

The **myth** of the ‘European solution’

A closer look at the U.K., France and Sweden shows the advantages of public health care

Privatization proponents often praise the quality and cost-effectiveness of “softer” and “less dogmatic” health care systems in the United Kingdom, France and Sweden, pointing out that these systems include a parallel private component.

While it is certainly beneficial to learn about other ways of structuring and managing a health care system, this is not the motivation behind the right wing’s newfound devotion to all things European. Private health care advocates would have you believe that the “European” model is the solution to all of Canada’s health care woes. In reality, their arguments are riddled with misinformation. Here’s what you should know about health care in the U.K., France and Sweden.

United Kingdom

The British health care system has been under public management since 1948. But the system has suffered from lengthy waiting lists since the 1980s, when it was strangled by deep cuts imposed by Margaret Thatcher’s Tories. In 1990, the Conservative government introduced a parallel health care system with an “internal market.” Instead of actually running hospitals, the government “purchases” care from hospitals under this system. Doctors, in turn, have become “fund holders,” and they are able to purchase care for their patients. The hospitals or “providers” have become independent trusts. This encourages competition between hospitals, but also leads to inconsistent quality from one facility to another.

Rather than reversing this trend when he was first elected, Tony Blair increased the pace of the privatization, instituting public-private partnerships (called Private Financing Initiatives) for the construction of new hospitals.

Still waiting lists did not shorten because of these privatization initiatives, despite what the profiteers are claiming. In fact, the two-tier British system gives an incentive to work in the for-profit system, keeping wait times longer in the public system.

What did contribute to the decline of wait times in the U.K. was the British government’s decision to hire 45,000 health professionals between 2002 and 2006. These professionals work in the public system, and help offset the disparities caused by the private component of the U.K.’s health care program.



France

A World Health Organization study in 2000 ranked France’s health care system as the best in the world. Even though the research used was based mainly on extrapolated data, profiteers quote these results repeatedly, interpreting them as irrefutable evidence that Canada’s health care system is in decline. They reason that if France’s system is better and costs less (as a percentage of GDP), it must be because it allows private for-profit insurance and hospitals.

It’s true that France has a good health care system, and it does spend less money per person than Canada. But France also has 50 per cent more doctors per capita than Canada does, so waiting times are not a major problem.



But how can a country have 50 per cent more doctors than Canada, offer high-quality health services, and yet spend less of its GDP on health care?

French doctors are actually paid, on average, about 40 per cent less than Canadian doctors (equivalent to approximately \$70,000 a year). Because France pays low salaries to its doctors, the government is able to invest more in health infrastructure. It is this investment in the public system that prevents waiting lists in France, not the parallel private component.

Sweden

The myth being spread by privatization advocates is that Sweden's experiment with privatization has been a huge success. In February 2006, a *National Post* reporter wrote, "Sweden, for instance, privatized nearly all health care delivery in its capital, Stockholm ... with dramatic results. While the central government still pays for almost all procedures, as before, most patients are now treated by companies. Even the largest hospitals have been privatized. The result has been sharply reduced wait times – on the order of 40 per cent for most critical treatments."

But the facts are quite different. Only one county in Sweden experimented with private health care delivery, and not the entire country. And the Stockholm experiment didn't turn out to be the cure-all that its supporters hoped it would be.



Daniel Cohn of Simon Fraser University documented what happened when Stockholm County transferred the operation of St. Goran's

Hospital to the private sector in 2001, contracting services to for-profit facilities. According to his research, the privatized facilities rejected seriously ill patients, who then faced longer public wait times because public resources had been diverted to for-profit providers. Private facilities gave priority to treating patients with minor problems – a practice known as "cream-skimming" – leaving Swedes with more difficult health problems to wait in line.

In the 2002 county election, the people of Stockholm defeated the Conservative government and returned the Social Democrats to power. The new county government put a stop to any further privatization, citing problems that resulted from the privatization of St. Goran's Hospital.

Profit is Not the Cure

Studying the Swedish, French and British health care systems can certainly prove useful, as we seek out ways to improve the Canadian health care system. But as the examples above demonstrate, there isn't one "European solution" that can be applied to Canadian health care problems. If the European examples prove anything, it is rather that publicly administered non-profit health care is the best way to ensure quality and timely care for patients.

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