

## **Privatisation of the hospital sector in Germany – an ongoing struggle**

Germany since ever had a mixed system respecting the hospital sector. On the one hand there is a public sector, which was traditionally by far the biggest one, then there is a sector run by non-profit organisations like the Red Cross, the churches etc., and third a small private sector.

This framework changed radically in the last 20 years.

Since the beginning of the nineties we face an ongoing process of closing down of public hospitals on the one hand and a rapid process of privatisation on the other.

To give you some figures: 1991 there were 14 % of the hospitals in private ownership, 2010 it was already 33%.

In the same time the percentage of public hospitals went down from 46% to 30%.

And this process is continuing.

The background of this development is directly linked with the global capitalist crisis. On the one hand the big national and international capital groups are looking for profitable investments for their money, on the other hand the state tried to resolve his financial problems through selling out the public property to private investors.

Germany was one of the countries, in which this process was started earlier than in other European countries and where it was pushed through in a breathtaking speed. So in the meantime among the biggest hospital trusts in Europe the first three are German ones, and they are expanding all over Europe.

This tendency of privatisation of public goods in general and of the health service in particular we can observe in almost all European countries. But there has been until now no country, which pushed it through in such a radical way. There is no country, for instance, which even sold whole university clinics to private investors.

This attack to the mainly public structure of the health system was started long ago. One of the first capital groups who started, was the German association of the private health insurances. They opened a hospital trust, named Sana, already in 1972. First they just took over small private clinics, but this changed slowly in the 80ies and rapidly since the 90ies.

In this time the big hospital trusts, which today are the biggest in Europe (Helios, Rhön, Asklepios, Sana) took over more and more public hospitals, which made chronic deficits.

Which was the political background?

Until the nineties a hospital in Germany was not able to generate profits, because roughly said a hospital just got the money from the public insurances, which it had spent.

So to make the sellout attractive to the private hospital trusts, the way of financing was changed:

Through the introduction of the so-called DRG system there were introduced fixed prices for any case of treatment, according to the diagnosis and the respecting procedures performed like operations, diagnostic measures etc. If a hospital was able to perform the treatment cheaper, it could make a profit.

And this was the start for the above mentioned wave of privatisation of the hospital sector in Germany.

The consequences are apparent. The private owners started an ongoing process of rationalisation in the hospitals, which they took over and they count with an operating profit margin of about 15%.

And this happened on the back of the employees in the hospitals in the first place, because about 70% of the cost are the salaries.

Let me give an example: In february 2006 Rhön-clinics bought the University clinic of Giessen/Marburg, which had a huge deficit. In June 2007 already it was profitable: In this time 280 of 7000 jobs were cut, this made 11,5 millions Euro, 30 more were shifted to the public

administration, means the tax-payer, this makes another 1,2 millions, and further 2,7 millions were made through administrative measures – means rationalisation.

By the way: All this happened during the governments of the different coalition governments of Social-Democrats with the Green Party, of Social Democrats with the Conservatives and of the Conservatives with the Liberals – an unholy alliance of all neoliberal forces.

But the problem the ruling alliance of privatisation-addicts of all these forces is facing until today is the fact, that all polls in Germany show since decades a stable majority for a public structure of health care.

So the resistance against the privatisation of public hospitals is big and it is growing. In the last ten years we had several examples for successful action against selling out the hospitals to private investors – mainly through popular votes on the local and regional level. So for instance three years ago in my region we could stop through a popular vote the privatisation of our three regional hospitals, in the town of Dresden it was stopped too and there are a couple of examples more. In general you can say that everywhere, where has taken place a popular vote, privatisation was rejected.

The German public workers Trade Union, VerDi, came in an investigation three years ago to the following conclusion:

1. Nowhere in the EU more public hospitals are for sale
2. Nowhere in the EU a government sells bigger hospitals
3. No other country is selling whole university clinics
4. German hospital trusts are the biggest ones in Europe

And the result of these politics is not only, that the personnel in the hospitals is reduced and the salaries are shrinking. The result is also, that the quality of healthcare is going down. This was proven by a number of high-qualified doctors and nurses, who quit their job in the mentioned university clinic, which was privatised. They claimed publicly, that the working conditions as well as the quality of healthcare worsened dramatically and they were not willing to take part in this.

And the other proof is, that the population is opposing strongly privatisation in the last years. In the very beginning of the process the resistance was low. But in the meantime the people made their experience with the privatised sector and since then the public opinion changed rapidly.

And this is exactly, what we have to reach on an European level: A broad and effective united resistance against any attempt, to privatise the whole health sector. In the contrary: Our demand has to be a complete public, equal, and non-profit oriented health system.