

Funding in health

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This thematic issue contains the results of a research on the financialization of the health sector in Brazil between 2008 and 2016.

The research was inspired by the accelerated expansion of health care companies and business groups in Brazil, implicitly justified by fiscal limits and by the “development” it brings from the transformative potential of private enterprises.

The study covers previous records, institutions, agents, mechanisms, and strategies that enabled the insertion of private capital in the Brazilian healthcare system, as well as the emergence of new practices and assets that distinguish them today.

The research effort engages with the foreign empirical production that advocates toward further financialization, a representation of the concrete threats to the organizing principles of universal systems¹.

As we will see in the articles of this Supplement, the most recent history of capital formation within Brazil’s health system strengthens the already entrenched markets, while also diversifying business and accumulation opportunities, in the name of the supposed modernization of the health system.

Examining the interaction between health and financialization in the country helps distinguishing the transformation of health care into a marketable and negotiable asset. One of the supporting changes is the more ostentatious use of public funds by health companies via subsidies and loans.

Documents, legislations, policy formulations, company reports, secondary databases, media sources, and qualitative research were employed for the analysis.

The study is based on the conception that the field of Public Health is an appropriate place to criticize financialization and conduct further studies capable of reinterpreting the ambition of the public and universal Brazilian Unified National Health System (SUS).

Statements about SUS being “100% public, 100% State-funded” or, when considering grammatical tenses, “will be public”, in the future tense, are markedly normative. Although they bear criticism and announce political alternatives to overcome privatization trends.

Seeing an advent on the horizon does not exclude us from the tasks of understanding the structural characteristics that enable the exchange of roles and responsibilities between

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public and private. Identifying institutions and the mechanisms that facilitate business leverage provides clues to reverse signals, restricting the expansion of the welfare sector.

It is plausible to assume that the rarefaction of knowledge on contemporary transactions involved in the transformation of health into commercial assets hinders and deludes the implementation of a truly universal system.

The exploration of the formation trajectories of heritage, capital and, specifically, the initiatives of state and non-state agents to deepen financialization, creating markets and opportunities for accumulation, disrupts the aspirations toward health, well-being, healthy living for all.

The concentration of sectoral economic groups in cities and regions with higher income is established as a permanent process that generates inequalities. Innovation, disruption, and partnerships depart from the improvement of health conditions, they refer to the creation of new markets, opportunities for accumulation and volatility, and opacity of investments.

Initially, the national private sector was composed of independent professionals, family businesses, and philanthropic organizations. Brazilian companies emerged small and decapitalized, under a regime of accumulation “from hand to mouth”. In the 1970s and 1980s, social security agreements, tax amnesties, loans, and official credits gave health plan companies a mature capitalist format ².

Subsequently, the public network replaced its own services, including diagnostic services, with contracts, and outsourced the administration of services and care networks. Corporate involvement under the aegis of “governance”, expanded the spaces for non-profit and for-profit private activities, as well as disseminated the superiority of management expertise.

In the 2000s, Brazil entered the international investment route through the approximation of national groups to foreign funds and companies and the opening of capital on stock exchanges. A rather unique route, a *vis-à-vis* initiative of direct participation of foreign companies and capital in India and China ³ in the same period. Mergers and acquisitions generated a process of centralization and concentration that blurred the previous business specialization.

It was this complex, multifaceted, and dynamic scenario of ongoing transformations that challenged us to study the processes of change in the private health sector.

The support of one of the pioneers of research on the “financial dominance of capitalism”, Professor José Carlos Braga and the findings on the penetration of the logic of patrimonial valuation in all spheres of the economy, allowed us to outline a framework for the complex and multifaceted phenomenal expansion of private care business expansion in a country that has SUS.

The operationalization of the concept of financialization for the concrete examination of sectoral economic groups required considerable methodological efforts, among others the processing and analysis of accounting-financial reports and corporate records.

Part of the results on the research on financial dominance in the health sector are published in this thematic issue. A second portion of the information produced was incorporated into theses and still inspires novel approaches.

The main repercussions of the investigation, however, are not translatable in a dissertation discourse. The group of researchers lived and still coexists with the concepts, theories, and scientific terms and their canons of objectivity. But they went ahead, took the risk of a more interrogative rather than an affirmative character, doubted themselves, relativized

their own knowledge, finally jumping from the edge of the world of work onto the experience of love.

The perishable condition of humans is one of the hallmarks of investigation. Daniela Tranches, a young and promising researcher, died shortly before the work was completed. Her liveliness awarded the word value – so decanted for those who study health in capitalism – with other meanings: valuable and worthy. Thus, together we continue rescuing the enchantment.

Dani Tranches, this thematic issue is for you.

Contributors

L. Bahia and M. Scheffer contributed to the formulation, writing of the text, and final approval for publication.

Additional informations

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