

## Health as a Public Good

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Political Dialogues

### **Abstrakt:**

Celem artykułu jest przedstawienie różnorodnych prób konceptualizacji zdrowia jako dobra publicznego. Autor rozważa czy instrumentarium analityczne i wiązka kategorii pojęciowych wypracowanych w ramach prac badawczych poświęconych dobrom publicznym, mogą być użyteczne podczas analizy zdrowia obywateli. W artykule zwrócono uwagę, iż zdrowie należy do szczególnej grupy dóbr wyjątkowych, posiadających cechy zarówno dobra prywatnego jak i publicznego. Podkreślono, iż sposób dystrybucji dóbr publicznych stanowi złożone zagadnienie, które wymaga stworzenia odpowiedniego systemu współzależnych bodźców i instrumentów. Stwierdzono także, iż wiele istotnych przyczyn powszechnego zwątpienia i apatii społecznej oraz wyczuwalnego lęku przed postępującą integracją i globalizacją można upatrywać właśnie w złym gospodarowaniu globalnymi dobrami publicznymi.

### **Abstract:**

The purpose of the article is to present different conceptualizations of health as a public good. The author considers whether analytical tools and conceptual framework developed in the studies on the issue of public goods might be useful

in order to analyze health. It was noted that health belongs to the special group of exceptional goods, since it carries the characteristics of both private and public good. It was emphasized that the distribution of public goods is a complex issue that requires an appropriate system of incentives as well as instruments in charge of its proper functioning. In the article it is argued that the widespread social anxiety and growing fear of further integration and globalization to a large extent results from the wrong management and unequal provision of global public goods.

### **Introduction**

Health is in almost every aspect a very special kind of good. It belongs to the category of exceptional goods, which are both private and public. Health plays a vital role not only as a crucial factor in the course of life of an average citizen; it also influences the functioning of the whole society. What's more, it is also one of the most important criteria, by which we assess the level of state's socio-economic development and the general welfare of its citizens. It is reflected in the most important synthetic measures of socio-economic development of states.

Categories like life expectancy or infant mortality are some of the main components of these indexes which measure the overall quality of life. Because of the immense social consequences of the characterized good, health is analyzed on the basis of the theory of public goods.

The purpose of this article is to present varying conceptualizations of health as a public good. It is directed at providing an answer whether the analytical instrumentation and conceptual framework developed in the research and literature on the issue of public goods may be useful in the analysis of a public health. The following question is posed: what socially important benefits are generated by looking at health not only as a strictly private good but also as a public good and development capital of the whole society. The paper presents the crucial elements of the concept and theory of public goods. Health is described as a unique good which has characteristics of both public and private good. The category of global public goods, which became more and more popular recently, is presented. In the second part of the article the following issue is addressed: does the health policy, designed and implemented in Poland, can be considered as the one meeting the requirements of a consistent approach to health as a public good. The last part of the article consists of considerations about the distribution of public goods and the need for formulating the new social contract in this field.

A general observation should be made at the very beginning. The history of many diseases shows how difficult it is to separate health policy pursued by the state and authorities from the political dimension of certain diseases which can be considered as a specific social constructs containing a mixture of varying meanings and symbols. We often per-

ceive diseases as individual or collective problems which can be eased and mitigated by, on the one hand, the appropriate personal attitude and behavior and, on the other hand, by a highly rationalized public action stemming from the objective medical knowledge. The ultimate goal of these actions is to take care for the welfare of the sick and the overall health of the citizens. However, diseases are also social constructs involved in the irremovable tangle of various social fears, suspicions and stereotypes. The history of medicine proves that almost every historical era had its disease which symbolized her innermost fears. Today's "epidemic of meanings" is, according to the many anthropologists and sociologists of medicine, HIV/AIDS. Epidemiologist Philip Alcabes describes AIDS as "the epidemic of our time" which creates lens through which we see the era and provides a language in which we describe the world. Diseases and those affected by them function also as social phenomena on which people project their own fears and prejudices<sup>1</sup>. People affected by certain diseases often become a convenient object of political attacks and manipulation. A deeper analysis of these issues is not made in the article. I admit, however, that any analysis of health as a public good cannot leave aside the political dimension of diseases; otherwise it will be more of an idealized model than a representation of the social reality.

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1 Some examples of the above described projections of fears and prejudices against many diseases can be found in the work of Philip Alcabes. See. P. Alcabes, *Dread: How Fear and Fantasy Have Fueled Epidemics from the Black Death to Avian Flu*, New York 2010 (Kindle edition). Social fears against HIV/AIDS as well as political dimensions of AIDS as an infectious disease are described by Jakub Janiszewski. See. Janiszewski J., *Kto w Polsce ma HIV? Epidemia i jej mistyfikacje*, (Warszawa, 2013).

## The Concept of Public Goods

Among the first people who wrote about the goods, which nowadays are most commonly thought of as the public ones, was an American economist Paul Samuelson<sup>2</sup>. American scholar wrote about “collective consumption goods” which are used by every single individual. It means that the individual consumption of a good in any way reduces/leads to no subtraction of the opportunities of others for the consumption of the same good. Three main types of goods are usually described in the literature: private goods, public goods, and socially valuable goods which are often called merit goods. Public goods are characterized by two main features. Firstly, public goods are non-excludable, which means that there is no possibility of the exclusion of any member of the community from their consumption. Secondly, public goods are non-rivalrous, which means that people do not have to compete with each other for the consumption of these goods.

Another way to characterize public goods is to show the contrast between them and the private ones. In this perspective, private goods are those for which one can compete. Consumption of a certain private good influences the possibility of consumption of the very same good by others. It is noted that private goods are governed by precisely defined property rights. The owner of the good

decides on his own how to use it; whether to consume it, possess, rent or sell.

## Private and Public Health

Health belongs to the special group of exceptional goods; since it carries the characteristics of both private and public good. On the one hand, people “consume” health individually; to a certain extent it is commercially available through, for example, the purchase of non-reimbursed medicines or the use of private health care. This makes health in part a private good. On the other hand, consumption of health is a unique and lifelong process, and, what’s more, one cannot be excluded from it by the others. One also cannot compete for the consumption of health. Consumption of health by a single person does not reduce or in any direct way affects the consumption of health by others. Most importantly, the aggregate of good health conditions of single individuals influences to a significant level the wellbeing of the whole society. As a result, individual health condition becomes thus the development capital of the whole society and an important dimension of the general welfare. It is noted that the level of human capital is related not only to the society’s education and the level of public expenditure on education, but also to the health of citizens<sup>3</sup>. Health is one of the most important engines of the development of the society. Like many other resources of development, it can wane over time; it can be enlarged and partially refurbished by the relevant expenditures.

<sup>2</sup> Textbook written by Paul Samuelson, published in 1948, was probably the most popular economics textbook, used in the American universities in the 1950s. It was the time of a systemic development of macroeconomics as a separate branch of science and the growing popularity of the state interventionism as an approach to economic policy. As a result, the spread of Keynesian school in economics is till now attributed to a large extent to Samuelson and his textbook, which presented Keynesian ideas and principles. See: Krugman P., *End this depression now !*, (New York, 2012), p. 93.

<sup>3</sup> Korporowicz V., *Zdrowie jako kategoria społeczno-ekonomiczna*, „Gospodarka Narodowa” 2011, 7–8, p. 84.

Violetta Korporowicz attributes the difficulty assigning health as a social condition and as a system of health care to a particular type of good to the many complicated and interwoven aspects of health and health services<sup>4</sup>. Air or medical information are thought to be solely public goods. Certain goods, like partially reimbursed medicines, may have a mixed character, i.e. both private and public. As a consequence, health is most commonly characterized as a unique kind of good, which is at the same time private and public.

### Health as a Global Public Good

Over the past few decades, a new category has emerged, which is becoming more and more popular. These are the global public goods. They are defined as public goods, which yield benefits, that exceed the boundaries of individual countries and regions. Their influence cuts across different social groups. The potential positive results of an usage of a good, or negative consequences in the case of a lack of a good or its improper distribution, affects both rich and poor, young and old, men and women. The development of this conceptual category results from the growing dynamism and scale of the contemporary globalization processes. It is noted that the global public goods are both the cause and result of globalization<sup>5</sup>. For instance, an international aviation system is one of the major driving forces of global trade, services and migration; thus it may be described as one of the causes of many integration processes in the modern economy. Global financial instability may be a good

example of the result of contemporary wave of globalization.

Many of the most popular theoretical approaches associate globalization with increased privateness and stress the growing importance of the private. Increasing interdependence and expanding integration are exemplified by such human activities like trade, exchange of services and transport. Often, however, what is ignored is that globalization is also about increased publicness<sup>6</sup>. Paraphrasing the metaphor coined by Spanish sociologist Manuel Castells, who described contemporary world as a “global space of flows”, we can say that in the wake of globalization processes, many things treated today as private, like consumer goods, money located on the bank deposits, financial and investment capital, industrial products or the latest technological equipment, flow through gradually fading barriers and less discernible boundaries. On the other hand, we can observe the growing publicness; as lives of ordinary peoples become more and more interdependent, and events in one part of the world influence what happens in the other. Authors of “Providing Global Public Goods: Managing Globalization” argue that open borders and free movement of capital are one side of globalization; protection of the global public goods must be the other side. Many reasons of the growing social discontent with the tangible consequences of modern globalization can be attributed to the inadequate provision of the global public goods.

For some time, health is increasingly characterized as one of the most important global public goods. However, the international cooperation in the efforts to fight against infectious diseases is by

4 Ibidem.

5 Kaul I., Conceição P., Le Goulven K., Mendoza R. U., *Providing Global Public Goods: Managing Globalization*, (Oxford, 2003), p. 2.

6 Ibidem.

no means a new phenomenon. It is noted that the history of the efforts made by the international community in order to reduce the negative effects of the spread of the infectious diseases is divided into two main periods. Until 1959, the majority of countries limited their efforts in this respect to the various forms of border controls. In the early nineteenth century, the fight against the cholera epidemic, which was spreading from India through Russia and Western Europe to the United States, was carried out by means of strict restrictions and border controls of ships which approached domestic ports<sup>7</sup>. As a result, states often duplicated the same procedures and imposed too many difficulties for the international trade and travel. Although the first call for a closer cooperation in order to reduce the spread of infectious diseases was made by the French government already in 1834; the following years brought very mixed results and the lack of effective actions. The establishment of the World Health Organization (WHO) in 1948 was a turning point; since the body quickly became the main platform for cooperation of the international community in the fight against the most dangerous diseases. From that moment on, border controls were accompanied by the actions directed at the places of origins of diseases and carried out also in the developing countries.

The researchers and experts in the field of health introduced the category of “the degree of the publicness of the response”. This degree determines the effectiveness of the fight against the disease. It is defined by three major points:

- 1) available medical knowledge (implying the generation of scientific knowledge and production of medical technologies) and access to pharmaceutical and other medical technologies (including their affordability in developing countries).
- 2) a functioning public health care system to detect disease outbreaks, channel interventions, and monitor and report progress on communicable disease control.
- 3) private spending<sup>8</sup>.

It is thought that an answer to the disease can be considered to be fully public, if all three of these points have been fulfilled. Even if the first two inputs are available and affordable, individuals and households need to have the means to make complementary expenditure<sup>9</sup>. The history of the fight against poliomyelitis (polio) illustrates how effective public policies aiming at the elimination of the origins of a certain disease can be, if all the above mentioned conditions are met<sup>10</sup>. It is also noted that the eradication of the disease in the developed countries reduces their willingness to make efforts to eliminate the disease globally. This

8 Arhin-Tenkorang D., Conceição P., *op. cit.*, [in:] I. Kaul, P. Conceição, K. Le Goulven, R. U.Mendoza, *op. cit.*, p. 6 (numbering from the beginning of the chapter).

9 Ibidem.

10 Recent press reports, however, remind that the task of elimination a certain infectious disease in the whole world is a continuous and difficult process; and it is impossible to consider this task as completed once and for all. Between 1988 and 2000 the number of new cases of polio dropped by 99.9 percent. It seemed that the world has been on the verge of the ultimate elimination of the disease. In May 2012, WHO warned about the danger of re-emergence of the disease, due to the recurrence of polio in Asia, Africa and Middle East. See. Moskal W., *Polio znów zagraża światu – alarm WHO*, „Gazeta Wyborcza” 2014, <http://wyborcza.pl/>, access: 15.07.2014.

7 Arhin-Tenkorang D., Conceição P., *Beyond Communicable Disease Control: Health in the Age of Globalization*, [in:] I. Kaul, P. Conceição, K. Le Goulven, R. U.Mendoza, *op. cit.*, p. 2 (numbering from the beginning of the chapter).

tendency could be observed in the case of polio. When the elimination of polio succeeded in the richest countries of the world, the primary responsibility for the fight against the disease was undertaken by the international organizations in cooperation with the developing countries. However, the elimination of polio globally resulted in the measurable financial benefits (for instance in the form of savings on the vaccines) also to the richest states, which have already succeeded in the fight against the disease in their territories.

### Health Policy in Poland

Debating the issue of health as a public good one might be tempted to make an attempt to assess the national healthcare system in Poland in terms of providing the highest quality of the good in question. It is not the purpose of this article to present a coherent and complex vision of necessary reforms in the field of health care in Poland. However, looking at the history and evolution of health policies after the systemic transformation in the 1989, some observations can be made with regard to the public dimension of health and the system of healthcare. It seems that the reduction of the budget deficit and rationalization of the public spending were often the main purposes of the reforms implemented in the healthcare system. The real efficiency of the system as well as ensuring the highest possible level of healthcare for the citizens were relegated to the secondary position.

Recognition of the health as a public good may be a good way to identify appropriate goals in the healthcare system and to make the necessary changes in the process of design, implementation and evaluation of the policies. The ul-

timate goal of the health policy should be to provide the best possible medical treatment and the highest quality of service, rather than to reduce the deficit and balance the state budget. It is, of course, reasonable, to search for possible methods to tame the unceasingly rising costs of healthcare. One should be aware though of the reasons for which these costs are rising and will rise also in the future. Since the 1970s, an interesting paradox can be observed with regard to the functioning of healthcare systems in the world: the more successful the system, the higher costs of its maintenance<sup>11</sup>. In private sector success in the form of increased productivity or bigger sales of the products usually leads to the reduction in costs. In the healthcare system, the opposite applies. Successful medical treatment leads to the increase in costs. It can be attributed not only to the latest research findings, cutting-edge technology, scientific progress or better equipment but also to the changes in the structure of morbidity. New diseases and illnesses occur precisely because the others were successfully cured.

Many researchers stress the need for a fundamental change in the paradigm of the healthcare in Poland. It is indicated that in most of the developed countries about half of all doctors working in the healthcare system work in places that are in charge of the first contact with patients<sup>12</sup>. In Poland, the rate is much lower. This factor, accompanied by the insufficient qualifications of many family doctors, moves the whole healthcare system in the direction of the hospital treat-

11 Gdula M., Raciborski Ł., *Zdrowie – wyzwanie polityczne*, „Krytyka Polityczna” 2007/2008, no. 14, p. 398.

12 *System error*, Interview with Kinga Dunin conducted by Jacek Żakowski, „Polityka” 2012, no. 34, pp. 34–37.

ment which is much more expensive and less efficient.

What is missing in Poland is also the recognition of the importance of communication between doctors and patients. The comprehension, that the quality of mutual communication influences the subsequent treatment and patient's behavior, is still too rare<sup>13</sup>. The origins of this phenomenon can be seen at the early stages of medical studies, where courses like medical sociology or social communication, whose primary task is to develop the communication competence and empathy for the patients, are reduced or deleted completely. It is estimated that about half of the symptoms, that patients experience and talk about with their family and friends, is not reported to the doctor during a visit. There are many more issues and reform proposals worth talking about. It is pointed out that the starting point for the discussion about the specific issues should be a completely new approach to the healthcare system with recognition of the importance of health as one of the major public goods that affects the welfare of the whole society.

### **The Distribution of Public Goods**

The growing need for developing the proper architecture of distribution of public goods can be observed. Is the market, as a place of interactions between producers and consumers with its specific rules regarding the transactions, the right mechanism of such a distribution? Or should public goods be allocated without the mediation of a market, through political decisions or public system? The most influential scholars in the field of public goods emphasize that

13 Ibidem.

the solution to this dilemma must take into account the specificity, diversity and a unique character of public goods. Therefore it should go beyond the traditional opposition between the overall privatization and central management<sup>14</sup>. It is worth remembering that the overall effects of market systems depend on the political and social environment, the quality of institutions and the degree of a symmetry or asymmetry of information between the buyer and seller. It would be unreasonable to argue that in the case of pharmaceutical products or medical equipment a potential buyer is able to acquire a complete information about the subject of a transaction. Many prominent scholars argue that the strong dominance of the market regulator, which has been observed in recent years, gradually destroys the proper balance between the public and private, also in the field of public goods. American political philosopher Michael Sandel stressed the mistake we make every time we think of market as an inert and neutral space which in no way affects goods that it exchanges<sup>15</sup>. In fact, markets leave their mark. Sandel argues that the market can corrupt goods it exchanges; which means that market can promote the wrong way of valuing goods worth caring about.

The proponents of the universalization of market as an ultimate regulator of all social processes often claim that it is the best mechanism for the allocation of goods; since under market rules goods can finally get to those who value them most. How to measure who values something most? By the willingness to pay for

14 Ostrom E., *Governing the Commons: The Evolution of Institutions for Collective Actions*, (Cambridge, 2011) (Kindle edition).

15 Sandel M., *What Money Can't Buy: The Moral Limits of Markets*, (New York, 2012), p. 9.

it the highest price. Sandel argues that this particular measure is plain wrong since the willingness to pay for a good the highest price does not yet mean that this person appreciate it more than others. Philosopher claims that a queue might be a better mean of allocating a good. A queue might be the right instrument to measure the real willingness and devotion to possess certain good, only by showing how much sacrifice and long hours one can stand in order to finally get it. Sandel concludes that the reach of markets and market-oriented thinking, into aspects of life traditionally governed by nonmarket norms, is one of the most significant developments of our time<sup>16</sup>.

The argument regarding the supposed neutrality of markets seems to be the crucial one as far as the distribution of public goods is considered. If markets really have the ability to leave their marks on goods they exchange, then the provision of public goods, with the use of market mechanism as an instrument of allocation, can in the long term fundamentally change the nature and character of goods and contribute to the erosion of their public dimension. The recognition of such a danger entails important consequences for policy decisions in the field of the public goods and their distribution.

### **New Social Contract**

It seems reasonable to argue that a deeper reflection on public health and, more generally, on the role and significance of the most important public goods in the contemporary world, is needed. The growing amount of research on the issue of public goods from the scientific perspectives of political science, public

policy, economic science, management and political philosophy, will certainly contribute to the better comprehension of the phenomena in question. In Poland, the quantitative and qualitative increase in the scientific literature, feature writings, and translations of the works of foreign authors who face the problem of public goods from the varying research disciplines and professional perspectives, will be the crucial process. These works prove that we know more and more about what should be done in order to avoid “the tragedy of the commons”. Many proposals that could improve the current situation were formulated. Authors of the “Providing global public goods” present four different ways of improving the provision of global public goods and making globalization more manageable:

- 1) refurbishing the analytical toolkit – to better reflect current realities in public goods provision
- 2) matching circles of stakeholders and decision-makers – to create opportunities for all to have a say about global public goods that affect their lives
- 3) systematizing the financing of global public goods- to get incentives right and secure adequate private and public resources for these goods
- 4) spanning borders, sectors and groups of actors – to foster institutional interaction and create space for policy entrepreneurship and strategic issue management<sup>17</sup>.

What should be strongly accentuated is the role of the public debate as an arena of articulation of interests of different social groups and clashing visions of

<sup>16</sup> Ibidem, p. 7.

<sup>17</sup> Kaul I., Conceição P., Le Goulven K., Mendoza R. U., *op. cit.*, p. 5.



social life. Thomas Jefferson wrote that every political community and social contract should be restated in each new generation. Hannah Arendt emphasized that every democratic republic requires that their identity, traditions and political institutions have been continuously defined and redefined<sup>18</sup>. The sheer scale of political, social and economic transformations, that occurred in the last decades, seems to be so enormous that it requires a redefinition of a number of key categories and negotiation of the rules of social conduct more suited to modern times. The recognition of some exceptional assets as valuable for the entire political community can stimulate the discussion about the most appropriate allocation mechanisms; more appropriate than the market only. As noted by Dani Rodrik, since at least the end of World War II, economic science has provided the language with which we discuss public policy and shaped the topology of our collective mental map<sup>19</sup>. The language of public debates has been in recent years dominated by the omnipresence of both economic reasoning and economic categories, which try to describe the heterogeneous social world in terms of gain, efficiency and profitability. There is no way to defend certain political solutions or goals like public education, universal healthcare or clean air by referring only to the economic logic or economic language, eviscerated from the values worth caring about or categories like "good society". Axiological pluralism, which is an indispensable part of modern society, cannot be the reason for the

abandonment of the negotiation of the rules of social relations.

## Conclusions

In the article health was characterized as one of the most important public goods in the contemporary world. The opposition between public and private goods was presented as well as the category of global public goods. It was pointed out that health belongs to the special group of exceptional goods, since it carries the characteristics of both private and public good.

It was emphasized that the distribution of public goods is a complex issue that requires an appropriate system of incentives as well as instruments in charge of its proper functioning. A question was posed whether the provision of public goods, with the use of market mechanism as an instrument of allocation, can in the long term fundamentally change the nature and character of goods and contribute to the erosion of their public dimension. It was stated that the widespread social anxiety and growing fear of further integration and globalization to a large extent results from the wrong management and unequal provision of global public goods. In recent years one could get the impression that global public goods constitute one of the omitted elements in the institutional architecture of the modern world<sup>20</sup>. The latest upsurge in the interest in the issue of global public goods may forerun the first attempts to adjust this architecture and fill in the missing parts.

18 Buras P., *Muzułmanie i inni Niemcy. Republika Berlińska wymyśla się na nowo*, (Warszawa, 2011), p. 9

19 Rodrik D., *The Globalization Paradox: Why Global Markets, States, and Democracy Can't Coexist*, (New York, 2011) (Kindle edition).

20 Zybała A., *Globalna korekta. Szanse Polski w zglobalizowanym świecie*, (Wrocław, 2004), p. 263.

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