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BOOK REVIEW

# Institutional Inertia and Bounded Innovation in Healthcare Policy

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(Menicucci, Gonçalves Telma Maria. 2007. *Público e Privado na Política de Assistência à Saúde no Brasil*: Atores, Processos e Trajetória. Rio de Janeiro, Editora FIOCRUZ)

Norberto Bobbio (2005)[1] taught us that the "great dichotomy" between public and private constitutes one of the most important definitions in political and social thought. It is as relevant as peace and war, democracy and autocracy, society and community, state of nature and civil state. By itself, this assertion would justify the major interest elicited by the work of Telma Maria Gonçalves Menicucci among public policy scholars and activists from the health field.[2]

*Público e privado na política de assistência à saúde no Brasil: atores, processos e trajetória* is the book version of her Ph.D. thesis, which won an honourable mention from the 2004 Brazilian Scientific Works and University Theses in Social Sciences Prize, promoted by the National Council for Scientific and Technological Development (CNPq) and the National Social Science Postgraduate and Research Association (ANPOCS). However, as noted by Boschi (2007), the prize attests but does not make explicit the grandiosity of the research material brought together in this work.[3]

Among the many virtues of Menicucci's work, the excellent presentation in the first chapter of the theoretical framework of her research leads readers to an instigating reflection on the main contributions of the neo-institutionalist approach for the understanding of economic, political and social *phenomena*.

There is broad consensus in contemporary political science as to the importance of institutions. However, explaining how and how much they matter remains the great challenge for those who swim in neo-institutionalist waters. This is task that Menicucci takes on in innovative fashion.

The relational more than the formal characteristics of institutions constitute the author's main object of analysis. In this respect, her approach is situated at the frontier of modern scientific thought, whose *focus* is directed not at the elements taken in isolation but, rather, at their interaction.

The central argument in Menicucci's work is to understand public policies as institutions, i.e., as rules of a game that condition not only actors' behaviour, but also the very dynamic of the decision-making process. Going beyond the famous thesis according to which policies create politics, Menicucci demonstrates that policies create policies.

The fundamental proposition of the research is that the legacies of healthcare policies largely explain their later development. In other words, previous institutional designs condition the public policy-making process.

From the empirical point of view, Menicucci shows that healthcare is made up of two segments in Brazil. The first is the public-state segment, free of charge, egalitarian and with universal access. The second is private, where access is associated with users' privileged labour market insertion or buying power.

The State intervenes directly, by funding and providing services, and regulates the private healthcare network. In this sense, the Brazilian model reveals not only distinct forms of access, funding and provision of medical and hospital services, but also of state action in the health field.

The author's view is that ultimately the government's action expresses the absence of an effective commitment to the constitutional precepts that proclaim the universality of the health system. Equally, the inexistence of political support on the part of the more organized social groups makes clear the absence of a societal *consensus* in favour of healthcare in Brazil acquiring a fully public character.

The research question guiding the work may be put along the following lines: "How have previous healthcare policies conditioned the definition of a certain institutional format for the Brazilian health system?".

The path along which Menicucci travels to answer this question brings together a careful reread of the historical process of constitution during the 1960s of the segmented healthcare model, of the public health reform of the 1980s and of the setting up of the Single Health System (SUS) in the 1990s, in parallel with the regulation of supplementary medical care.

It is based on this historical-institutional reconstitution that the author argues that healthcare policies defined form the 1960s onwards not only conditioned the reforms

of the Brazilian health system, but also structured powerful interests in defence of the *status quo*.

The Brazilian politico-institutional context facilitated the proliferation of private healthcare segments such as group medicine, medical cooperatives, self-managed systems and insurers. As noted by the author, the State privileged the private provision of services with public responsibility and financing, instead of expanding the public network.

The absence of regulation in the sector and government support to the private segment — whether directly by means of financial subsidies or indirectly by means of tax-related mechanisms — were of fundamental importance to the institutionalization and legitimation of the dual character of the Brazilian health system.

On the other hand, the health policy remained linked to and dependent on the so-called "social security complex", which did not favour the formation of a collective identity among workers. On the contrary: it encouraged the expansion of particularistic demands and the resistance of the more organized sectors to the proposed universalization of the system.

Whilst workers sealed themselves off in corporatist demands, for their part health sector *entrepreneurs* formed coalitions contrary to the expansion of public-state provision and to the regulation of services rendered by the private network. These were successful in promoting a limited pattern of innovation in healthcare policy.

The conflict of interests among the actors forming this institutional scenario made the health arena into a complex, competitive and contradictory space, especially with reference to organizations that sell health insurance plans and medical service providers.

Menicucci demonstrates that notwithstanding the above, at crucial moments of the reform process — as was the case of the debate at the Constituent Assembly and the subsequent discussion on the regulation of supplementary care — interests that were heterogeneous but equally dependent on previous healthcare policies, were successful in defending the current institutional layout.

Like every good scientific work, the research in question does not let itself be swept away by the determinism of causal explanations. The author recognizes that if on the one hand the arguments of trajectory dependence and of the effects of feedback are strong to explain the continuities in healthcare policy, on the other, they are not equally capable of explaining the institutional innovation of the 1980s health reform.

Hence, two factors are brought into the previously proposed analytical model. The first — exogenous in character — refers to the confluence of the movement in favour of public health reform and the country's democratization process, which allied academic knowledge and social activism. At this point, Menicucci stresses the constitution of an epistemic community capable of influencing the policy-making process by means of the coming together of diffuse interests in favour of politico-institutional change.

The second factor — endogenous in character — refers to the health policy crisis, which forcibly led to the search for funding alternatives for the prevalent model of care. In this case, what stands out is the polarization between two proposals: i) the expansion of the public sector, advocated by the public health movement; ii) the privatization of healthcare, backed by the interests constituted in the private segment.

Another point that Menicucci does not overlook refers to the fragilities of the theses in vogue during the 1990s, particularly the recreation of the "convergence hypothesis", according to which external factors were the main determinants of the "domestic reforms".

In the Brazilian case, the author observes that the growth of the private sector — whether in service provision by a private unit or in the existence of private forms of financing, management and access to health services — preceded the market-oriented reform process.

As Menicucci argues, the expansion in private care was not a process that ran in parallel with and independently of public policies. The very instability in resource allocation for the state segment was an expression of the implicit government strategy of making the public network unviable and indirectly strengthening the private sector. Severe politico-institutional restrictions notwithstanding, the seed of health policy reform planted by the public health movement flowered in the late 1980s. According to the author, the proposal had among its references certain basic aims: increase in coverage, articulation of government spheres (municipal, state and federal) and people's participation.

The public health movement also counted on support from sectors of the state bureaucracy (of the federal and state level) and the "Municipalist Health Movement, constituted by municipal health secretaries and technical officials" (p. 170). The alternative model of care proposed by the articulation of these actors implied deep transformations not only in the health field, but in the organization of the State itself.

In this sense, the creation of SUS represented an important innovation in the Brazilian health system, albeit one limited by the previous politico-institutional configuration, which ended up favouring the consolidation of the double trajectory of healthcare.

The book's final chapters are devoted to analysing the public health reform defined by the 1988 Constitution and the regulation of the health market in the 1990s. In this section, Menicucci reveals that innovative proposals were filtered by consolidated institutions, ideas and practices, which attenuated the radicality of the reformist agenda.

The activity of the Constituent Assembly covered distinct, sometimes contradictory alternatives that ended up taking shape in the dual configuration of Brazil's healthcare policy. The ambiguities in the constitutional text reflected an adjustment between innovative alternatives and pre-existing patterns of care.

The regulation of the article of the Constitution, for its part, was delayed by the action of groups within and without the government opposed to the implementation of SUS. The approval of the Organic Health Law occurred two years after the enactment of the Constitution and underwent several alterations that represented a regression in relation to the original bill.

The double trajectory of healthcare in Brazil became consolidated in the late 1990s with the definition of a regulatory policy for the private segment. According to Menicucci, this regulation formalized the system's hybrid character in the normative and institutional ambits. Since then, the independence of the two institutional modes of healthcare has been explicitly affirmed; likewise, the opposition between the guiding principles of each and the segmentation of their users.

In sum, the universalization of care and the constitutional recognition of the public relevance of health have not been accompanied by an effective acquisition of a public character by the service-provision network. On the contrary: public hospitals themselves — notably the hospitals of public universities — have opened their doors to private patients and health plans, thus institutionalizing internally a differentiation in user service.

Lastly, it must be noted that for over five decades the institutional inheritance of the policies analysed by Menicucci has imposed limits to the overcoming of healthcare apartheid in Brazil. In a metaphor of Elster's dilemma, the present generation of Brazilians carries on fighting to rid itself of the constraints imposed by its predecessors (Elster, 1993).[4]

## Notes

1 Bobbio, Norberto. 2005. *Estado, governo, sociedade: por uma teoria geral da política*. 12th ed. Trans.Marco Aurélio Nogueira. Rio de Janeiro: Paz e Terra.

2 See also, Aciole, Giovanni G. 2008. Público e privado na política de assistência à saúde no Brasil: atores, processos e trajetória. *Ciência & Saúde Coletiva* 13 (5): 1687-88 and Nascimento, Elaine F. 2008. Público e privado na política de assistência à saúde no Brasil: atores, processos e trajetória. *Cadernos de Saúde Pública* 24 (11): 2726-27.

3 Boschi, Renato R. 2007. Preface to *Público e privado na política de assistência à saúde no Brasil: atores, processos e trajetória*, by Telma M. G. Menicucci, p. 11-13. Rio de Janeiro: Editora FIOCRUZ.

4 ELSTER, Jon. 1993. Introduction to *Constitutionalism and Democracy*, edited by Jon Elster and Rune Slagstad, p. 1-17. Cambridge: Cambridge University Press.