

[The real problem with the NHS U-turn](#) [1]

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A year or two before the last election, the Conservative opposition decided on an important strategy. They knew that Gordon Brown's years of overspending and overborrowing would catch up with him, and that he had none of Tony Blair's political skill and public appeal to fall back on. They were pretty confident that they would form the next government ? though they careful not to show it. They were very aware that electors hate politicians who take their votes for granted.

But they also knew that governments have a very short time in which to push through their programmes. Traditionally, it was reckoned that unless you had got your main measures through within the first year, you would run out of time. In the age of 24-hour media, that window of opportunity was probably open for very much less than that.

They figured that the policies they really had to get through quickly were health and education reform. Specifically, restoring the internal market structures that had been torn up in the early Blair years ? and which even Blair had wanted to go back to. So they were determined to introduce these measures straight away upon taking office. They knew that it might take a year to get the measure through Parliament and another year to put the administrative changes in place. That left only two years for them to prove their worth before everyone started talking about the next election. But by then, they hoped, these essentially Thatcherite policies would actually be working, and electors would appreciate that fact.

All credit to Michael Gove for pushing through the education reforms. But sadly, the health reforms stalled. That is partly because the Conservatives were over-confident, and ended up sharing the stage with coalition partners who were much more statist on health policy. But some of it was self-inflicted. Did it really need the biggest reform bill since 1948 to do what the Party bosses hoped to achieve? Should they not have focused on the essentials, and moved on to reform other parts of the NHS later ? or have been confident enough to believe that their market-oriented reforms would actually, slowly but irreversibly, change the structure and culture of the NHS and do the job for them?

Arguably it is right, when there is so much opposition, to pause and consult again. Except that NHS professionals all have a vested interest in opposing and avoiding competition, and any pause simply gives them time to re-grouop and make sure change is blocked. And any delay to the reform schedule means that, even if the original ideas were reinstated, they would not have sufficient time to be put in place and show their worth.

Maybe most of the internal market idea will indeed survive. But the damage has been done. The government's failure to push through reforms like Gove did in education ? doing it first and then dealing with the criticisms and problems later ? inevitably spooks those very providers who one wants to see

coming in to provide internal market competition. If you are investing millions or billions in a healthcare business, you need to know that you are investing in a stable policy environment. You need a government that will protect your investment, and the policy of private competition, through thick and thin. Alas, they cannot take much heart from this episode. Still, there are plenty of other, more welcoming countries to invest in. Shame if you fall sick in the UK.

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