Sixty Years On – Who Cares for the NHS?

SUMMARY

- The consensus that lay behind the concept of a centrally planned, government-funded National Health Service is now broken.
- The market alternative to the UK's National Health Service is not a US-style system. The US system is planned, regulated and government funded to a very high degree.
- Many academics and policy experts analyse health policy in the neoclassical 'market-failure' paradigm. The idea of a perfect market is postulated as an ideal, ways in which a market in health might fall short of this are identified, and government action is proposed to remedy the shortcomings.
- The market-failure paradigm is wrong. It assumes that government can behave with perfect foresight to correct apparent failings in a health market. Instead, we must rationally explore whether a market in health or government planning provides the better outcomes.
- A major new survey of elite opinion in this monograph shows that the shortcomings with government-planned healthcare are well recognised among all opinion-forming groups. Academics, think tank policy experts and policy advisers appear to have the greatest scepticism about government healthcare provision and the greatest confidence in the market. Politicians seem to have greater confidence in the political process to provide effective healthcare.
- Opinion formers now consider the problem of monopoly and lack of consumer information to be substantially greater problems in a government-provided healthcare system than they would be in a market-based system of healthcare.
- Opinion formers believe that, if there were a market in healthcare, government would need to step in to fill in the gaps because some people would not get adequate provision. They believe almost as strongly, however, that the state 'cannot do it all' and that the private sector and charities need to supplement state health provision.
- Elite opinion's view of the role of the state and the market very much reflects the neoclassical health economics model. There is relatively little confidence in centrally planning a service solely provided by the state; the private sector is welcomed; but notions of 'market failure' seem to dominate thinking about the limitations of markets.
- It is significant that the most pro-market views are those expressed by academics, think tank experts and policy advisers. Such people can often be a leading indicator of general opinion many years ahead. Although elite opinion has moved only so far to date, specific groups of elite opinion are beginning to push the boundaries of discourse farther.
- Part of the vision of a free market in healthcare will involve government removing the privileges it has given to professional groups to exclude non-members from the practice of medicine. A highly regulated market, ridden with statutory monopolies, is not a free market at all. This is one important respect in which the boundaries of the healthcare debate must be pushed farther if markets are going to replace state provision.