



Welfare State Adaptation

Privatisation of Health Care in Denmark, England and Sweden

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Abstract

This dissertation deals with the following question: In the past decades some of the countries most dedicated to the universal public welfare state have privatised many of their welfare service provisions. Why is this so? The dissertation takes a close look at privatisation policies in health care in Denmark, Sweden and England in order to figure out how and why the private health care sector has expanded rapidly in recent years. Health care services in Denmark, Sweden and England provide good examples of welfare state service privatisation because these three countries have spent decades building up universal public health care systems that offer free and equal access to all citizens – and these programmes are very popular.

In this dissertation I find that the most common explanations for welfare state reform fail to explain these changes: Privatisation policies are not the result of partisan politics, instead they are supported by Social Democratic / Labour parties and in some cases the unions as well. Privatisation is not the result of pressures for fiscal retrenchment; in fact, public health care funding has increased in all three countries over the past decade. Neither is privatisation the straight forward result of new right wing ideas. Certainly, new ideas play a role in this change, but it is difficult to sustain the argument that ideas alone have been the cause of privatisation in these three health care systems. Finally, it has been debated whether privatisation is the result of pressure from EU legislation. This explanation does not hold either for the basic reason of timing. The policies leading to privatisation in Denmark, England and Sweden were all implemented before the European debate over health care services started.

Instead, I suggest that privatisation in health care in Denmark, Sweden and England can best be understood as the product of policy makers puzzling over important policy problems (Heclo, 1972). I call this an adaptive process. In this analysis I show that privatisation is the result of several interconnected attempts to adapt health care systems to a changing context. By taking a long historical view of the changes in health care systems, it becomes evident that the changes towards privatisation do not occur overnight or as a result of a ‘punctuated equilibrium’. Rather, the increasing privatisation in health care is the accumulated effect of several small step policy changes, which, over time, result in rising levels of privatisation.

Some scholars have suggested that neo-liberal policies, such as privatisation of service provision, will ultimately lead to the end of the welfare state. In this study, I come to a different conclusion. Rather than undermine the welfare state, privatisation in health care may help the welfare state survive. Privatisation can be seen as a way of adapting welfare state services to a changing political context.



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Jeppe Dørup Olesen graduated from the University of Roskilde in 2003 with a Masters degree in Public Administration. Further he holds a Masters degree in European Social Policy Analysis, through the European MESPA-programme (2003). After having worked in state administration in Denmark for some years, he rejoined academia in 2006, when entering the PhD programme at The European University Institute, Department of Political and Social Sciences. Jeppe's research interests are welfare state policy, comparative politics and comparative political economy in modern democracies. In Autumn 2010 Jeppe starts as a lecturer at Aarhus University (Denmark), where he will concentrate on public policy and welfare state change.