sources, and in particular the collection and utilization of sin tax for a health promotion cause.
- Interest in the establishment of a health promotion organization increased, but the issue of worthwhile investment, which was a new challenge, did not draw much attention from the core team. Accordingly, there ought to be more efforts to educate people on this issue.
- It has led to debate on cost versus benefit for this kind of investment and the possible violation of fiscal discipline. It was agreed that this issue was a policy decision issue and an action plan and budgetary plan were drawn.



- A key change took place after the new administration came to power in November 1996.
- Two key events in 1997 including the economic crisis and the adoption of the new Constitution affected efforts to push for sin tax and health promotion organization.