

# MAKING SENSE OF HEALTH CARE COMMERCIALIZATION

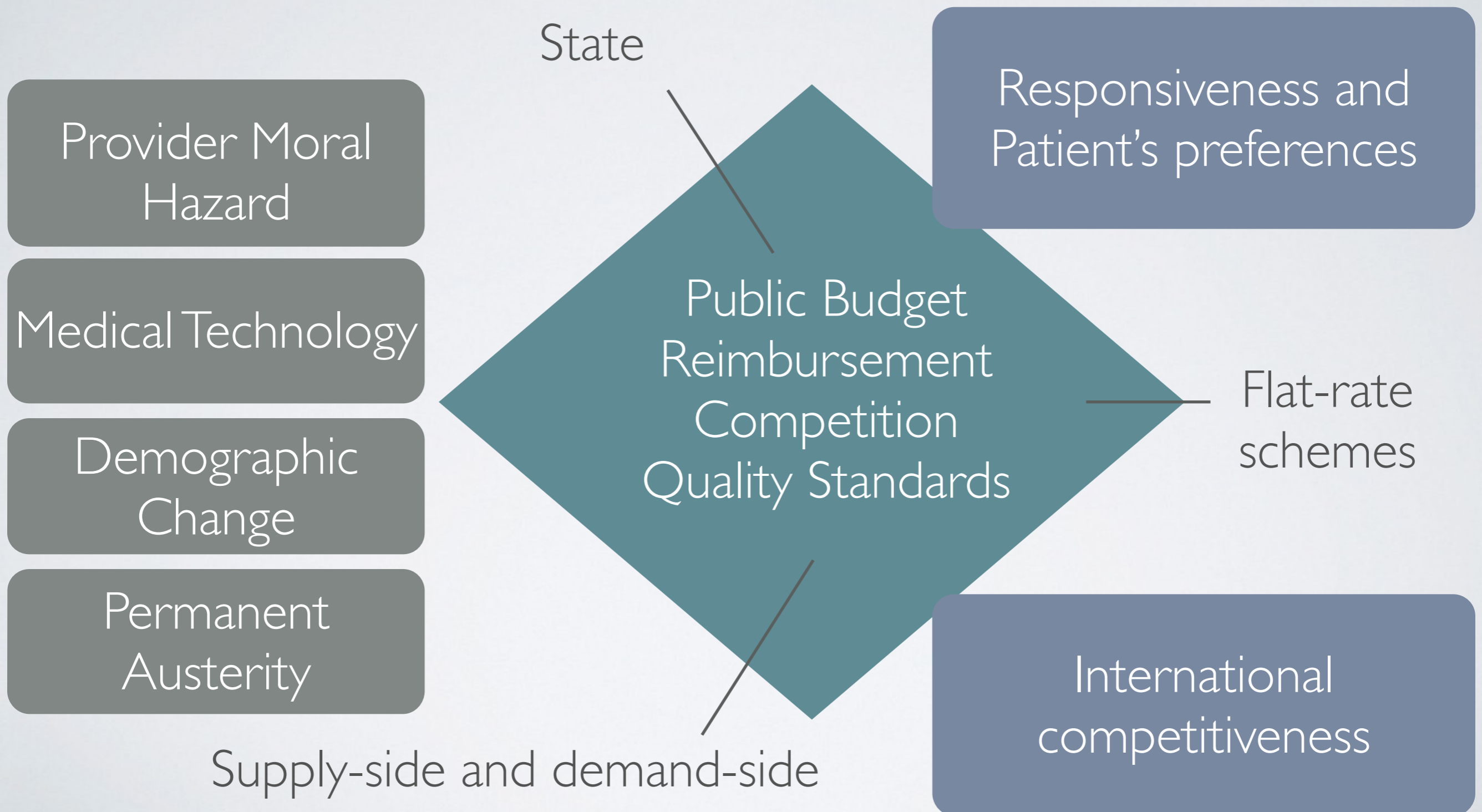
Pol. Sc. Kai Mosebach, University of Applied Science Ludwigshafen on the Rhine

GREAT TRANSFORMATION Conference, January 13th 2017, Linz (Austria)

# OVERVIEW

- Commercialized Health Care Provision: Towards a New Consensus in Health Care Policy
- In the Driving Seat: Global Health Reform Industry
- Disentangling Global Health Reform with Karl Polanyi
- Perspectives of Re-Embedding: De-Commercialization as a Political Counter-movement

# COMPETITION BASED COST CONTAINMENT POLICY



# COMPETITIVE BASED COST CONTAINMENT POLICY...

- ...aims at making **efficiency** and **responsiveness** of health care provision by using competitive mechanisms in highly regulated health care markets
- ...by regulating **financial incentives** of third-party payers, health care providers as well as users in order to simulate (neoclassical) 'market' behavior (—> want and needs of consumers) and **setting quality standards**
- ...under the condition of **restricted** public health care **budgets** and competitive measures to allocate scarce resources
- ...that leads to invasions of **commercial interests** and **private for-profit providers** in health care in OECD health care systems

# COMMERCIALIZED HEALTH CARE: DEFINITION AND

„[Commercialized health care means, KM] the **provision** of health care services through market relationships to those **able to pay**; investment in, and production of, those services, and of inputs to them, for **cash income or profit**, including private contracting and supply to publicly financed health care; and health care finance derived from individual **payment and private insurance.**“

Source: M. Mackintosh/M. Koivusalo (2005): Commercialization of Health Care. Global and Local Dynamics and Policy Responses, Houndmills/New York, pp. 3.

# FIVE STEPS TO COMMERCIALIZED HEALTH CARE

Management of costs and financial deficits	Financial Surplus (Cash income or profit)	Continuum of Economisation and Commercialization
No intention	No intention	<b>Ideal health care provision</b>
Screening costs of health care	No intention	<b>Cost awareness</b>
Reducing financial deficits	No intention	<b>Duty to reduce costs</b>
Reducing financial deficits	Cash income and profits allowed	<b>First order commercialization</b>
Verluste vermeiden	Maximizing profits and cash income	<b>Second order commercialization</b>

# WHO IS IN THE DRIVING SEAT?

International  
Monetary Fund

World Bank

OECD

Structural Adjustment Policies

Policy Transfer / Policy Learning

Transnational Knowledge Networks: Health Economics and  
Business Administration

Neoliberal Transformations: UK under Thatcher; USA under Reagan

# LIBERAL UTOPIA OF ‚POLITICALLY REGULATED MARKETS‘

## Policy Ideas as Guiding Principles in Times of Crisis

Transnational Knowledge Networks: Health Economics and Business Administration

USA: Alain C. Enthoven



UK I : Alain C. Enthoven



UK II : Julian Le Grand



NL I : Alain C. Enthoven

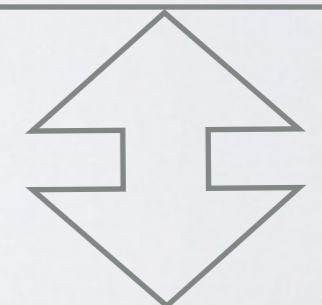
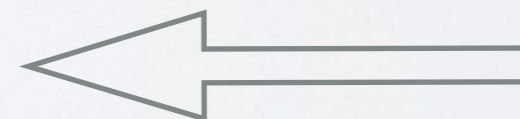


NL II : Wynand van  
der Ven



GER: Eberhard Wille,  
Dieter Cassel

SWE: Saltman/von Otter





# HEALTH AND HEALTH CARE AS 'FICTITIOUS COMMODITIES'

Rising Social Inequalities in Health

Health and Health Care : Depending on 'Self Regulating Markets'

Re-Commodification of Labour

Commercialization  
Health Care

Work-and Living  
Conditions

Power - Money -  
Knowledge

Health Care



**Social Determinants of Health**



# FROM COMMERCIALIZED TO RE-EMBEDDED HEALTH CARE

Commercialized Health Care and Social Inequalities in Health

Re-Embedding Health Care needs Macroeconomic Awareness and Income Redistribution

Regulatory State,  
Corporate Medicine,  
Microeconomic Optimizing,  
Managed Competition

Flexible and Finance-Driven-Capitalism

Workfare State

Permanent Austerity

New Structural Interest

Neoliberal Conditions

Taming Financial Markets

Inclusive Growth

De-Commodification of Labour

De-Commercialization of Health Care

Thank you for your attention and respect !

***„The purpose of studying economics is to learn how not to be deceived by economists.“***

(Joan Robinson, Basel Lecture 1969, zit. n. Varoufakis, Foundations of Economics, (1998: Pos. 907)