

[Hands off!](#) [1]

Written by [Whig](#) [2] | Wednesday 11 January 2012



Whilst most of the coverage of the PIP breast implants story has been rather puerile ? if they had been in men or a rather less exciting body part I doubt the story would have gained much traction ? there are some serious issues at stake.

There has been much criticism of the private cosmetic clinics for refusing to replace implants. Their refusal is quite correct, however. As the clinics point out, the costs of removing all the PIP implants and replacing them would be enormous and unnecessary. The quango responsible, the Medicines and Healthcare Products Regulatory Agency (MHRA), had declared the implants safe to use and had given them a CE mark. Subsequently, the MHRA has stated that it is [not recommending removal](#) [3]. This makes Andrew Lansley?s accusation that clinics have a ?moral duty? to remove implants even more of a nonsense; what about the clinics? moral duty to their other customers and employees not to bankrupt themselves for no reason? Further, the government statement that the NHS would remove any implants which clinics refuse to remove means that clinics are incentivised to do just that, as clinics are well aware that the state will do it for them.

Most idiotic, however, has been commentary regarding regulation of the cosmetic surgery industry. Unsurprisingly, [the Observer led the charge](#) [4] to call for regulation. This particular article is a litany of contradiction and misunderstanding. It is quite obvious, however, that the cosmetic surgery industry is already heavily regulated, as the existence of the MHRA shows, and this regulation helped to cause the problem. The cosmetic surgery industry is already covered by general laws and regulations relating to any business, but also to specific medical regulations and institutions as [this DoH report shows](#) [5]. By approving the implants the regulator encouraged clinics to use them and customers to buy them whether they were safe or not (which is unclear). In a free market, it is in the interests of producers to protect their reputations and supply good quality products. Under a regulated market, suppliers can hide behind the protection of regulatory approval. In short, the regulator created moral hazard.

The calls of the industry?s own professional bodies to be regulated should be treated with the contempt they deserve. The Observer?s ignorance of the function of professional bodies is laughable, although commonplace. It is in the interest of professional associations to create mechanisms by which they can reduce competition and erect barriers to entry so that they can increase market share and raise prices, hence the BMA supports the NHS and so forth. Under a free market, there may be a number of competing agencies and outsiders who may be able to offer a cheaper or more innovative service. In a regulated market, a state agency will set an arbitrary standard and create compliance costs to achieve it, thus reducing competition and innovation and driving up prices. It is no wonder that established market players

are calling for regulation but it will not serve to protect consumers who will be exploited by monopolists and will suffer regulator-induced health problems such as this one.

Existing regulations notwithstanding, the success of the cosmetic surgery industry in the UK has occurred because it has been freer of regulation than many other areas of health. Costs have been kept down by competition and innovative products have been brought to market offering new and better treatments. Levels of complaint and dissatisfaction are low ? it would be interesting to compare these to general medical standards in private and in nationalised medicine. Whilst some feminists and those who think they know better scoff at cosmetic surgery, for patients there are enormous benefits. Further regulation of the industry would only serve bureaucrats and producer interests, it would not serve the interests of consumers or potential consumers.

(One commentator pointed out that many breast implants were funded by women on relatively low incomes using cheap credit as a means to fund surgery and that the cosmetic surgery industry was hit hard by the credit crunch. Clearly, this may be a classic case for Austrian Business Cycle theory to show how credit manipulation by Central Banks led to inflation of assets!)

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