



# Have we reached “peak neoliberalism” in the UK’s covid-19 response?

January 27, 2021

With government-backed furlough schemes in use, and additional funds flowing to the NHS like no time since 2010, it might not initially seem as though the past year represents the height of neoliberalism in the United Kingdom. Instead, the intervening hand of Westminster has been harvesting the magic money tree for NHS funding. Government prime-time news conferences on epidemiology, infection prevention, and vaccination might seem to be a vindication of the importance of public health, and a recognition of the primacy of the NHS. However, *how* the government has reacted to covid-19—the decisions taken on privatisation and outsourcing—build on previous defunding and reorganisation of public health and local councils, and represent an acceleration of the involvement of market forces and neoliberalism in the health service, and in social care. (1,2)

## What is neoliberalism in health?

“Neoliberalism” has been used as a catch-all term by people at all points on the political spectrum. But its actual definition is contested. Bell and Green broadly define it as a “post-welfare state model of social order that celebrates unhindered markets as the most effective means of achieving economic growth and public welfare,” and give two examples, Thatcherism and Reaganism, as ideologies that met this definition. (3) In health policy scholarship, a neoliberal policy is one that tries to take actors that traditionally lie outside the market—the NHS, for example, or laboratories—and either bring them into its fold by introducing market forces, such as competition and privatisation, or dismantle them. (3-5) The process can require wide-scale and substantial government intervention, in order to restructure services and processes. (6) So although some point to government involvement in covid-19 as a sign that neoliberalism is waning, this is ignoring the fact that the implementation of neoliberal processes in fact *requires* government intervention and regulation to favour market solutions. (7) Its proponents say that neoliberalism reduces inefficiencies and allows for “innovation”, and in the UK NHS this has meant marketisation, “creeping privatisation”, and underfunding for over a decade, under austerity policies in the wake of the global financial crisis. Neoliberal ideologies also align with government subsidies; for example, the Moderna covid-19 vaccine received \$1 billion in US government funding for research and development. (8) Without question, an effective vaccine will have a role in the covid-19 response; but it is also true that alternative models of financing vaccines exist that protect the taxpayer. Calls for public-sector-led development of pharmaceutical research and development have largely gone unanswered.(9)

Neoliberal health policies have previously been associated with an increased burden of non-communicable diseases, increased inequities, worsening public health, and less funding for primary care services and systems, among others.(6,10–13) This has perhaps— until covid-19—been seen most clearly in responses to non-communicable diseases and the unhealthy commodities industries that propel them, such as the policy debates surrounding taxation or regulation of alcohol, sugar, and

processed foods. (10, 14–17) Since the covid-19 response, these factors—well known to those who work in public health or health promotion—have manifested across the entire spectrum of the UK’s covid-19 response.(10)

### *Outsourcing*

Large swathes of the UK’s response measures to covid-19 have been outsourced at great expense—and with little evidence of any subsequent efficiencies as neoliberalism’s proponents claim should follow. Many of these contracting debacles have hit the front pages, including Deloitte’s contracts for managing drive-in testing centres and laboratory services; Serco’s role in the underperforming “NHS test and trace” service—including reports of 500,000 leaking, contaminated vials; DHL, Unipart, and Movianto for various contracts—delayed, partially unfulfilled, and involving a complex web of disjointed subcontracts—related to the provision of personal protective equipment (PPE).(18–20)

The consequences of these outsourcing processes include inefficiency, waste, lack of oversight, poor lines of accountability, and failure to generate and consolidate timely and useful information. For example, in June it became clear that Lighthouse laboratories, a company contracted to provide covid-19 tests, was turning around test results in three days, when the NHS labs were doing the same tests, and turning around results in as little as six hours. (19) Moreover the BMA asserts that the Lighthouse lab tests were of inferior quality to the NHS standards. There were also serious contracting woes in Deloitte laboratories, which did not have to share relevant data with Public Health England or local partners. (19) These are serious and expensive failings.

Many of these companies, with links to cabinet ministers, their spouses and friends, and Tory party donors, have benefited from bypassing the traditional tendering processes. The onslaught of conflicting interests, cronyism, and the appearance of pandemic, private-sector profiteering in the government response to the covid-19 pandemic has been described elsewhere.(18,21)

### **So what if it is “peak neoliberalism”?**

#### *It’s not effective as a pandemic plan*

Most governments are bulk-purchasing diagnostics speculatively, driven by the fear that their populations (and, crucially, electorates) will be left out in the cold when eventually a successful therapy or test is developed. The same was the case with the vaccines that are now being rolled out. The problem is that putting the economy on the opposing side to public health seemingly leads to less effective decision-making for both. For example, one additional week without a lockdown in March 2020 is estimated to have resulted in an additional 20,000 covid-19 deaths and longer spent in lockdown in May and June.(23)

#### *It means that austerity may return*

It may seem as though this conservative government is in fact moving away from neoliberal tenets in the short term. However, in the longer term, we have ample reason for concern. There were warning signs, just before the second lockdown, that the government’s willingness to pay is dwindling. Although the furlough scheme was renewed on the strength of the epidemiological evidence that led to a national lockdown, the showdown between the regions—in particular Greater Manchester—and the Treasury was

a warning sign of things to come. Chancellor Rishi Sunak has warned public sector employees of pay squeezes. Also, we can consult precedent. In a coalition government with the Liberal Democrats after the 2008-09 global financial crisis, the Tories implemented austerity policies that we now know had severe health impacts on the poorest in society, reversing the trend towards increased life expectancy and plunging families into poverty.(24,25) Many, including The BMA, argue that the position of the underfunded NHS entering the covid-19 crisis has contributed to the explanation of why the UK has been particularly hard hit compared with its peers in the Organisation for Economic Cooperation and Development (OECD).(26)

The perils of underinvestment in public health infrastructure—and the perils of underinvestment in the health of a country’s inhabitants – have come to the fore in the pandemic. The USA has served as a cautionary tale. With fragmented, privatised, and underfunded public health services, the country was not protected by its wealth; if anything, the neoliberal ideologies that have led to tens of millions in the world’s wealthiest country to live in a state of insecure access to largely employment-tied healthcare options meant that covid-19 has incurred catastrophic expenses—both economy-related and health-related—for millions across the country.(27)

A spokesperson for Boris Johnson in June ruled out a return to austerity to pay for the pandemic response, but this was before the second wave.(28) Moreover, the other fiscal and monetary measures that could be implemented to pay for covid-19 borrowing—wealth taxes, rises in income taxes, printing more money, or in fact borrowing *more* while it remains inexpensive to do so, in order to spend our way out of the coming recession—are unlikely to be popular with the current British administration.(29)

## Looking ahead

We are approaching a year into the UK pandemic, and we are in the middle of a third UK lockdown. It is not inconceivable that we might have been in a different place had the government built on our public sector capacity in contact tracing and public health when this pandemic began. But instead of wallowing in counterfactuals, we make three recommendations for the way forward. Firstly, it is not too late for public sector capacity to be strengthened in lieu of neoliberal outsourcing. Secondly, effective and accountable contracting and tendering processes should not be circumvented in favour of cronyism Thirdly, a transparent communication style, the hallmark of trustworthy public institutions, could be embraced by this administration.

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*Competing interests: none declared*

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