

# Privatisation and Profitisation in Health Care

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After pension and labour market, policy-makers turned their attention to health care. Market mechanisms, ranging from new public management, increased co-payments, and diagnosis related groups, over internal to quasi markets have been presented as remedy to increasing costs.

This paper tries to assess the causes beyond these uniform developments and their extent.

All health care systems in the European Union are affected by the same problem pattern: demographic change and raising demands combined with the cost driving nature of medical-technical innovations and labour intensive services. At the same time their institutional variety has been regarded as preventing uniform developments. This paper argues that ideas are the driving cause of these reforms; although admitting, that institutional inertia mediate the pace of reforms.

Three most different cases are compared as case studies: the Netherlands conducted the most radical market oriented health care reform, which was driven by neo-liberal consent and enabled by the political institutions. In Sweden, the political institutions allowed for market oriented reforms as well, but the common neo-liberal discourse soon fall apart as did the reform process.

Germany is often presented as the reform-laggard. The federal political institutions prevent radical reforms. However, as long as the neo-liberal discourse was commonly shared, health care reforms also in Germany took a market oriented path-way.

Structural arguments, first of all demographic change, are presented as the cause for these reforms, following a “there-is-no-alternative” logic. However, as the case of the Netherlands proofs, market reforms did not decrease overall expenditures. Budget decreased were in all countries brought about by traditional hierarchical governance. Ideas are therefore the independent variable explaining market driven reforms in health care in Europe.

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