

# **Title: THE PROCESS OF MARKET-ORIENTATION IN THE UK'S NATIONAL HEALTH SERVICE: THE NEED FOR A NEW RESEARCH AGENDA**

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## **ABSTRACT**

This paper employs two central arguments. First, despite the continuity of funding arrangements the NHS has been subject to a period of sustained exposure to market-oriented reforms that culminated in the establishment of a set of institutional arrangements that became infelicitously termed as an “internal market” in 1990. Subsequent legislation has not radically altered the underlying institutional framework, as the use of market-inclined rhetoric indicates. The NHS is no special case in comparison to many other industrialised states. Second, it is contended that the rise of neoclassical health economics has contributed to this trend, particularly in the UK. Despite the influence of this literature on the process of reform, its contribution may be seen as potentially insidious given the restrictiveness of the mainstream approach, its grounding in a utilitarian cost calculus, and the rhetoric of objectiveness frequently referred to in standard narratives.

Instead, this paper advocates the urgent need for richer analytical concepts to be employed by health economists in their contribution to the institutional arrangements for providing health care. In particular, the paper argues that less restrictive conceptions of human behaviour may be sought with reference to Max Weber's ideal typical behavioural orientations, and Thorstein Veblen's references to social psychology. The institutional embeddedness of behaviour is thus emphasised, as is the possibility of a greater appreciation of the impact of market-oriented reform in health service bodies.