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Public health service in Europe

Health systems in Europe – changes and resistance

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This report opened the European healthworkers conference, held in the International Institute for Research and Education in May 2011. The report and closing statement have also been published in *International Viewpoint*.

1. The different systems

Types of systems

1. Beveridge-system: state financed system – example: Great Britain

2. Semashko-system: completely state-controlled system – example Poland

2. Bismarck-system: the system is financed by contributions to a social security or insurance system – example Germany

3. Market-oriented systems: example USA

Generally there are existing four systems of financing health-care – at least in the industrialized countries:

The so-called Bismarck-system, named after the former German chancellor Bismarck, who introduced this way to finance healthcare end of the 19th century. It is a system of (a single or a couple of) non-profit public health insurance(s) [1], every person up to a certain income has to pay for. The amount of the contributions depends on income. The system is self-governed, the extent of the service is fixed by laws. Doctors and hospitals are paid directly by the insurance , there is a catalogue of fixed prices for any service. Generally every “necessary” diagnostics or treatment are paid. But the institutions are private enterprises, except a part of the hospitals. Examples are the German or the Austrian system.

The so-called Beveridge-system, named after the British economist and social reformer, Beveridge, was introduced end of World War II. It is a completely tax-financed system, the administration is made by a national institution, the NHS. Generally every “necessary” measure is paid. Examples are Denmark, Great Britain, Ireland, Spain, Portugal, Finland, Sweden, Norway, Italy.

The so-called Semashko – system, named after the first minister of health of the USSR, this system is completely state-controlled and owned, including hospitals and practising doctors. Healthcare principally is free for everybody. An example was the Polish system [2], but also most of the other countries of the former Eastern bloc.

The fourth system, the free-market system, does not exist in Europe, but the USA have got a system, which is mainly market-based.

All these systems are, like the Dutch sociologist Abram de Swaan said, systems, to compensate the risks resulting from the rise of industrial capitalismÂ :

"In the meantime the "welfare state“ has become a giant system of law-based collective institutions, to compensate the external effects of risks and deficits“

One has to say, that nowadays none of these systems is existing in a “pure” form any more. A lot of changes have been introduced in the last decades in the different countries, which softened or weakened the first three systems, in some cases even a complete change of the system. For instance in some countries one has to pay fixed or floating excesses, a part of or the whole expenses for pharmaceuticals, a fixed or daily contribution in the case of hospitalisation etc..

In Switzerland for example some years ago they introduced a system with a basic public insurance (everybody has to pay the same amount not respecting the level of income) and an additional private one. Netherlands chose a similar way. We will come back later to that.

Additionally in all countries there exists a more or less big sector of private healthcare, which usually is only accessable for the rich.
Generally the military has got a complete parallel system of healthcare for the soldiers.

2. What are the reasons for the changes, made in all systems in the last decades?’

There is no evidence for any correlation between costs of the respective health system and the outcome. But there is a correlation between costs and kind of system....

[https://internationalviewpoint.org/IMG/jpg/folie5-2.jpg]

Increases of expenditure for health

[https://internationalviewpoint.org/IMG/jpg/folie6.jpg]

Average expenditure on health: percentage GNP/US dollar per capita

[https://internationalviewpoint.org/IMG/jpg/folie7.jpg]
[https://internationalviewpoint.org/IMG/jpg/folie8.jpg]
[https://internationalviewpoint.org/IMG/jpg/folie9.jpg]

Life expectancy in the EU in 2009

[https://internationalviewpoint.org/IMG/jpg/folie10.jpg]

more money - more benefit?

Officially it is said, that the reasons, to change the respecting systems to a more or less market-oriented, individually financed system of health-care, is, that the expenses for a public system are too high.
This is not true, and it is easy to prove :

The comparison of the different systems shows, that the system of the USA, which is market-oriented, is the most expensive one.

The second argument is, that the quality of health-care would be improved by a private insurance system. This is not true as well

The respective investigations show, that there is no correlation between the kind of system and the medical outcome. Life expectancy is an example.

Additionally it is to say, that respecting patients` satisfaction the private system are the worse, as you can see in this investigation of WHO

The general backgroundÂ :
In the framework of the ongoing realisation crisis of the capitalist economy there is a general and long lasting attempt, to open the health sector for private capital. This partially co-incides with the interest of the capital as a whole to reduce secondary costs.

So, what are the true reasons? There are two types. First the reason on the short run:

The lack of money of the governments as a result of the long lasting crisis. By selling off public goods and enterprises they try to solve their financial problems and at the same time, by weakening the public system, get rid of at least a part of the cost (subsidies etc.) by changing to a private insurance system.

The second reason is on the long run:

In the time of falling profit rates and a severe, longlasting realisation crisis of capital, the latter is seeking to invade public spheres, which had been closed to it until now. And so they try to change healthcare from a public good to a simple commodity. [3]

This means: privatisation will worsen the outcome and will make the system more expensive. The real difference is, that the expenses are paid by individuals and not by a system of solidarity and so the possibilities of the capital to expand the sector are much better.

General Tendencies :
– Introduction/extension of market elements in the public health systems

– Influx of private capital into the public healthcare systems (private insurance companies etc.)?

– privatisation of public health institutions (hospitals, care etc.)?

– Change of healthcare from a public good to a commodity like any other one

3. The main contradictions

The main contradiction is the one between the (until now...) mainly public health systems organised on the basis of solidarity and the private structure of the health industry (pharmaceutical industry, hospital-trusts, production of medical equipment etc.). The solidarity contributions therefore become privatised. This is the main reason for the

increasing costs.

On the other hand one can say, that the existing systems in fact are not functioning very well. But this has reasons, which don't result from the systems as such. The problems, all these different systems are living, are based on two main contradictions:

There is an inherent contradiction between the collective and solidarity character of the Beveridge-, Semashko- and Bismarck-systems, and the private appropriation of the collectively financed funds by the respective care providers, including the industries like pharmaceutical enterprises, producers of medical equipment etc.

The second contradiction is the one between the interest of the individual and the society as a whole in a safe, efficient and cheap healthcare and the interests of private providers and producers in selling ever more products, performing ever more operations etc. It means, it is the contradiction between the public and solidarity non-capitalist structure of the financing system and the private, profit-oriented capitalist structure of (a part of) the providing system. [4]

These contradictions for instance in Germany already led to a situation, in which it is apparent, that 50-60% of the arthroscopic knee-operations (just to give one example, there are lots more) today are simply not necessary. But if you have opened a private ambulatory or clinic, you have to perform a minimum of procedures, sell a minimum of products etc., otherwise you simply go bankrupt.

The analysis is a bit more complicated, but I cannot go into detail here. Just to mention: There exists another contradiction, which is an inner-capitalist one. A part of the capitalist class wants to reduce the cost of healthcare, which is one of the fastest growing parts of economy in the developped countries, for several reasons, mainly because the people can spend their money only once and therefore have got an interest to limit the expenses for healthcare, while the capital-groups involved in the medical business like to expand them.

And there exists a fundamental contradiction between the social character and origin of health and the individual approach to healthcare, the existing system is representing. This is a contradiction, which is based generally in the approach to healthcare and the ruling paradigm, that “health” can be reached individually. I will come back to that at the end of this text.

4. What changes took place in the last decades?

The reality
In the last decades the respective systems were weakened through the appearance/introduction of:

– co-payments

– additional insurances

– privatisation

– corruption

So up to now none of the above mentioned systems exists in a "pure“ form.

Generally we can observe a couple of measures, to satisfy the desire of the capital in the health sector, to invade it and to change healthcare from a public good to a simple commodity on the one hand, and to maintain a minimum of social security, which seems necessary for the coherence of the society and for the need of the employers for healthy workers on the other hand.

These measures and the extent, to which it were pushed through already, is different in different countries, not only because of the different starting points respecting the system of healthcare, but also because of the different level of resistance and the different cultural and historical background. But generally they are similar in most countries:

Privatisation of public institutions

Work is made precarious.

(Partial) privatisation of insurance systems (for instance additional private insurance in Switzerland)

Fixed or floating excesses (Germany: 10 Euro for every visit of the doctor)

– Privatisation of science

Example Germany I
Reform 2010:

– Unlimited co-payment respecting contributions to the public insurance, if costs are rising

– Freezing of the contributions of the employers

– if necessary, co-financing through the government

Example Germany II
Analysis of the German TU ver.di:

– Nowhere in the EU are more public hospitals for sale

– Nowhere are bigger hospitals for sale

– No other country even sells whole university clinics

– German hospital-trusts are the biggest ones in Europe

– Between 1996 and 2007 the number of privatised hospitals had an increase of 42%

Example Great Britain

[https://internationalviewpoint.org/IMG/jpg/folie14.jpg]

Example Poland

2005: Jacek Ruszkowski, the administrator of a health centre, estimates, that the annual payments of bribe to doctors and hospitals reach 12 billions of Zloty (3 billion Euro), which is one third of the budget of the National Health Fund

And there is, especially in the Semashko-systems, but not only in these, an ongoing tendency to increasing corruption, which at least also represents a form of "floating" excess…….

5. Resistance?

Resistance - general :
– The attacks of private capital to the public health systems are systematic and generally the same all over Europe.

– The resistance is splintered, mostly local and lacks a coherent perspective

Resistance against the ongoing deregulation and privatisation of healthcare is difficult. There are examples of resistance, but mainly it is resistance not against the above mentioned general tendency as a such, but against its consequences.

We had strikes for better wages and working conditions, struggles against privatisation of single hospitals etc in different countries but generally no mass movement for the maintenance of the public healthcare system as a such. The reason is, that this would require a coalition between the workers in the health sector and the general population, which is hard to achieve. But, as one example from my home-region shows, it is possible. [5]

Here are some examples, but I think, we should exchange our experiences in the discussion respecting this point.

Resistance – examples I

Poland: 2007 protests of nurses respecting wages, 2010 strike of nurses, fights against privatisation of hospitals

Germany: Local protests against privatisation of hospitals (2010 in one case successful plebiscit), 2010 strike of 15000 doctors in hospitals, 2011 successful protests in a big university clinic against labour leasing

Resistance II

Great Britain: â€žThe Look After our NHS campaign“ of the BMA

France: 2010 strike of health workers against the pension reform

6. Perspectives

And now we have to talk about a crucial point. Mostly the discussions among TUs and activists in the health sector are neglecting the basic problem in healthcare: 90% of the expenses are spent for diagnostics and treatment of existing or threatening diseases, only 3-5% for prevention and health promotion.

Change of perspective

– 90% of the expenses for health are spent for diagnostics and treatment of existing diseases

– only 3-5% are spent for prevention and health promotion

[https://internationalviewpoint.org/IMG/jpg/folie22.jpg]

– Ivan Illich: â€žThe modern medicine probably is killing more people than it is healing.“

The problem is, that it can be considered as proved, that the effectiveness of prevention and health promotion is much higher than treatment. The general improvement in health in the last 150 years in the developped countries has not much to do with treatment. I will show it in an example: One of the biggest killers of the 19th century, Tuberculosis, was already conquered long before the chemotherapy and, later, the vaccination came into use. (Mc Keown)

The effect of the existing healthcare system to health in the sense of the defintion of “health” of the WHO is marginal. The reason, why the healthcare system grew to such a giant extent, like it did, cannot be explained by its outcome, it can only be explained by cultural reasons on the one hand and, in the first place, simple economic, means, capitalist, reasons, on the other. Prevention and health promotion do not require the mass production of commodities of all kind.

There have beeen even authors like Ivan Illich, who said, that most probably modern medicine kills more people than it is healing.

So, if we talk about perspectives, what are we fighting for on the long run, we have to talk also about putting the system from the head to the feet, means, putting prevention and health promotion in the first place and therefore avoid health problems, before they need therapy.

The perspective I

– de-privatisation of the health sector, including health-industry

– decentralisation

– change from therapy to prevention and health-promotion

The perspective II

– democratisation of the health sector: election of health professionals by the local population

– administration of the health system through elected professionals

– one system for all – no private health-business

It is obvious, that anyway we will need a system for diagnostics and treatment in the future, even if we change to prevention like mentioned, but the system will and should be:

much smaller

public, which means, self-governed by the people, with democratically elected professionals

non-profit

rationally planned

universal, means, it has to include everybody and not to allow additional or alternative private providing.

But we have to be careful: Nowadays, in the existing political framework, the argument, that prevention is better than therapy, often is abused, to weaken and to reduce the existing health care systems. So we have to point out, that the above mentioned principles can not be seen or introduced separately, but in an integrative form: Every single point is not viable without the others.

That requires, if we look back to the basic contradictions I mentioned, to de-privatise as well the whole sector of the medical industry, to get rid of the above mentioned main contradictions. And that has to include for instance the deprivatisation of science and a ban on patents. I cannot go in detail respecting these points, but they are crucial as well.

This is a perspective, which is going far into the future, but if we like to develop immediate demands, we should have an imagination, where we want to go to.

The best health system is a just, ecological and equal society based on solidarity

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[1] In Germany for instance more than 300 public insurances still exist, mainly for historical reasons

[2] It was changed some years ago to a mixed system between Beveridge- and Semashko system, and actually there are further changes in progress.

[3] The public structure of a healthcare system frequently is a certain barreer for the expansion of the respective industry, because the latter has to prove, that new products and methods are really a progress, to get them into the catalogue of procedures the public insurance is paying for.

[4] In some countries it is just the medical industry, which is private, in others also the providers (hospitals etc.). The extent of the invasion of private enterprises into the system is different in different countries.

[5] In my region there was an attempt, to sell the remaining three public hospitals to a private hospital-trust. There was a broad campaign among

the local population, resulting in a plebiscit, which succeeded in keeping the hospitals in public property.