

# Interview: Roberto Martinez – General Director, OECD Mexico Center for Latin America

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*In light of the recently released*

*[OECD Reviews of Health Systems: Mexico 2016](#), Roberto Martinez, general director of the OECD Mexico Center for Latin America, reveals the OECD’s key findings and strategic priorities for fostering inclusive growth and better health outcomes in Mexico, while the Center keeps on strengthening its collaboration with both private and public stakeholders in the country and in the region.*

**As an introduction to our readers, could you please briefly explain the mandate of the OECD and of the Mexico Center for Latin America?**

The mission of the OECD is to foster the comparative analysis of best-effort responses to common policy challenges across our membership of now 35 countries, with Latvia joining in July 2016. Our mandate is then to identify and discuss the best practices implemented in these countries and isolate the key lessons that can be strategic to the common effort of developing better policies for better lives. Furthermore, the OECD is now clearly focused on people’s welfare (and not simply GDP growth), putting wellbeing as the key necessary output of economic dynamism. This focus on wellbeing then explains why the OECD has been recently concentrating its efforts on how to make *inclusive growth* happen, and ensuring that the benefits of economic growth reach every layer of the society.

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From a Latin American standpoint, the Mexico Center is celebrating its 20th anniversary in 2016. In the beginning this center was essentially focused on the dissemination of OECD works, through publishing, editing, and translating OECD work into Spanish, so as to become the Spanish voice of the OECD in Latin America. However, over time this center has evolved, and it then embarked on the facilitation of the strategic policy agenda of the OECD, first in Mexico, and now increasingly across Latin America.

### **How does the Mexico Centre interact with both OECD members and non-member countries in Latin America?**

First of all, we strive to optimize the flow of communications between the OECD and different public and private stakeholders in both Mexico and Chile – the other OECD member in Latin America. The Mexico Center also holds a central role in facilitating the understanding of what the OECD is all about, how it operates, what its mandate is and what to expect from OECD studies. This is especially true as a number of studies now are tailor-made and also increasingly focused on non-member countries. For example, last June in Paris, the OECD released its Latin America and Caribbean Program, which truly demonstrates the high level of importance the OECD places on the region.

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In this vein, we have been recently noticing an interesting dynamism of the OECD in Latin America, as Columbia and Costa Rica recently started the process of joining as well. Columbia has been working hard on that process for the past two years and has already made great progress toward this objective, while Costa Rica has just initiated the process. We also have number of current non-member countries that wish to join, including Peru and Argentina, and we look forward to seeing how the situation evolves in the future.

Finally, the Mexico Centre also collaborates with non-member countries, for example through the OECD Development Center, which globally sees the involvement of Brazil, a key partner of the OECD, but also Peru, Russia, India and China.

### **What would you identify as the most prominent, common challenge that the OECD countries face?**

The common challenge we are facing at the moment is the sluggish pace of global economic growth after the economic crisis, from which we have not recovered globally. Because of this, another permanent area of work for the OECD is to figure out not only lessons that can be learned from the crisis, but also to identify the most promising drivers of growth.

In this regard, one of the drivers we identify is to urgently unleash the investment capacities of the OECD member states, meaning improving the business environment by doing everything possible to attract and bolster investment.

The other key driver is to develop the productive capacities of people and ensuring there are more opportunities for all citizens to participate in the economy, which will in turn generating more robust economic growth. In this regard, OECD countries must make sure there is more access to education, an increased strategic focus on the development of skills amongst the youth, and more opportunities for them to enter the labor market.

Lastly, the OECD has also been strongly highlighting the importance of gender equality, as women need to be more active members of the economy. This touches on another overarching challenge and concern to the OECD, which is tackling inequality at large, as it has unfortunately become the

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trademark of the last 8 years in this context of global sluggish growth. We have undoubtedly and unfortunately seen an increase in global inequality, and we need to find new answers and new solutions to make inclusive growth happen.

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**In its recently released [Reviews of Health Systems: Mexico 2016](#), the OECD acknowledges some important improvements realized by Mexico's health system, notably with regards to the implementation of Seguro Popular in 2004. Can you expand on this OECD effort to promote innovative and knowledge-based changes to the Mexican healthcare system?**

In Mexico, the OECD has been advocating for the implementation of universal healthcare for the last 15 years. We also were a key contributor to the blueprint of what was to become eventually the Seguro Popular – the public institution now providing health service coverage to people not affiliated to any other social security institution.

In this most recent review, we notably express a number of recommendations related to the architecture of the current Mexican healthcare system and the room for improvement we identify. In this regard, the 2016 Review is particularly focused on the reforms that could help tackle the fragmentation that still characterizes the Mexican health landscape and its variety of different social security institutes.

We then discuss concrete ways to evolve into a more coordinated system, including tapping into technologic innovations, in order to bolster a more efficient flow of information and medical services across the different components of our national health system. Finally, implementing better and more efficient resources allocation to reach higher outcomes with existing resources also stands as one of the key themes of this 2016 review.

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**Implementing innovation-driven competitiveness also relies on the capacity to implement sustainable public-private partnerships. What role could the private sector play in contributing to the government's effort to strengthen the country's health system?**

We are aware that we could have closer dialogue with the private sector in Mexico. The OECD has a natural bias to government, as normally we work with and through the government. Of course, other stakeholders have a large and strategic part to play in fulfilling this objective.

Having said that, that is why we recently held a high-level roundtable discussion attended by the OECD chief of staff and special advisor to the OECD Secretary General, Ms Gabriela Ramos and the National Board of Canifarma – the Mexican chamber that brings together multinational and local drug manufacturers. There was agreement that we need to collaborate closer to develop a joint narrative around healthcare, inclusive growth and competitiveness. This collaboration has already started, and I was recently invited to the 2016 convention of Canifarma to disseminate the OECD views on public spending in different health systems and the link with fiscal resilience throughout the world.

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## **What have been some of the key insights you delivered to the Mexican industry?**

I saw that there is a permanent concern throughout the pharmaceutical industry about the way governments spend in healthcare and the overall perception is that there should always be more spending, that more is always better. The OECD has however put forward a lot of efforts at looking at best practices of some countries and governments in doing more with the same or more with less, and spending more strategically and more intelligently. I could see that this presentation was an eye opener among the audience. I believe that it brought new, fresh ideas that are now being pondered by the pharmaceutical sector and that will inform the policy debate coming from the industry.

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One of the outcomes of the global economic crisis is that spending in medicines, across the OECD membership, decreased. There were unfortunate cuts in some countries in prevention programs as well. One of my messages was that -whatever the industry discusses in terms of resources allocation prevention needs to always be a priority. Prevention is a perfect example of how spending can become more intelligent, as it saves priceless resources in the medium run.

Another example of intelligent spending I shared was with regards to having automatic triggers, or alert thresholds, so that governments can take action when they can see increasing spending in certain areas of healthcare and then do an assessment of whether resources are being channeled efficiently or not. I received positive reactions to this presentation as well, which is encouraging, meaning that what the OECD is doing is relevant and is strategic to people outside of the government community.

## **Talking about creating efficiencies, in which specific areas of expertise do you see the OECD cooperating more closely with the Mexican government?**

As I have learned more about the industry myself, about their priorities and their concerns, one area of improvement I believe lies in the regulatory framework, which can contribute to the timeliness of new or innovative solutions and drugs being made available to the patients. In this regard, there is undoubtedly room for more collaboration between the OECD and Mexican authorities, and we are ready for this. As a matter of fact, we are already housing a program for the improvement of regulatory policy in Mexico, driven by as well a team of experts here in Mexico City. I think that could be very relevant to the healthcare sector if we could start such a dialogue, and this is clearly an area of great opportunities, however, the way we work is that there has to be a request on the table that we would be very glad to address.

Another area of expertise that could nurture increased collaboration is related to the improvements of consolidated and smart purchasing schemes between the different social security institutes. A few years ago, the OECD did an analysis of procurement schemes used by IMSS (the Mexican Institute of Social Security) for insulin, which revealed signs of collusion. Mexico's Federal Competition Commission then stepped in and found that there were anticompetitive conducts that needed to be prosecuted. As a result, the price of insulin dropped to the benefit of the finances of IMSS. We are not law enforcement, we just inform authorities of things that are happening, especially considering we have a group especially dedicated to competition policies, and looking into public procurement from that angle.

So in that sense it was also interesting to start a dialogue with the pharmaceutical companies and ask for their side of the story on that experience, and that is another example of the enhanced dialogue between us. The OECD and the pharmaceutical industry must do as much as we can to bring more transparency and efficiency, and better decision making into the healthcare sector of Mexico, creating win-win scenarios for actors across the value chain.

**There were over 11 million cases of diabetes in Mexico in 2015. According to the Mexican Center for Competitiveness, diabetic patients treated early miss on average 1.5 days of work per annum, while this number jumps to 44 days for untreated patients. The OECD is advocating and promoting health as a driver for Mexican competitiveness, how receptive has the government been to this message?**

The government has evidently become receptive, mainly over the past few months. On the 9<sup>th</sup> of May of 2015 the National Productivity and Competitiveness Law was released, which mandated the creation of a National Productivity Committee (CNP). This multi-stakeholder and horizontal committee gathers the Ministry of Economy, the Ministry of Finance, The National Science and Technology Council (CONACYT), and the most important Mexican employer associations, such as CCI, CONCAMIN and COMPARMEX. Whatever has an impact on productivity and long-term growth in Mexico is relevant to their work.

AMIIF, the industry association gathering 40 pharmaceutical innovators implanted in Mexico, has championed creating a dialogue inside the CNP to focus on the growing impact of chronic diseases on Mexico's productivity. This shows that yes, the government has been receptive. I however believe that the government and public stakeholders in general need more help, and more participation from both the industry and think tanks, to carry out the studies that are relevant to this new assessment.

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Cristobal Thompson, general director of AMIIF, was talking of perhaps bringing to the attention of Mexican authorities a study that would focus on one of the key industry centers for the Mexican economy, which is the automotive sector. There is a very valuable study that could be done in this regard, and it could highlight the impact of chronic diseases on long-term economic growth in Mexico.

**We see that Mexico should look for inspiration from its OECD partners when it comes to intelligent health spending, decreasing administrative costs, or modernizing its information systems. On the other hand, do you see some specifics of Mexico's health system that should draw the attention and inspire other OECD members' health systems?**

In June 2016, we held the Global OECD forum during the OECD Week in Paris. One panelist was Miguel Ángel Mancera, the Mayor of Mexico City, and he specifically discussed a program being carried out in Mexico City called "Doctor to The Home". This program is interesting because it shows how even with limited resources, primary care can be brought to the homes of lower income people, who are most vulnerable to healthcare problems such as teenage pregnancy and terminal diseases, as well as to other vulnerable groups of the population, such as elderly citizens. Services that can be closer to the patient, or home based, but that can also strengthen a bond between people and healthcare authorities, are necessary to evolve into a more prevention-oriented service model. If you are closer to the population, you can inform them of the real threats to their livelihoods that are caused by behavior. In this regard, the "Doctor to the Home" program stands as an

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interesting example of health-related innovations that are happening in Mexico, which can inspire and serve as relevant proof-points to other countries across the OECD membership.

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