BRITISH AND EUROPEAN WORKER MUTUALITY IN HEALTHCARE:

Welfare Solidarity Beyond the State

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HEALTH + WELFARE

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> The history of workers co-operatives, the friendly societies and the unions from which the Labour Party sprang is one of individuals coming together for self-improvement and to improve people's potential through collective action. We need to recreate for the 21st century the civil society to which these movements gave birth.[1]

Today, European healthcare systems display a richer and more diverse tapestry of ownership philosophies than is to be found in any other sector. Far away from stereotypically 'right-wing' notions of profit or 'left wing' notions of the state, in reality, healthcare is often delivered by a hugely divergent and complex range of organisations which defy normal categorisation. Scratch the surface of European healthcare systems and you will find charities, provident associations, friendly societies and even many trade unions providing their own forms of independent not-for-profit healthcare.

More than any other country in Europe the United Kingdom is famed for its state healthcare system, the National Health Service (NHS). Set up in 1948 to freely provide 'all medical, dental and nursing care' so that 'everyone can use it' the NHS now costs nearly 90 billion pounds a year and is the largest employer in Europe. Yet even here, healthcare is not simply the preserve of the state or those in the for-profit private sector. Today, many forms of mutual and even trade union aligned independent healthcare exist by providing a huge range of high quality consumer led services.

At a time when many European politicians are searching for new ideas to encourage more sustainable forms of solidaristic healthcare this paper argues that there are a wide range of historic and existing institutional arrangements in civil society which they should fully examine. By rediscovering and encouraging healthcare institutions in civil society, Europe's politicians would not only defy traditional notions of political left and right they would also find an institutional basis upon which to redefine solidarity without the state.

Independent healthcare and the trade union movement

Although many people in the UK think of independent healthcare as being politically associated with the centre right and the Conservative Party a trawl through history reveals a somewhat different perspective. Considering traditional centre-left regard for the principles of mutuality, voluntary co-operation and worker self-help, British independent healthcare not only has a radical political inheritance but a history deeply entwined with the interests of the poor and needy.

Long before the rise of Fabian socialism, post-war nationalisation and the idea that public ownership must equate with state ownership, the radical left promoted a wide range of non-state and voluntary welfare institutions. Co-operatives, friendly societies and trade unions all formed an increasingly successful network dedicated to the provision of efficient, consumer-oriented health and welfare services.

It was David Green in his seminal book *Working Class Patients and the Medical Establishment*[2] who pointed out that during the eighteenth and nineteenth centuries a formidable working class alternative

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[1] Tony Blair quoted in The Guardian, 25th May 1994.

[2] David Green, (1985) Working Class Patients and the Medical Establishment, Gower/Maurice Temple Smith, Aldershot.

- aimed at replacing the hated Poor Law - was established by ordinary working people. Significantly, Green reminds us that during the nineteenth century in particular the desire of the Labour movement was never to promote a universal welfare state:

> Through the trade unions workers would win the wages necessary to sustain a decent existence, and through the friendly societies they would organise their own welfare services – social insurance, medical care, even housing loans. The profit motive was to be supplanted: in the factory by the mutuality of the workers' co-op; and in retailing by the co-op store. Not all these working-class hopes were realised, but the friendly societies, the trade unions and the co-op stores were successful and offered a fraternal alternative to the sometimes cold world of commercial calculation.[3]

While many commentators emphasise the nineteenth century's promotion of wealth creation and *laissez-faire*, it is also important to remember that this was the high era of voluntary cooperation and mutualism. As Stephen Pollard, Terry Liddle and Dr. Bill Thompson wrote in their 1994 work, *Towards a More Cooperative Society: Ideas on the future of the British Labour Movement and Independent Healthcare*:

> We can scarcely imagine today the intricate carpet of chapels, schools, adult-education institutes, cooperatives, savings and friendly societies, trade unions and sporting societies that by 1900 had been laid over the hard ground of early industrial capitalism.[4]

When considering this historic movement's achievements in health and welfare it is particularly important to dwell on the growth and success of the friendly societies. They became popular in the later stages of the eighteenth century. The product of early industrialisation, they typically brought workers together by encouraging them to invest small but regular sums of money into commonly held funds. In times of difficulty, hardship or illness members were then able to draw on these resources. If a worker fell sick or lost a job then they - and their families - would be able to benefit from the money invested. In 1797 F. M. Eden extolled the virtues of this movement. Highlighting their growth and success he wrote:

> No institution has ever made a more considerable progress in so short a time than has been made within a few years by the benefit clubs or friendly societies. (…) These societies do not owe their origin to Parliamentary influence, nor to private benevolence; nor even to the recommendations of men of acknowledged abilities, or professed politicians. The scheme originated among the persons on whom chiefly it was intended to operate; they foresaw how possible, and even probable, it was that they, in their turn, should ere long be overtaken by the general calamity of the times and wisely made provision for it. A stronger proof could well not be given to show that the great mass of the people, prompted only by what they themselves saw and felt, were convinced of the inefficacy of all legislative regulations and therefore resolved in at least one instance to legislate for themselves. Rejecting, as it were, a provision gratuitously held out to them by the public, and which was to cost them nothing (the Poor Law), they chose to be indebted for relief, if they should want it, to their own industry and their own frugality. And I would fain hope that I do not deserved to be set down as wanting in all due respect for Parliamentary wisdom if, in a case like this, I should declare my preference for the wisdom of the people. I cannot recollect any act of the legislature for many years that has either produced such important national advantages or been so popular as the institution and extension of friendly societies.[5]

Later on, Eden investigated the number of societies involved and in 1801 he estimated that there were more than 7,200 with a total some 648,000 members.[6]

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[3] Ibid., p.1.

[4] Stephen Pollard, Terry Liddle, Dr. Bill Thompson (1994) Towards a More Cooperative Society: Ideas on the Future of the British Labour Movement and Independent Healthcare, London, Independent Healthcare Association, p.6.

[5] F.M. Eden, The State of the Poor, 1797, pp.630-631 – quoted in P.H.J.H Gosden (1979) Self Help: Voluntary Associations in Nineteenth Century England, Longman, London, pp.9-10.

[6] Ibid., p.12.

In opposition to a great deal of statist Dickensian mythology, the reality of the nineteenth century was that this movement grew rapidly. From the early 1830s onwards the trade union movement made voluntary social security and better healthcare provision a primary objective. For example, in 1851 the Amalgamated Society of Engineers (A.S.E) oversaw 11,000 members each paying a shilling a week. In exchange members received a range of benefits that included a generous allowance for sickness.[7]

Growth in such schemes continued over the ensuing decades and in 1910 there were more than 6.6 million members of the registered friendly societies; quite apart from those in membership with the unregistered schemes.[8] Importantly, their expansion during the previous thirty years had grown at an accelerating rate. While in 1877 registered membership stood at 2.75 million, ten years later the number stood at 3.6 million. During the intervening decade membership had grown at an annual average rate of more than 90,000. In 1897 membership had reached 4.8 million, with membership having grown by more than 120,000 a year. By 1910, there were more than 6.6 million with membership having grown at 140,000 a year.[9]

These were the figures known to the Government, which had previously attempted to impose a registration scheme on all the organisations. But in reality, many societies avoided such interference by the state with a sizeable minority refusing to register. Asked in 1892 to stipulate the proportion of ordinary working people covered against sickness the Chief Registrar of Friendly Societies answered that of 7 million male industrial workers only 3.86 million people belonged to the registered organisations. The additional 3 million were involved in friendly societies that refused to register.[10]

By 1900 the UK's mutuals and provident associations had amassed funds that exceeded more than £400,000,000 and by 1911 some nine and a half million people were covered. Commenting on the movement's successes the Chief Registrar wrote:

> …it remains one of the great glories of the Victorian era that…welfare has been established in a very large degree by the labours and sacrifices of working men themselves, and by the wise and judicious legislation which has permitted and encouraged their endeavour in the direction of self-help.[11]

Rise of state health and welfare

However, as the increasing success of non-state forms of health and welfare provision were accepted by large numbers people, the question presents itself as to why this broadly based populist movement went into decline? This is an important question not least because the evidence suggests that so far as voluntary and co-operative health and welfare programmes went they were both trusted and liked by their clients. As Green notes:

> Until the 1911 National Insurance Act every neighbourhood of every town was dotted with friendly society branches, each with their own doctor, who had usually been elected by a vote of all the members assembled in the branch meeting. In most large towns the friendly societies had also established medical institutes combining doctors' living accommodation, surgery and a dispensary. These embryo health centres employed full-time salaried medical practitioners, full-time dispensers, and nursing staff under the management of a committee elected by all members.[12]

The 1911 National Insurance Act was initially seen by its instigator, Lloyd George, as a means of extending the benefits of the friendly societies to a wider population – and especially the poor. But together the two most powerful interests – the organised medical profession and the commercial insurance companies (which together formed a powerful trade association known as the 'Combine') – mounted an extremely effective lobbying campaign and succeeded in transforming the shape of the Bill as it progressed through the House of Commons. Outlining the campaign, Green writes:

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[7] See S. Pollard et al., op.cit., p.8.
[8] In 1846 the friendly societies had become such a powerful social force that an Act of Parliament placed John Tidd Pratt in charge of the newly formed Registry of Friendly Societies.
[9] David Green, op.cit., Ch.5., pp.89-107.
[10] Gosden., op.cit, p.91.
[11] Ibid., p.259.
[12] David Green, op.cit., pp.2-3.

> The BMA and the Combine formed a temporary alliance to extract concessions from the government at the expense of the friendly societies. The essence of working-class social insurance was democratic self-organisation; amendments to the Bill obtained by the BMA and the Combine undermined it. Doctors' pay had kept within the limits that ordinary manual workers could afford: under pressure, the government doubled doctors' incomes and financed this transfer of wealth from insured workers to the medical profession by means of a regressive poll tax, flat-rate National Insurance contributions.[13]

By the time of the Labour Party's formation in the early 1900s the British Socialist movement was a broadly based coalition containing many different shades of opinion: the utopians, the co-operatives, the friendly societies and the trade unions – all distrustful of a strong centralising state. However, in line with a great deal of sociological thought at the time,[14] a new strand of Socialism came to the fore which argued for the establishment of new moral communities based on occupational membership.

Bolstered by the earlier statist thinking of Edwin Chadwick, from the 1860s onwards a new generation of middle class, Fabian and Marxian Socialists began to influence the wider Labour movement, and pull it towards the ideas of a new welfare state.[15]

Arguably, the idea of non-state mutuality and co-operation in British healthcare was dealt its first major intellectual blow at the Socialist International of September 1872. For it was here that the two main proponents of nineteenth century socialism clashed. On one side was the anti-state individualist tradition represented by Michael Bakunin and on the other the statist stream lead by Karl Marx.[16] Although Bakunin's side formally lost the debate, it is interesting to remember his prophetic words against a socialism built upon a monopoly state. In 1868 he warned:

> …Equality without freedom is the despotism of the State. …the most fatal combination that could possibly be formed, would be to unite socialism to absolutism; to unite the aspiration of the people for material well-being…with the dictatorship or the concentration of all political and social power in the State….We must seek full economic and social justice only by way of freedom. There can be nothing living or human outside of liberty, and a socialism that does not accept freedom as its only creative principle…will inevitably…lead to slavery and brutality.[17]

At the end of the nineteenth century, in addition to Marx, Europe saw another powerful statist emerge who was to have a profound impact on British political thinking and who greatly encouraged the establishment of a top-down welfare state.

Count Otto von Bismarck was brought to power through the demands of military spending. In 1862, Wilhelm I of Prussia was on the verge of abdication after the demand that to approve his increase of taxation he would have to accept parliamentary control of the executive. As a final move, Wilhelm recalled Bismarck from being ambassador to France and appointed him as Minister President – the equivalent of Prime Minister.[18] Bismarck's policy for Germany was clear. Increase the army, extend conscription and raise tax levels.[19]

From entering office, Bismarck purged the liberals in the Prussian civil service and censored the press. After 1866, he used large sums stolen from the blind King of Hanover to bribe journalists and others to support him.[20] Bismarck undermined the liberal agenda in other ways too. Firstly, he helped to split them between the 'progressives' and the 'National Liberals' who supported his policy of war

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[13] Ibid., p.2

[14] See: S Pollard, et al, op.cit., p.10.

[15] Indeed, at the time there was an alliance between statist Toryism and statist Socialism. See: Semmel, B., (1960) Imperialism and Social Reform: English Social-Imperial Thought 1895-1914, Cambridge MA, Harvard University Press. On the foundations of the welfare state also see Searle, G. R., (1971) The Quest for National Efficiency, Oxford, Oxford University Press and (1986) Social Hygiene in Twentieth Century Britain, London, Croom Helm; Skocpol, T., (1992) Protecting Soldiers and Mothers: The Political Origins of Social Policy in the United States, Cambridge MA, Belknap Press/Harvard University Press.

[16] Sam Dolgoff, (1973) Bakunin on Anarchy, Grerorge Allen and Unwin.

[17] Ibid., p.4

[18] Paul Marks (1992) Bismarck: The Harm Done by one Individual to the Cause of Individualism, Historical Notes No.19, London, Libertarian Alliance.

[19] Ibid., p.2.

[20] Ibid., p.3.

mongering. Secondly, he secretly subsidised state Socialists such as Ferdinand Lassalle[21] to win workers away from the liberals, to support the state.

In 1879 Bismarck took advantage of severe economic problems to break the power of the National Liberals who to date had supported him. In 1884, he moved the state forward again and introduced compulsory sickness 'insurance' (compulsory contributions from employers and employees), accident 'insurance' (from employers only) and in 1899 old age pensions (with contributions from employers, employees and general taxation).[22] These schemes grew rapidly and 'progressive' income tax arrived in 1891.

In Britain, the early welfare state followed an essentially Bismarckian model and began with the 1911 National Insurance Act. It provided a safety net against both sickness and unemployment and with some important exceptions, covered all those between the ages of 16 and 70 who were manual workers, earned less than £160 per year or worked in industries 'known to be subject to severe and recurrent unemployment'.[23] The scheme was funded by weekly contributions from the insured worker, from the employer and from the Government. The basic weekly sickness benefit was 10s for men and 7s 6d for women. In addition to direct payments, the Act also provided for the setting up of general medical and pharmaceutical services.

In addition to enhancing the power of the medical establishment the 1911 Act introduced a compulsory insurance system which undermined the working class self help movement. Workers no longer needed to arrange their own affairs as best they could: the state would now do that for them. While the 1911 Act agreed to administer the new system through friendly societies, it only did so through those that had been 'approved'. However, to be approved, a society was required to have at least 10,000 members, and to conduct its business under far closer state supervision than ever before.[24] The result was that the sickness and unemployment insurance of the working classes was effectively monopolised by the state, which had handed the business to a few favoured societies – increasingly virtual government agencies. Not surprisingly, thousands of small and unregistered societies soon found themselves left searching for what little business remained and most inevitably died.

The inside story of how this came about was eventually told by W.J. Braithwaite, who was one of the officials connected with the National Insurance Bill:

> The reception of the bill had been very friendly. There had, however, been one discordant note from … the spokesman in the House [of Commons] of the Industrial Insurance interest, far the most formidable interest affected by the bill. Interests are a very real force in Parliament. They are alive and active. The public interest which should come before them is inert and dead compared with them, and had no spokesman or representative… The history of the bill is how they were bought off, conciliated, and in very few instances over-ruled. L[loyd] G[eorge] made promise after promise, did one doge after another…
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> …The Industrial storm had already blown up. It was very cleverly worked, and I suppose that Kingsley Wood [legal adviser to the insurance interests] was at the bottom of it. At any rate he said to me one day when the storms was in full blast. 'We have got L.G. there' (putting this thumb on the desk) ' and shall get our own terms'.[25]

It is in this context that the health and welfare legislation of the 1940s must be seen as a logical extension of ideas first floated at the first international in 1872 and in Bismarck's Germany during the 1880s. Sparked in Britain by the National Insurance Act of 1911 and hugely advanced by the crises of the Great War, the subsequent inter-war slump, and finally the Second World War, it ended with legislation from a Labour Government as far divorced as can be imagined from the ideals of the labour movement's historic roots. In many ways the policy developments of the late 1940s and the arrival of the NHS was simply a logical next-step of the ideas and interests of the previous and increasingly

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21 As Nietzsche and others knew, the official anti-socialist stance of the state was a fraud. Liberalism was the true enemy of the state as taken to its final conclusions it would ultimately erode the state itself. See Nietzsche's 'A Glance at the State' in his Human All Too Human, 1878 pp.472-473.

22 Paul Marks, op.cit., p.3.

23 S Pollard, op.cit., p.10.

24 Ibid.

25 Sir Henry N. Bunbury (ed) Lloyd George's Ambulance Wagon, The Memoirs of William J. Braithwaite, Methuen Ltd, London 1957, pp.161-168.

statist decades. However, such policy had virtually nothing to do with the wider movement's history and principles.

Worker mutuality and today's independent healthcare

Today, more than half a century on from the inception of the NHS, one cannot open a newspaper without reading about the pressures, strains and failures of this nationalised service. Across Europe, state funded health and welfare services are under pressure as never before.

Yet, however dominant the state has become in recent decades, it is also true that the earlier traditions of worker self help and mutuality never completely died. Although marginalised, and against all the best efforts of Britain's post war politicians, there is today an abundance of evidence to suggest that it is already being maintained and rediscovered by many millions of ordinary people.

In the UK, seven million people now have private medical insurance and another seven million people are covered by private health cash plans. Millions more choose from a wide range of other options such as acute self-funding and paying privately for a range of alternative therapies.

> In the year 2000, more than a quarter of a million people chose to self-fund for independent acute hospital surgery and treatment without any insurance at all. Instead, they simply paid cash or via their credit cards.[26]

In contrast to the original promise that the NHS 'would provide all medical, dental and nursing care'[27] :

> In dentistry, more than a third of the population has now abandoned the NHS and relies solely on independent sector treatment. And more than eight million people pay privately for a range of complimentary medical therapies every year.[28]

According to research published in the Daily Telegraph[29], more than 3.5 million trade unionists – more than 50 per cent of the Trade Union Congress's 6.8 million members – now enjoy the benefits of private health cash and medical insurance schemes.

At a time when the country's political class is trying to get itself off the hook of past political governmental promises in health by exploiting the rhetoric of public private partnerships, many independent sector organisations already have formal agreements with trade unions or have large numbers of ordinary workers in their memberships.

Some schemes offer private medical, permanent health or critical illness cover. Others offer private health cash plans that pay for services that include items such as dentistry, ophthalmics, physiotherapy, chiropody, podiatry, maternity services, allergy testing, hospital in-patient stays, nursing home stays, hospital day case admissions, convalescence, home help, mental health and psychiatric treatment, and even the use of an ambulance.

Today, independent sector healthcare schemes abound and most are in the not-for-profit tradition. A cursory – and by no means exhaustive - survey for the Stockholm Network can be found in the appendix to this paper.

As is clear from this list, many public sector trade unions have profound links with private medical insurers and even private health cash schemes:

> Today, independent sector not-for-profit organisations such as the Benenden Hospital, Bristol Contributory Welfare Association, BUPA, Civil Service Healthcare Society, Hospitals Savings Association, Standard Life Healthcare, Wakefield Health Scheme, Westfield Contributory Health Scheme and dozens of other similar bodies, have millions of trade unionists in their combined memberships.

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26 Data from the Independent Healthcare Association.

27 This quote is from a leaflet describing the role of the NHS delivered to every British home in July 1948. It was produced by the Ministry of Health.

28 Independent Healthcare Association data May 2002.

29 Daniel Kruger, 11 September 2001, 'Why half trade union members have private health', London, Daily Telegraph.

> Many public sector trade unions such as Unison even have formal links with private health cash schemes such as Medicash and promote them on their internet sites. These schemes are an important and growing source of revenue for the independent sector and add to the diversity of the overall health market.[30]

In line with many European countries, privately funded patients are no longer confined to receiving treatment and care in one sector. Today, they are increasingly accessing hospital and care services provided in independent - charitable, mutual and commercially owned - facilities.

In the UK there are now more than 200 independent acute medical and surgical hospitals. With more than 600 operating theatres, 800 critical illness beds and over 10,000 acute medical/surgical beds, their numbers and quality are impressive.[31] Delivering more than 1 million surgical procedures a year and seeing more than 4 million people in out-patient's appointments the sector's hospitals offer substantial capacity.

In mental health, the Mental Health Act Commission points out that independent sector providers now deliver more than 55% of the NHS's medium secure provision.[32] Offering innovative and pioneering services in high quality surroundings, independent providers have demonstrated they can hugely benefit the lives of patients.[33] Independent providers of acute mental health and substance misuse services now offer more than 70 facilities up and down the country.[34] Providing more than three thousand beds, they deliver around a quarter of the country's combined acute mental health provision.[35] Providing 31 specialist units for treating eating disorders, the sector also provides more than 80 per cent of the country's acquired brain injury rehabilitation and delivers a majority of the country's substance misuse care.[36]

Independent nursing and residential care homes provide at least 400,000 beds and more than one hundred and fifty million nights of care each year. Mainly used by older people who require long or short-term care they are an integral part of the nation's wider health and social care system.[37]

Health and welfare solidarity beyond the state

> In many other European countries there are many not-for-profit voluntary or charity-run hospitals all providing care to the public health care system. There are private sector organisations doing the same.[38]

In other European countries, there is a long established recognition that partnership working is good for health and welfare services. The idea that the state should own all of a nation's health facilities is treated with derision and has remained off the political agenda. In Belgium two thirds of hospital beds are in the independent sector.[39] In Germany and Spain half the hospital beds are independent.[40] In Austria, France, Greece and Italy, more than one third of all hospital beds are in the independent sector.[41]

From a domestic policy perspective, it would be easy to imagine that UK health trends are unique. However from a European perspective they are not. Despite systemic national differences the trend towards ever greater market-oriented reform in healthcare spans the continent.

In Sweden, the shift from a healthcare system characterised by public service monopoly, hierarchy and top-down attitudes to one with diverse providers, networks and consumer power has been profound in recent years – and most striking in the city of Stockholm.[42] Across Sweden the number of

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30 Edward Vaizey (ed) (2002) The Blue Book On Health: Radical Thinking on the Future of the NHS, London, Politicos Publishing, p.99.
31 Data from the Independent Healthcare Association Acute Hosptial Survey 1999-2000, London, Independent Healthcare Association.
32 Ibid.
33 Ibid.
34 Ibid.
35 Ibid.
36 Ibid.
37 (2000) Caring Solutions, London, Independent Healthcare Association.
38 Rt. Hon. Alan Milburn MP, Secretary of State in 2001.
39 (1993) Hospital Committee of the European Community, Hospital Services in the European Community, Leuven (Belgium), p.29.
40 S Pollard, et.al., pp.13-14.
41 Ibid.
42 Johan Hjertqvist, (2002) The Health Care Revolution in Stockholm, Timbro Health Unit, Stockholm.

contracted private healthcare providers is rising, reflecting a new era of consumer choice and a preference on the part of many young doctors and nurses to work for private contractors. Stockholm's revolutionary approach to healthcare – public funding, public-private cooperation in provision and freedom of choice – has started to attract international attention.

In Germany, pressure is mounting for the government to reform the health care system and to enable people to more easily use private medical insurance. Already, more than eight million Germans have private medical insurance - some ten per cent of the population – and this figure is set to rise as German state health benefits are increasingly restricted under the government's ongoing reform process. With comparatively high taxes, uncompetitive social costs and more than four and a half million unemployed, German opinion formers are united in the view that private sector solutions are now the only way forward in healthcare.

Over the last decade privatisation has been extensively used in many of Europe's smaller states such as Finland. Here, it has been applied to every sector where the state has been traditionally active and at every level: both national and municipal. Since 1995, municipalities have been allowed to buy services from the private sector and whereas in 1989 the public sector employed some 215,000 people, by the late 1990s this number had fallen to 127,000. In healthcare, contracting out has become commonplace – with one municipality recently privatising all of its healthcare provision over a very short period.

Today, across Eastern and Central Europe, there is a newly emergent and booming private healthcare sector. After decades of state failure, people are beginning to see the emergence of private health brands that they can trust and with whom they can develop a long term relationship. A newly emergent middle class with an increase in personal and disposable incomes means that the expansion of a range of private health services is now set to continue.

One example of this process is the Slovak Republic. Since September 2003 Slovaks have been given the opportunity to pay for key elements of their healthcare and therefore begin to act as empowered consumers. A health law passed in March 2003 means that health providers now charge a range of direct-to-consumer payments, including Sk 2 per doctor visit, Sk 20 per drug prescription, Sk 2 per kilometre travelled in an ambulance, and Sk 50 per day spent in hospital. While patients continue to receive some medication 'free' from the state, many medicines are now paid for directly by the people themselves.

As Europeans become less tolerant of state failure in healthcare and less willing to act as passive recipients 'grateful for what they receive', so pressure is mounting for politicians to engage more consumer friendly and economically sustainable independent sector solutions. In many ways, people's attitudes to healthcare have already changed. In a less deferential age where ever larger numbers of people have university educations, and people are able to act as consumers in other key areas of their lives, they are more aware than ever of their choices - and their power of exit. In a global world of tax competition, demographic pressure and expensive technological advance, reality is conspiring against the grandiose and past promises of 'big government'.

Today however the fight-back from the British and European centre-left comes from a re-discovery of the roots of modern welfare. Instead of utilising state structures that actively undermine consumer choice, Europe's politicians should recognise that by encouraging trade union, church and charitable health and welfare schemes, solidarity can not only be put on a more sustainable and effective footing but it can chime with the demands of the psychology of consumerism in an age of globalisation.

In this context, it is perhaps ironic to note that the country that did more to nationalise healthcare than any other in Europe – the UK - is now witnessing such a rapid rediscovery of what went before. In a country where policy makers are rediscovering the virtues of non-state housing associations, welfare charities and even credit unions for the poor, there is also a re-emergent acceptance of independent sector delivery across a wide range of health and social care services. As such, there are again clear and profound signs that welfare and solidarity without the state are becoming ever more relevant and engaging themes. These are all libertarian ideas that policy makers across Europe would do well to examine and to re-discover for themselves as the twenty first century develops.

Appendix: List of Independent Healthcare schemes in the UK

The Benenden Hospital - www.benenden.org.uk - friendly society scheme serves 1 million British Telecom, Post Office and Civil Service workers and their families. Established in 1905, the Benenden is one of the largest independent hospitals in the country. It works in partnership with a national network of other not-for-profit independent hospitals and has a close relationship with many tens of thousands of trade unionists.

The Bristol Contributory Welfare Association www.bcwa.co.uk is a not-for-profit organisation established in 1935. It offers a range of private health cash benefits and private medical insurance products.

BUPA - www.bupa.com – is a mutual offering a wide range of private medical insurance and health cash benefits. It has a national network of more than 35 hospitals and 200 care homes. Established in 1947, the British United Provident Association is the amalgamation of seventeen historic provident associations and today covers more than 3 million people - many of whom are trade union members.[43]

The Birmingham Hospital Saturday Fund www.bhsf.co.uk is a mutual established in 1873. It specialises in private health cash benefits and currently has 230,000 workers in membership a high proportion of whom are members of trade unions. It has a formal partnership arrangement with Standard Life Healthcare – www.standardlifehealthcare.com

The Civil Service Healthcare Society - www.cshealthcare.co.uk - was founded in the 1920s. It has more than 25,000 people in membership. A mutual offering private medical insurance, its members are primarily workers in the public sector.

The Communication Workers Friendly Society - www.cwfs.co.uk - is a mutual offering private sickness benefits. Having a special relationship with union members in the postal and telecommunications industries, it is strongly aligned with the Communications Workers Union.[44]

Dentists Provident Society - www.dps-ltd.co.uk - is a mutual offering permanent health insurance, private health cash benefits and accident and sickness benefits. Most members are dental surgeons - many of whom have traditionally worked in the NHS.

Exeter Friendly Society - www.exeterfriendly.co.uk - offers private medical insurance and is one of the best known healthcare friendly societies working in Britain.

Health Shield - www.healthshield.co.uk - is a friendly society with more than 120 years of experience. It offers a range of private health cash benefits.

Health Sure Group - www.healthsure.org.uk - is a mutual offering private health cash benefits. It has many members of the Unison trade union in its membership.

Holloway Friendly Society - www.holloway.co.uk – specialises in permanent health insurance and sickness benefits. Traditionally, it has a close relationship with trade unionists in customs and excise.[45]

The Hospital Savings Associatio www.hsa.co.uk/HSA is a mutual organisation that offers private health cash benefits to more than 3 million people many of whom are members of trade unions.[46]

The Independent Order of Odd Fellows Manchester Unity - http://www.oddfellows.co.uk/ - is a friendly society that works in partnership with the Hospital Savings Association (mentioned above). It offers sickness benefits, permanent health insurance and medical cash benefits.

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[43] BUPA traditionally estimate that some 10 per cent of their members are in trades unions and other professional associations.

[44] The Communications Workers Friendly Society is open about this relationship on its web site: www.cwfs.co.uk

[45] This information is from an on the record interview in 2001.

[46] H.S.A estimate that some 30 per cent of their members are in trades unions.

Medicash - www.medicash.org - is a mutual organisation that offers private health cash benefits and has many trade unionists as members. It workes particularly closely with the police and fire services and even has a formal agreement with Unison. It traditionally makes charitable donations to the NHS and has more than 230,000 workers in membership.[47]

Nuffield Hospitals - www.nuffieldhospitals.org.uk - is a charitable organisation that offers a national network of 44 not-for-profit hospitals. Nuffield Hospitals Centre for Education and Clinical Effectiveness offers training to a wide range of private sector and NHS nurses, physiotherapists and other health professionals.[48] Nuffield Hospitals has close links with a wide range of worker groups and actively welcomes trade unionists into membership.

Rechabite Friendly Society - www.rechabite.co.uk - is a friendly society offering sickness benefits, permanent health insurance and private health cash benefits.

Shepherds Friendly Society - www.shepherds.co.uk - is a friendly society offering sickness benefits and permanent health insurance. It welcomes trade unionists into membership and 'has links with several trade unions'.[49]

Standard Life Healthcare - www.standardlife.co.uk - is a part of the Standard Life group and therefore apart of one of the Europe's wealthiest mutual organisations. Standard Life Healthcare is one of Britain's leading private medical insurers. It also works closely with the Birmingham Hospital Saturday fund which provides private health cash benefits.

Wakefield Health Scheme - www.wdhcs.com - offers private health cash benefits and has more than 50,000 workers in membership. Many of them are current or former trade unionists.[50]

Western Provident Association - www.wpa.org.uk – is a mutual organisation that offers a wide range of private medical insurance and health cash benefits.

Westfield Contributory Health Scheme - www.westfieldhealth.com - offers private health cash benefits. It has many trade unionists in membership and has a particularly close relationship with members of the Transport and General Workers Union. It has more than 250,000 workers in membership and traditionally has an exhibition stand at the annual Labour Party conference.

[47] This is the figure for the financial year 2002-2003.

[48] Nuffield Hospitals Centre for Education and Clinical Effectiveness offers a wide range of clinical courses for healthcare staff. Through strong links with the University of Central England and Middlesex University, most of the courses are accredited with academic points at diploma, degree or Masters Level, which can aid students in pursuing Higher Education awards and career progression. These links with the Universities also facilitate developments in Evidence-Based practice and assistance in Clinical Research projects. NVQs for Theatres and Health Care Assistants in the wards are also available and have been integrated as a Skills Escalator. One of the many advantages the Centre provides is the opportunity for all students to obtain professional and academic qualifications, whilst still in full-time employment through Distance Learning and Work-based programmes. The programme managers from the Education Centre provide outreach courses in divisions, via Satellite Centres as well as in hospitals.

[49] This information is from a recorded interview in late 2001.

[50] This information is from a recorded interview in late 2001.