

**European Ideas Network - Summer University
18 - 20 September 2008**

**EIN POLICY ROUNDTABLE ON
REFORM OF PUBLIC SERVICES**

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Conclusions

Introduction from the Chair:

1. reform is difficult without the necessary level of investment;
2. how to reconcile supply side liberalisation and universality (equal access vs. risk of uniformity);
3. how to ensure risk pools sufficiently large for universal health care.

Themes :

- Beyond "reform", we need to rethink the nature and goals of public services, and strategies for meeting them in a post-industrial world. The new paradigm is clearly a shift toward individualisation and consumer empowerment.

- If a service can be provided by the market, is it still a "public good" or simply a private service in public hands, and the argument purely political, moral and distributive? Indeed are there any "public goods" (e.g. spectrum, education)? This is the fundamental question for politicians.

- High demand for social services (health care, education, social security) should create dynamic, rich, growing, demand-driven competitive markets, but most are still centrally-planned, focused on cost-containment and rationing. Growing experience around the world shows that replacing monopolies with consumer choice (by letting the demand side keep the money) is politically popular.

- Demand-driven, individualised public services require informed consumers and benchmarking. Is this a job for public agencies, or will the market also eliminate "information asymmetry" more efficiently?

Sector focus:

- TV broadcasting: Should public broadcasting be part of the European "social model";? Must it be state-owned or - in an interactive internet world - could the same goals (pluralism, culture) be ensured through licensing requirements on private operators?

- Health care: Market logic and disciplines are widely seen not to apply to health care, but why not? The aggregate demand of patients is the best way to arrive at the appropriate level of spending and innovation in health care, not public administration. Efficiencies (costs vs outcomes), access and universal coverage are the real issues. The US has a mixed system, but the status quo - 30% government funded and 60% employer funded - is no longer tenable. The nature of reform depends on the outcome of the Presidential election. The Netherlands reform is promising, but the government still sets reimbursement levels, which shields private insurers from market forces.