A3 | ADVANCES AND SETBACKS TOWARDS A SINGLE PUBLIC HEALTH SYSTEM IN LATIN AMERICA

In *Global Health Watch* (GHW4) we discussed the overall positive impact on public health after the installation of a number of progressive governments in Latin America (People's Health Movement 2014). These progressive governments were the product of previous social struggles motivated by the discontent against the neoliberal dispensation in several countries in the region. These struggles led to the ascent of several progressive governments which addressed the demand for redistribution policies and managed to somewhat improve the very serious situation of poverty and inequality prevailing in the region. They paved the way for an expansion of democracy, particularly with the emergence of some forms of direct democracy from below (though not uniformly so, especially in the work of trade unions). The new democratic governments managed to establish, to some degree, a set of policies based on social rights and citizenship.

One of the most notable features of these progressive governments was the promotion of a new model of regional integration that substantially changed regional geopolitics. For the first time, the defence ministries of the region met without the tutelage of the USA. The region also saw the creation of the Bolivarian Alliance for the Peoples of Our America (ALBA), the Union of South American Nations (UNASUR), and the Community of Latin American and Caribbean States (CELAC). On the economic front, these governments tried to create instruments of integration such as the Bank of the South (BancoSur).

At the same time, however, these movements and governments were unable to complete the task of dismantling the power of the old oligarchies which were remnants of the previous neoliberal regimes. Generally they also failed to fundamentally alter the previous economic models that were based on external dependency; thereby reproducing patterns of economic growth strongly based on the export of raw materials. Likewise, the proximity of many progressive movements to governments generated some degree of alienation from popular causes. Inexcusable cases of corruption in certain countries also provided avenues for the conservative right to mount attacks on the new governments. This was exacerbated by the fact that in order to survive in government alliances had to be forged with forces linked to the previous neoliberal order – leaving open the possibility that these forces would at some point corrupt, discredit and even betray openly the progressive governments. Further, the failure to honor commitments and the adoption of policies aligned

to the previous neoliberal disposition, in some situations, undermined popular unity and had a serious demoralizing effect.

The neoliberal response

After the victory of the democratic movements a conservative offensive, which combined various institutional and insurrectional strategies to destabilize progressive governments, gained prominence. Techniques which turned the media and the economy into strategic battlegrounds were deployed. 'Soft' coups d'état were attempted in Honduras and Paraguay, and then applied on a larger scale in Brazil. In some countries pressure and blackmail were applied from within to neutralize some progressive governments, thus initiating a conservative restoration from within the national context: the most notable case is Peru, where Ollanta Humala – despite having won the elections with a progressive and anti-neoliberal proposal – applied neoliberal policies from the beginning of his government. This has also been the case of Chile and Uruguay, where the Frente Amplio Uruguayo and the Socialist Party of Chile – after being elected to government – have assumed centrist positions, far from their original principles.

The imperialist reaction to the new geopolitical scheme initiated in Latin America was clear and fast, aimed at regaining lost influence, and towards creating the conditions for a conservative restoration in the continent. This is an area of continuity in US foreign policy irrespective of change in government in the USA, with Latin America continuing to be viewed as the 'backyard' of the USA and a natural territory for the exercise of US influence.

It is instructive to note some key arguments advanced in the Geological Survey 2007–2017 of the United States Department of Science and Technology. The study, inter alia, identifies US weaknesses and shortages of strategic resources, particularly of minerals which are indispensable to maintain its military and technological supremacy. Specifically, the study notes that the USA is dependent on imports (of between 50 per cent and 100 per cent of its requirements) for 42 key materials that are indispensable to maintain its level of technological development. Most of these strategic resources are found in abundant quantities in the countries of the Latin American region (U.S. Geological Survey, 2007). The Geological Survey 2007–2017 argues that secured access to strategic resources is linked to national security[1]. Concurrently there has been a growing consensus within UNASUR that regional cooperation is necessary to guarantee the defence of strategic resources (Nolte, Wehner, 2012). The dispute over these strategic resources is one of the fundamental causes of the US effort to regain control of the region. Of course, there are also political reasons: primarily related to threat perceptions in the USA regarding the independent and anti-neoliberal positions advocated by alliances of Latin American countries – for example the opposition to the signing of the Free Trade Area of the Americas (FTAA) agreement from most countries of the region.

In the last few years counter coups have been staged against more than half of the earlier progressive governments of the region. Honduras, Paraguay and Brazil have experienced 'parliamentary coups'; the Left in Argentina suffered an electoral defeat, while Chile and Uruguay succumbed due to their own internal contradictions.

However, in some countries where the conservative restoration has taken place, and neoliberal measures and human rights violations have begun, protests and popular mobilizations are increasing. Thus we are witnessing an intensification of the struggle against neoliberalism. In the medium term a new wave of progressive governments can be envisaged: but the Left in the region need to draw appropriate lessons from the past so that previous errors are not repeated. A key lesson would be to be rid of the illusion that it is possible to redistribute wealth and expand democracy without confronting the power of capital. Progressive governments that come to power on an avowed anti-neoliberal platform need to recognize that their task is not to manage a capitalist State that reproduces itself permanently, but to transform it.

Challenges in transformation of the health system

The mere political decision to establish a universal public health system – egalitarian and with equitable access – is not enough. However, it is the starting point towards building a system that can safeguard the health of the people. Public health is a complex area with multiple dimensions and contradictions which makes it an equally complex arena of political struggle.

All Latin American countries had gone through neoliberal reforms that distorted in some measure their health systems. However, public health systems have been shaped by a different historical process in each country. In Mexico, for example, a public social security system – with its own facilities and salaried personnel – was built in the aftermath of the Mexican revolution. This system was able to provide health services to almost 90 per cent of the population. Public health institutions in Mexico have resisted neoliberal attacks and it has been difficult to dismantle the public system. In contrast in Brazil, despite a constitutional obligation for the State to guarantee the right to health through a public system, public health insurance covers only 25 per cent of the population.

With the significant exception of Cuba, the health sector in the region is subjected to the basic logic of capitalism. Under neoliberal globalization health is now an area where Capital tries to wrest from the State a new terrain for capitalist accumulation, since in economic terms it represents between 6 and 10 per cent of the GDP. On the one hand, there exists the traditional medical-industrial complex (i.e. the pharmaceutical industry, enterprises elated to medical technologies, and service providers). There is now an additional phenomenon – an emerging medical insurance industry which is a new form of Finance Capital (Laurell, n.d.).

Under neoliberalism the health sector was privatized based on the logic that state-run public services are inadequate and inefficient. This led to the prescription that health services must be opened up for market-based competition in order to improve quality and reduce costs. For the followers of this creed, it does not matter that empirical evidence contradicts this dogma. Paradoxically, supranational agencies pressure Latin American governments to adopt the US system of managed healthcare, while the US government has tried to change it because of its high costs (accounting for 19 per cent of the country's GDP), insufficient coverage and poor health outcomes.

The nature of the State, its policies and vision are critical in determining the health policy in a particular country. Broadly two forms of the State currently exist in the Latin American the region: the neoliberal State that seeks to reduce the role of the State in provision of welfare services (such as healthcare) to its citizens, and the Social Democratic State (which we identify here as 'progressive' or 'Leftist'). The latter, as we have discussed earlier, is under a sustained attack from conservative forces that seek to restore the earlier neoliberal policies. Nevertheless the progressive governments in Latin America have made important advances in social policies through the redistribution of wealth. This has also occurred in the realm of public health.

The progressive Latin American governments – Brazil, Venezuela, Ecuador, Bolivia, El Salvador and Argentina – have greatly increased access to health services for those in need. This has been accompanied by redistributive and universal social policies. Health policy in these countries has been based on the idea that it is the State's obligation to guarantee the right to health to all citizens through a public, comprehensive health system financed through public taxation. The specific institutional arrangements to achieve this have varied from country to country depending on the particular situation and the correlation of political forces in each case.

But it needs to be underlined that health is an area of struggle in the process to transform the State. Álvaro García Linera (Vice President of Bolivia) argues that public health is also linked to the ideological struggle for hegemony, and to the scope of the State's institutions. (García Linera, 2013). Mario Testa (Argentinean physician and one of the founders of ALAMES) notes that "the Latin American health specialists are the most frustrated professional group because we know perfectly what we have to do, but we have never been able to do it". He refers to the political-ideological confusion about what constitutes 'good medicine'. The most prevalent notion of 'good medicine' among the public, health professionals and politicians – including those on the left – is of an individual focused system that includes sophisticated technological interventions and state-of-the-art pharmaceutical products[2]. This position ignores the socio-historical determinants of health and disease, ignores the importance of education, promotion, prevention and even clinical

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Image A3.1 Health is an area of struggle:Popular struggle in El Salvador against the Constitutional Chamber (Maria Zunega)

knowledge in medical practice. It is an ideology that is assiduously promoted by the medical-industrial-insurance complex.

There still exists a lack of clarity regarding the fundamental understanding that health is not a commodity or a consumer good, and that it does not have a private character; rather it is an attribute of social citizenship and a collective social right. One expression of this lack of clarity is that trade unions have not assumed the role of advocates of collective and social rights, but have negotiated private health insurance (Brazil) or the payment for private services (Venezuela) for their members. At the same time unions have opposed the creation of a single unified public health system, thus leading to persistence of social insurance through payments to a segmented health system.

It should also be noted that some strategies to rapidly expand access to health services have contributed to a new segmentation of the system. This is the case of the 'Barrio Adentro' policy in Venezuela, which was crucial to opening health services to millions of socially excluded people, but simultaneously created a parallel system to existing public services. Another structural as well as political problem is the process of decentralization by which the delivery of health services was handed over to local governments. A problem often encountered is that local governments may lack sufficient resources to guarantee the access to complex or highly specialized health services. Consequently, in some cases local governments have worked against the national

health policy by promoting private health insurance and private health services providers due to their lack of resources.

These elements have nurtured an ideological counter-offensive that promotes the idea that the public health system is 'poor healthcare for the poor." In some cases, the legitimacy gained by increasing the span of the public health system has been reversed, particularly because of problems of managing such a large and rapidly expanding system designed to provide comprehensive healthcare services. This counter-offensive has been promoted and supported by the medical/industrial/insurance complex that aligns with forces oppose to the progressive governments.

The mechanisms for capitalist accumulation that still exist within the health sector under progressive governments are sought to be strengthened and expanded in the challenge being mounted against a unified public system. The most common strategy is the expansion of health plans or health insurance that attract patients with shorter waiting times for elective procedures and access to sophisticated medical technologies. This promotes a variety of regressive transfer of resources from the public to the private sector. Another ploy is to introduce new forms of 'public administration' to create internal or external health markets for healthcare services. In both cases, packages of restricted services, mandatory care protocols and quantitative performance measurement are introduced, regardless of their quality. Often these mechanisms are supported by public financing and the private sector is guaranteed a market for their services that is paid for by public revenue. As a result public resources are consumed to finance and support healthcare delivery by the private sector.

Cost of medical care is significantly affected because of the high cost of pharmaceuticals, medical devices and diagnostics. Institutional capacity needs to be developed to regulate the use of technology and its costs. Progressive governments have played an important role in this area by intervening international negotiations and trade agreements and by supporting national production of medicines and medical technologies.

The institutional space is the other major area of struggle for the transformation of the health system to guarantee the right to health. This transformation requires action from within. Public health programs should be constructed as a 'road map'. They must clarify the values, principles and objectives that would guide the transformation and should make their goals and objectives explicit. (Spinelli, 2012). The fundamental role of the Ministry of Health should be to improve health conditions and achieve universal and equal coverage and access to services. Neoliberal policies have led to financial cuts and privatization of public services, thus leading to demoralization in public institutions. While attempting to roll back neoliberal reforms in the health sector, there is a tendency to prioritize the survival of public institutions and the interests of workers. The latter can happen in isolation and not be linked with the role of public institutions in advancing the rights of people who seek healthcare. The

challenge is to create a new set of institutional practices rooted in an ethics of public service, and characterized by fair and transparent labour relations. The aim should be to achieve a new institutional agreement through dialogue with workers, and to have a better understanding of the institutional dynamics.

In the process of transforming public institutions the strongest tensions are usually encountered in relation to the interaction with physicians and other health professionals. Physicians tend to consider themselves as the centre of the health system, even though the widespread commercialization and growth of corporate power in the health sector have displaced them from this role. They claim for themselves better working and economic conditions than for the rest of the staff and are reluctant to lose their privileges. The dialogue with them must be centred around the understanding of how the new institutional conditions are threatened by an aggressive commodification of health services. Another priority is a frontal attempt to combat corruption and nepotism in public institutions. Effective administrative measures are necessary as are transparent and accountable practices.

The material and institutional basis upon which of the progressive governments of Latin America tried to build a unified public health system – with universal access to the required health services – was generally very weak. Therefore, the strengthening and expansion of the public institution has been urgent. The new model of care that has been promoted is based on the model of Comprehensive Primary Health Care. However its meaning has not always been fully understood. The new model is not purely technical, but has an important component of transformation of the practices and conceptions of the main tasks related to provision of health services, where popular participation and social control play a central role.

Image A3.2 Popular mobilisation in Bogota, Colombia, for a unified public health system (Mauricio Torres)

All the Latin American progressive governments were supported by sustained and cohesive social and political movements. This is reflected in the fact that the transformations of the public health systems have been accompanied in some countries by the development of institutionalized mechanisms of social control of public health services. Brazil is the most prominent in this respect, where through a constitutional mandate health councils were formed at the municipal, state and national levels. In Bolivia social organizations that have been instrumental in incorporating statutory provisions in the Constitution regarding the integration of a unified public health system. Strengthening and expanding popular participation and social control is, however, a complex path. It involves a process that strives to construct a new concept that replaces the old idea of 'good medicine' and promotes an understanding of health as an essential component of 'good living' – a life that includes dignity and in peace.

The new neoliberal governments and setbacks in the right to health

Among the first acts of neoliberal government that replaced progressive governments in Paraguay, Argentina and Brazil are those aimed at reversing the redistribution processes that led to the improvement of living conditions (particularly wages, education, health and civil liberties). The neoliberal regimes now aimed to disrupt the progress achieved on all fronts. In the health sector the goal is to again promote a market-based health system that includes private care packages informed by the logic of costs and benefits, and mediated by insurance companies, and to restore the development of human resources based on a model which forces workers to compete against each other to obtain the best private or public jobs available in the labour market. Users of the health system are sought to be transformed into mere consumers (purchasers of services) or conditional recipients of public charity funds and thus purchasers of the cheapest health packages.

In Paraguay, user fees for public services which were eliminated by the government of Fernando Lugo, have been re-established. President Cartes' Minister of Health argued that 75 percent of the Paraguayan population does not have any type of insurance and hence the health system must be reorganized. This meant reintroduction of user fees and quotas for limited sections of the population, and a mechanism of insurance to provide 'financial protection' to patients. As in many other countries where Universal Health Coverage (UHC) is being promoted, this will open the way for insurance companies and private service providers to profit from public resources. Under this new scheme, a set of 'benefit' packages are offered to the poor, while full services packages are designed for the rich (who can afford co-payments or co-insurance). The intent is clearly to return to a system that converts public health into a commercial activity, at the expense of people's health.

In Argentina, the progress towards a unified and free public health system during the governments of Néstor and Cristina Kirchner was limited. This was

a consequence of the resistance offered by the social security plans managed by the workers' unions as the unions did not want to consolidate a unified and free public health system for the entire population. However there was progress in expanding primary level care and in training doctors – with a community focus and commitment – from less privileged sections in newly created universities and medical schools. When President Macri was voted to power, he issued a decree for the creation of a health insurance system (called CUS) which promoted, as in Mexico, Colombia, Peru, or Chile, a set of 'benefit' packages for the poor which essentially involve transfer of public funds into insurance companies and private service providers.

The use of terms 'insurance' and 'coverage' seeks indicate that provision of healthcare services is a contractual relationship and not a right; when, in fact, since the time of the Ramón Carrillo (Health Minister under President Perón) health has been recognized as a right in Argentina. The decree creating CUS provides a very limited budget that barely covers some benefits and excludes procedures that were earlier available free in the public system. Further, patients will need to prove that they are poor in order to be covered by the insurance package. Responding to these assaults on entitlements a social movement opposing the roll-out of CUS has been formed in Argentina[3].

A similar trend can be seen in Brazil under Temer's presidency. The new government has imposed budgetary cuts on education and health, directed specifically at subverting the SUS (Unified Health System) and public schools. The attack on SUS takes different forms. In an attempt to subvert the system from within, routine administrative measures have been delayed, resulting in shortages of medicines, frequent rotation of municipal health secretaries, lack of information, delay in the payment of wages and privatizations[4]. In the middle of this campaign against the SUS, Temer's government froze public funds for health and education (through an Amendment to the Constitution PEC/241), arguing that the current economic crisis in the country had been caused by an increase in spending on social services. This is a complete fabrication, since public spending on health through the Federal budget has remained constant at 1.6 per cent of GDP from 2002 to 2015, and the relative share of this expenditure of aggregate resources obtained from taxation has dropped from 10.5 per cent to 8.6 per cent in the same period (María Lucia Frizon Rizzoto, 2016).

Besides the PEC/241 amendment, another constitutional modification has been effected: 'The Unbundling of Union Collections Act' allows the government to use 30 per cent of taxes collected, that are supposed to be spent on education, health and social welfare, for other purposes. Estimates suggest that as a consequence of this Act there will be a further drop in public spending on health of 32 billion Reals. The Federal government is also asking the state governments to adopt the same decision at the local level as a condition for renegotiating their debts with the Federal government. In a move similar to

what is being proposed in Argentina, the Brazilian Minister of Health, Ricardo Barros, is actively promoting the creation of popular health plans that are 'cheaper' insurance packages with 'benefits' for the poor. These packages will be managed by insurance companies and private service providers. The fundamental intention of these legal reforms is to undermine the universal, equitable and rights-based concept of a Unified Health System (SUS). They represent process of recommodification of public health. These measures are being actively opposed by popular social movements[5].

The changes in Latin American countries are not isolated examples. In many European countries public health systems are being dismantled while resistance mounts in these countries from peoples' and workers' organizations. It is imperative that just as the neoliberal project seeks to globalize its policies, progressive left-wing forces must find a way to globalize their struggles and demands. The political Left can develop a planned strategy of 'globalizing' struggles against the neoliberal assault. This can be done by disseminating the experiences of successful institutional changes, the struggle of health workers to defend public institutions, and the transformation of the approach towards public health to embrace a system that views health as a 'common good' and is based on peoples' demand for equality and premised on popular control of public institutions by social organizations.

Notes

1 The report says: "During the next decade, the Federal Government, industry, and other groups will need to better understand the domestic and global distribution, genesis, use of and consequences of using these resources to address national security issues, manage the Nation's domestic supplies, predict future needs, anticipate as well as guide changing patterns in use, facilitate creation of new industries, and secure access to appropriate supplies." Available at: https://pubs.usgs.gov/circ/2007/1309/pdf/C1309.pdf#page=33

2 See interview with Mario Testa: http://revistaoficio.org/pruebaidep/entrevista-atess-con-dr-mario-testa/

3 See: Área de Salud del Instituto de Estudios sobre Estado y Participación en Salud, *No a la Cobertura Universal de Salud* available at http://atesociosanitario.com.ar/no-a-la-cus-voces-en-defensa-de-la-salud-publica-2/. See: https://www.youtube.com/watch?v=TpAZsWBh86M

4 See: Centro Brasileiro de Estudos de Saúde – Sergipe consulted on 21/11/2016 at http://cebes.org.br/2016/09/nota-do-nucleo-cebes-se-sobre-a-saude-em-aracaju/

5 See: *Manifesto da Frente Mineira em Defensa do SUS e da Democracia* published on 4 August, 2016 at http://cebes.org.br/2016/08/manifesto-da-frente-mineira-em-defesa-do-sus-e-da-democracia/

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