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Editorial

Is it too late to turn back the clock on managerialism and neoliberalism?

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The esteemed health economist, Gavin Mooney, who died in tragic circumstances in December 2012, devoted his last book *The Health of Nations: Towards a New Political Economy*[1] to exposing the pernicious effects of neoliberalism on healthcare. He argued compellingly that the consequences of 'neoliberalism' – in his usage, the reliance on market mechanisms to address all the needs of a society in the areas of healthcare, education, social welfare and even the arts – have been disastrous for the health system and have exacerbated inequalities in access to care at both the national and global levels. They have led to inappropriate and perverse social outcomes, distorted the kinds of medicines and technologies that are employed, increased the equity gap, and exacerbated environmental destruction. He posed the question of whether it is possible to reverse what has, until now, been largely assumed to be an inexorable trend and, using case studies drawn from both developed and developing countries, drew attention to several possible alternative strategies for designing and delivering the sort of healthcare that may enrich communities, increase equity and properly address the social determinants of health.

Mooney's eloquent indictment of the predicament of contemporary health policy is an important component of what will undoubtedly be a powerful enduring legacy. At the least, his impassioned plea for a restoration of core values, such as compassion, respect and a commitment to social justice, will continue to resonate with, and pose challenges for, those working in the health sector well into the future. But, just as important is his exposure of the mechanisms through which neoliberalism operates and the widespread extent and pernicious nature of their influence.

The phenomenon of neoliberalism cannot be understood purely in economic terms. Rather, it is just one manifestation of a wider philosophy that has deeply infiltrated almost every aspect of our social and cultural life.[1-4] The essence of this philosophy is that decision-making in relation to social institutions should be guided not by ethical values or goals but by strictly instrumental criteria.

Depending on the context, the latter may take the form of cost cutting, balancing of budgets, efficient managerial practices, maximisation of profits, and control and disciplining of the workforce according to externally imposed performance criteria. In contrast, substantive ethical values such as cooperation, consultation, mutually caring relationships, introspection, humility and loyalty to staff are regarded as no more than quaint anachronisms. The system of control is instituted through the – sometimes ruthless – operation of regimes of power by highly paid professional managers who have largely replaced older style academic, professional and cultural leaders.

The wider paradigm of the value-stripping of social institutions is often referred to by the terms ‘corporatism’ and ‘the new managerialism’. Its rapid extension since the 1990s and its vast consequences have been widely studied. There is now a large body of evidence to support Mooney's central hypothesis that managerialism in the health sector, in relation to policy formation, the organisation and administration of hospitals, and the delivery of primary care, has led to an erosion of the values of caring, trust, mutual responsibility, respect for the vulnerable, justice and fairness – values that have hitherto been taken to be foundational for the idea of medicine itself.[1, 3, 5, 6] In almost all decision-making in relation to health policy, it is now the ‘bottom line’ that has come to dominate. Increasingly, it seems that the key criterion of the management of a hospital or health authority is the balancing of the budget not the achievement of an ethos of caring and ethics. Indeed, ethics is often seen as an unwelcome and inconvenient encumbrance that only limits or obstructs the ‘hard decisions’ and so has been increasingly displaced by processes of administration or ‘governance’.

Managerialist ideologies have also come to dominate in the educational sector, where ‘old-fashioned ideas’, such as fostering imagination, creativity and the ability to ask critical questions, and promoting cultural diversity and richness, have largely given way to cost-efficient strategies for producing large numbers of graduates with narrowly defined technical skills.[2-4, 7] Curricula have been ruthlessly stripped of theoretical or reflective content, and ethics education has increasingly given way to instruction about the need to observe conventional codes of behaviour. Junior academics are rarely given tenure anymore and struggle to compete for increasingly rare research resources, and teachers and clinical academics often feel that their work is undervalued or unsupported. And as in the health sector, the system is increasingly administered not by intellectual leaders but by financial managers with limited commitments to the higher moral purpose of education, research or even healthcare itself.

Even the professional associations of medicine – which for five centuries have operated as mutually supportive, democratically organised cooperative societies – have been swept up in the process. Many of them – including The Royal Australasian College of Physicians (RACP) itself – have been subjected to a process of ‘corporatisation’ in both their legal structures and the cultural ethos according to which they operate. Here too, the values of cooperative support, the sharing of common experience for the public good, and a commitment to social justice and service are being displaced in favour of rigid criteria of technical rationality administered by highly paid managers committed to corporate values of efficiency, commercial self-interest, and the concentration and maintenance of power. This has also been accompanied by a surprising lack of transparency, particularly between the corporate administration and the Fellowship. In many cases, these developments have provoked disquiet among a formerly passive membership: the recent RACP election campaign, for example, was replete with widely applauded references to the need for a return to core values, a reduction in bureaucracy, the restoration of openness and transparency, and the re-enfranchisement of members.

Those observing from the outside the results of two decades of careful documentation and rigorous analysis of the pernicious effects of the new managerialism and neoliberalism on our core social institutions may be forgiven for feeling diffident about the possibilities for change. Gavin Mooney himself, however, always retained a sense of optimism. *The Health of Nations* ends with examples of ways in which communal values could be revived and community consultation procedures and democratic values restored, facilitating a return to what he referred to as 'a more compassionate society'. Whether it will be Mooney or his quietistic interlocutors who will turn out to be right, only time will tell.

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