

Alternative European Perspective January 2025

[Roger Steer](#)

As I write this first newsletter of 2025 there is no shortage of year-end commentary and prognostications for the year ahead to choose to highlight. But events are sweeping all before them.

In the US the head of the health insurance arm of United Healthcare was assassinated, raising questions about what is going to happen to the healthcare industry in the US in future. [An article in the London Review of Books](#) summarises all the Trump appointments so far and it seems clear that there is method in his madness.

Unfortunately, a book I picked up in my local charity shop, *Free to Obey: How the Nazis Invented Modern Management*, by Johann Chapoutot, a French historian, draws parallels with the Trump management method and Hitler's.

And for that matter much else.

In Europe there have been two French prime ministers in the last month, one the shortest tenured in French history, with the most recent, Francois Bayrou, facing a vote of confidence in January.

The new Health Minister is [Yannick Neuder](#), a right wing cardiologist, who has already gained eye catching headlines by calling on the French to [stop drinking wine](#): grapes of wrath indeed.

Things are not any better in Germany, busy preparing for elections called for February,

with, despite a rising far right, the prospect of yet another centrist coalition government struggling to define a way forward for the German economy, which until now was the engine of Europe, but is currently spluttering.

This leaves the rest of Europe in limbo, facing continuing sluggish growth and threats of tariffs from the US. Extra resources are being sought to perpetuate the war in Ukraine and to make up for threats to cut US funding for European 'defence'.

Back in the UK the Starmer government is substituting the art of making announcements for the art of governing.

[This means that we are being told that dealing with waiting lists will be a priority](#), but that announcements on what the government will fund to deal with the backlog maintenance crisis and the need to replace crumbling hospitals, and to solve social care will be in the post: in the latter case set to arrive sometime in 2028.

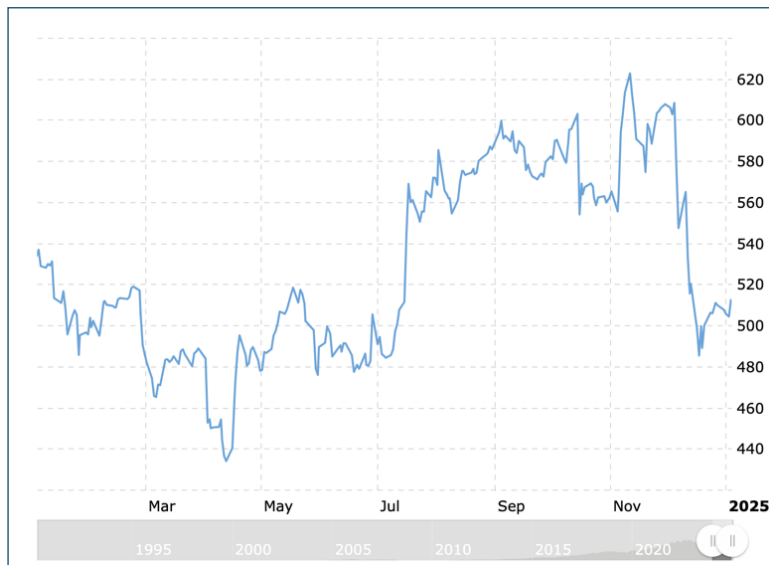
I will expand on these headline issues below together with a round-up of healthcare stories from across Europe.

The UnitedHealth Group

It had been a good year for the [UnitedHealth](#) group, the biggest private healthcare company in the world and ninth largest overall company in the US. As the chart below shows, the UnitedHealth Group share price in 2024 had risen by around 20% from July to November as the prospects for the accountable care and health insurance industry seemed rosy, but

things have since taken a dip back to the July level.

The article is well worth reading in full, but the main findings were:



First the [Chief Executive of the health insurance division was assassinated](#) in early December. His assassin rapidly gained notoriety and some sympathy amidst discussion of the reasons cited for the assassination. More seriously, on 2nd January 2025 the [Wall Street Journal reported](#) the results of a long-standing investigation into some of the controversial practices of the healthcare industry and United Healthcare in particular. Thus,

The investigation, which was under way before the [killing of a UnitedHealth executive](#) in December sparked an [outpouring of public rage](#) against the industry, relied on exclusive access to billions of records of Medicare services obtained through a data-use agreement with the federal government. The Journal's analysis of those records showed how private insurers took extra payments after diagnosing patients with conditions that no doctor ever treated, recruited patients who use few services and, at times, obstructed access to care for the sickest patients.

1. Insurers packed on diagnoses that made them more money:

Medicare Advantage insurers diagnosed patients with conditions that [triggered extra payments](#) of \$50 billion from 2019 to 2021, even though no doctor ever treated the diseases.

2. Insurers sent nurses to find diagnoses that doctors hadn't:

insurers dispatched their own nurses to visit patients at home and diagnose them with conditions that [their doctors hadn't](#), triggering an average of \$1,818 in extra annual payments

during each visit from 2019 to 2021 — \$15 billion in total.

3. Insurers got paid to cover patients who were already getting their healthcare elsewhere:

Medicare Advantage insurers collected billions of dollars a year in premiums to provide medical coverage to patients who used the Department of Veterans Affairs health system — and not Medicare — for some or all of their healthcare needs.

4. Doctors who worked for UnitedHealth generated billions of dollars in extra payments for their employer by adding more diagnoses:

UnitedHealth provided doctors with checklists of possible diagnoses for their patients and paid bonuses for completing them.

5. Sicker patients who needed expensive treatments like nursing-home care left Medicare Advantage at high rates — suggesting that insurers may have been denying them costly coverage:

Medicare Advantage insurers netted \$3.5 billion in savings from [their sickest patients dropping out](#) to return to traditional Medicare in the last year of life from 2016 to 2022.

The Wall Street Journal, part of Rupert Murdoch's empire, obviously has a good eye for a story. But the twist in the story is that the share price recovered on the news; with rampant malpractices like this the company is obviously very profitable: [the market remains bullish](#).

Predicting Donald Trump

I make no apologies for dwelling on the US, for I am reminded of the reporting of the events of September 1939. War had been declared but the sun was shining, and people carried on as normal.

Donald Trump has been elected, he has told us what he is going to do, he has appointed (or is in the process of appointing) a string of 'controversial' candidates (see Eliot Weinberger's article from the LRB linked above) to lead his government and we don't have long to wait before Inauguration Day (20th January 2025).

As they say in the financial services industry it may be an appropriate time to review your investment portfolio. The potential for market volatility seems great. The characters being put in charge are described by Weinberger in the LRB thus,

- *The future secretary of health and human services once cut off the head of a beached whale with a chainsaw, put it on the roof of his car and drove home. He brags that he has a freezer full of roadkill.*
- *The future surgeon general, a Fox News regular, and the future administrator of Medicare and Medicaid, a daytime television host, sell dubious health and weight loss supplements online.*
- *The future director of the FBI promotes a supplement to reverse the effects of the Covid vaccine.*
- *The future deputy assistant to the president and senior director for*

counter-terrorism is the spokesman for a fish oil supplement.

- *The future secretary of homeland security stars in an infomercial for a cosmetic dentistry business, in which she exclaims: 'I love my new family at Smile Texas!'*
- *The future administrator of the Environmental Protection Agency opposes clean air and clean water legislation and does not believe the climate of the world is changing.*
- *The future secretary of energy, the head of a fracking company, insists that 'there is no climate crisis and we're not in the midst of an energy transition either.'*
- *The future secretary of health and human services and the future director of the Centres for Disease Control and Prevention believe that vaccines cause autism.*
- *The future commissioner of the Federal Drug Administration, a Fox News regular, and the future director of the National Institutes of Health, do not believe that vaccinations cause autism but opposed mass vaccinations for Covid.*
- *The future secretary of health and human services has promised to fire six hundred employees at the National Institutes of Health to shift its focus from infectious diseases to healthy diets. He is opposed to the fluoridation of water and the pasteurisation of milk and believes that horse de-worming pills are more effective against Covid than vaccination.*

These are just the appointments linked to healthcare; the full article provides a list of the billionaires (Elon Musk being the most prominent) and chancers (donors) that have secured the most powerful positions

in the most powerful nation in the world. No wonder the world is waiting to see what happens next. Don't be surprised if the bull in the China shop breaks some crockery.

All of this would be alarming but put in the context of *Free to Obey*, cited above, it spells out the potential for total disaster. *Free to Obey* recounts the management methods of Hitler. Thus,

- a vaguely defined national goal: *Ein Volk, Ein Reich, Ein Fuhrer*;
- elimination of opposition;
- purging of government officials and party officers;
- pledges of allegiance to the leader;
- vague and overlapping job descriptions for senior government posts with cronies in leadership positions in competition for the favour of the Fuhrer in implementing policies in radical ways.

This encouraged 'working towards the Fuhrer' with everyone in a battle for the approval of the Fuhrer. In April 1942 the Reichstag gave the Fuhrer the right to terminate and fire any official, including magistrates, whose acts and decisions were 'not in conformity with historical and biological necessities'.

You would have to be suffering from wilful blindness not to see the analogies with the Trump world view, his actions and their roots in his German culture inherited from his German grandfather?

This was not the point of the book itself, which discusses the trajectory of key figures in Nazi Germany and their post war record in leading the most important management training organisations.

To say the Nazis invented modern management is not really justified and the internet leads not only to [useful reviews](#) but also [persuasive criticisms](#), See [also](#) for more criticisms.

Nonetheless the book is full of interesting cultural and historical parallels with today; not least the Anglo-Saxon antipathy to the state, to Roman law (deriving from the battles of the early Roman Empire with the Germanic tribes), and a weakness for racial exceptionalism, justifying controversial attitudes to 'inferior' races.

European election prospects in 2025

[Euronews](#) helpfully summarise the upcoming elections being held in Europe in 2025, excluding France where the date is not yet known but it looks a foregone conclusion there will be an election due to the impasse in French politics.

The summary reminds us of the elections to come in Germany, where Merz is likely to emerge as the new Chancellor.

According to Euronews, *'Merz, who rose during the Helmut Kohl era, is committed to a more integrated Europe. He wants to relaunch relations with France and Poland, criticises Europe's heavy dependence on the United States and calls for Taurus Cruise missiles to be sent to Ukraine'*.

Romania will re-hold Presidential elections after earlier elections were annulled following allegations of foreign intervention by Russia and Tik-Tok influencers.

- [Poland](#) will hold May elections where Donald Tusk hopes to get re-elected.
- [Italy](#) will hold important regional elections in September and the...
- [Czech Republic](#) will hold national elections in October, which are expected to confirm the existence of a populist bloc with Hungary and Slovakia.
- [Croatia](#) will be holding presidential elections in January with support for the Ukraine war a key issue.
- [The UK](#) will have local elections in May to deliver an early verdict on the Starmer government.

Results of European national elections in 2024 and in European Parliamentary elections revealed a rightward drift (with some exceptions) and deadlock toward achieving required action to improve the [European economy](#) and in implementing the [Draghi report on improving European competitiveness](#). Europe appears to be suffering from lack of integrated policies and deflationary economic policies. The latest news is that Austria faces new elections following [the resignation](#) of its Chancellor.

Starmer and Streeting re-launch

In the UK the Prime Minister and the Secretary of State for Health and Social Care are busy making new announcements on how they will improve the NHS.

Starmer is stressing action on waiting lists while Streeting is promising something by 2028 on Social Care. The electorate however is not convinced and there are record levels of disapproval with their leadership as well as anxiety about the NHS.

A possible explanation for this disconnect is hinted at in a recent article by [Sam Freedman](#). Unfortunately, its subscription only but the gist is that...

... Labour advisers have lost faith in 'deliverism', and it appears that they are following the Trumpian line of making repeated announcements as a substitute, not necessarily to be taken literally but to signal that they are taking their supporters' concerns seriously...

Fortunately, the original source for these discussions of 'deliverism' is available for free [here](#).

But to complain that voters are not thanking you for making improvements in their lives is to miss the point of making improvements.

They should be a token of genuine commitment to larger changes to come, not a petty transaction.

Thus talk of choice as a measure to improve waiting lists appears as ineffectual, ignoring that it effectively died with GP fundholding thirty years ago and that so-called lack of 'choice and competition' as an obstacle to the NHS improving was dismissed as a myth by [Nigel Edwards](#).

The improvements that took place in waiting lists under the past Labour governments were as a result of a [large increases in funding not gimmicks](#).

It appears that we will all be waiting further for announcements about the 10-year plan, for announcements on an affordable capital programme, and announcements on so-called 'reform', the magic ingredient that resolves the problems of supply and demand. But that increasingly seems to be the point rather than actually delivering anything.

Sack the advisers is my advice.

Richard Murphy on Rachel Reeves

Wes Streeting read history at university and so it would seem is at a disadvantage when he is told by Rachel Reeves that there is no money.

It's not true.

Money is not tangible but merely a promise based on future assumptions. It should be obvious that allowing assets to deteriorate for want of maintenance; or for trained staff to leave the country for failing to meet international salary levels, or of failing to

invest in new technologies, equipment and premises will result in deteriorating productivity and quality of care.

It doesn't seem to occur to Streeting or Reeves that spending more on good investments is a good idea.

My recommendation for New Year reading for cabinet ministers is therefore anything by Richard Murphy.

His [Taxing Wealth 2024](#) should have been the guide for the new government to support the case for increased spending by increasing taxes on the wealthy. His past catalogue of postings on Rachel Reeves on his blog is [here](#). He has been a persistent and perceptive critic of Reeves and it is shocking that she has not engaged with his views or advice. His predictions have an uncomfortable habit of proving accurate.

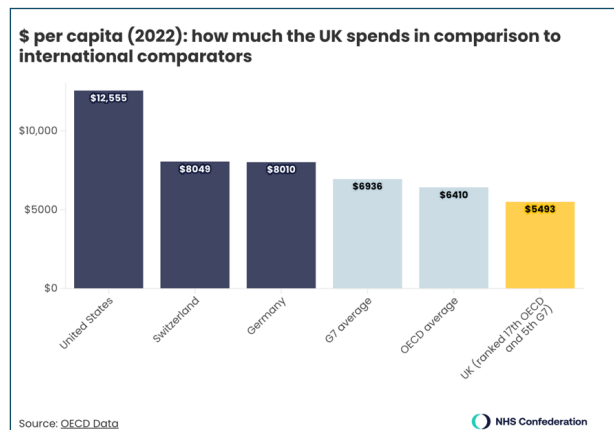
[This recent posting by Murphy also seems to be pertinent to the day](#). He asks, 'how do we break this paralysis within our politics where doing nothing is the only option that politicians feel they have available to them...'. The good news is he will be working on this in 2025. Watch this space.

Round up from Europe

[Euronews](#) reports that Prime Minister Meloni of Italy is cementing her relationship with President Trump. [She has form](#). It takes a fascist to know a fascist. It looks like [Peter Mandelson the new UK ambassador to the USA will have his work cut out](#). He is good friends with Professor Ara Darzi who sorted out his [prostate over ten years](#) ago. So perhaps the NHS might not be traded in arguments about tariffs. On the other hand, he is not called the Prince of Darkness for nothing.

The [European Health Observatory](#) published a batch of national reviews (Cyprus and Luxembourg) and summaries of healthcare systems across Europe (17 countries are reviewed) and is a good source for the latest reforms linked to national systems. Helpfully the summary

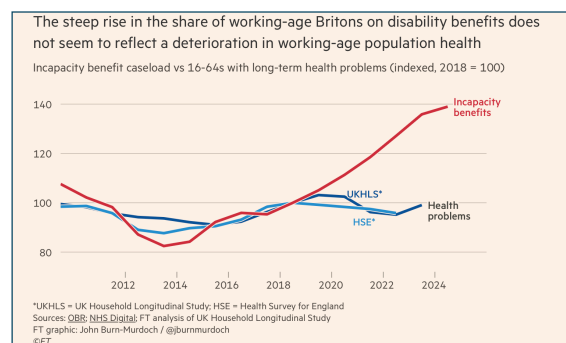
provides a link to the latest full national system reviews for each country.



This chart below compares UK spend on healthcare with some key comparators.

It nails the lie that spending more on the NHS is unaffordable. If other countries can manage it so can the UK. The key difference is the excessive control over the healthcare system exerted by the UK government. Streeting should be loosening controls not reinforcing them. [Not only does the NHS spend less but delivers less, with less, and what it delivers is of lower quality](#). Personally, I would have expected a little more urgency from our government to do rather more about it.

The Financial Times speculated on 'whether the UK is the Sick Man of Europe'. John Burn Murdoch suggests that the rise



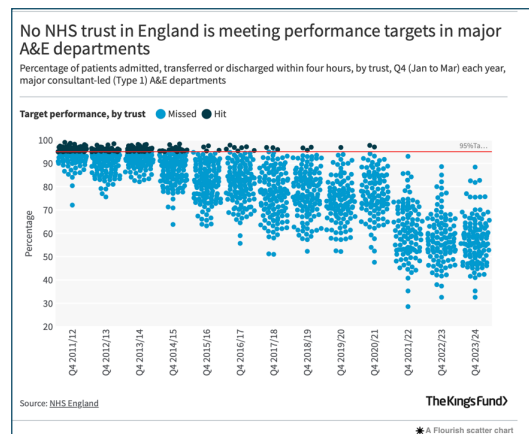
in sickness benefits is not a sign of increasing levels of sickness in the population...

.... but merely reflects the ready availability of benefits.

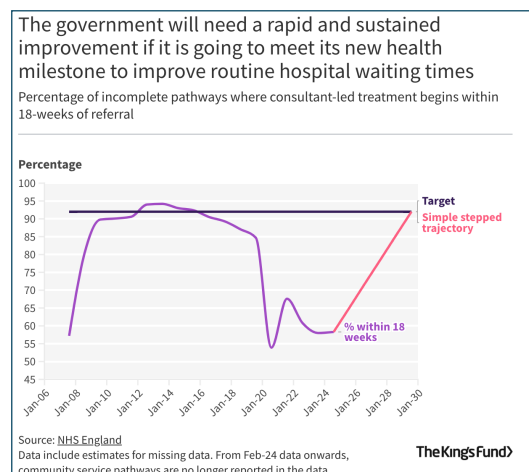
He concludes, 'It turns out the apparent rise in Britain's illness-related inactivity is mostly not about deteriorating health, but about incentives within the benefit system. Policies focused on the latter stand the best chance of getting Britons working.'

If by incentives he means increasing wages for those at the bottom of society we might be getting somewhere but I suspect he has in mind the stick of removing or lowering benefits.

[The Kings Fund Review the major Trends in the UK in 2024.](#) The graph for November 2024 shows the remorseless deteriorating situation in A&E departments.

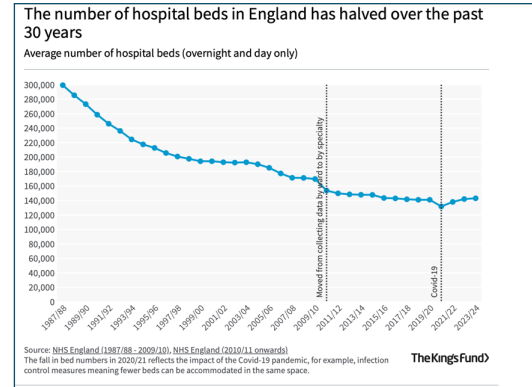


Similarly the Kings Fund emphasises the gap to achieving progress on waiting times.

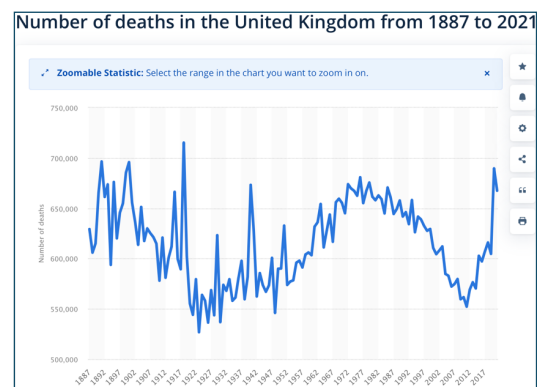
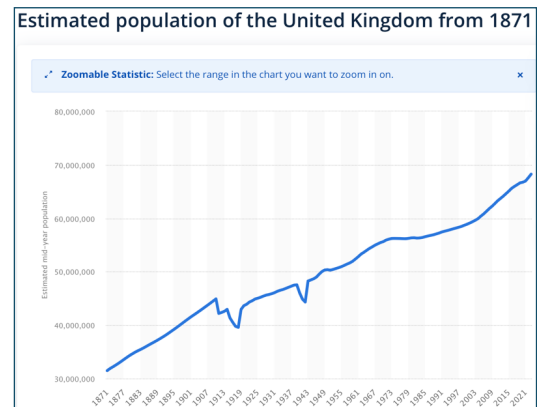


Rapid progress as illustrated by the straight line above requires something more than the hopeful words we are hearing from Starmer, Streeting and company. Heroic

efforts were made by Labour to achieve similar objectives in 2007/8 [but things were different then](#). Not only did the NHS receive an additional 7.5% above inflation funding for five years but the NHS had more capacity.



And the need for beds has increased.

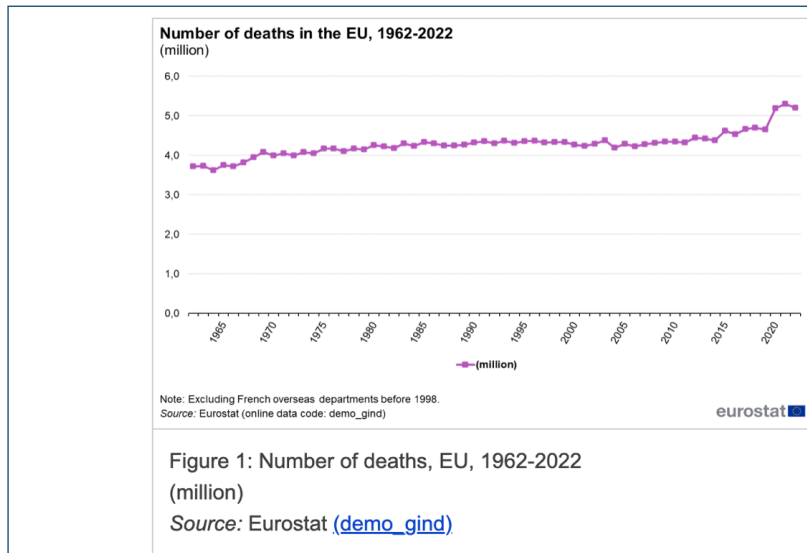


As discussed last month, [costs are disproportionately high in the last year of life](#) and the numbers of deaths had increased by 20% by 2020 since 2012.

Currently deaths are running at over 600,000 per annum and this will only increase as baby boomers make way.

As revealed last month the rate of deaths is set to increase until 2060.

It needs to be noted that although the EU may be starting to see similar demographic pressures associated with Covid , for decades nothing much was going on.



Since 2012 , [The EU population is decreasing](#), with net immigration not compensating for deaths exceeding births.

In Europe therefore there is no alarming winter crisis in its health services. Capacity remains high while demand is reducing. [Journalists know this](#) but politicians seem reluctant to face the facts. I remain

unconvinced that Starmer and Streeter understand the problem in the UK despite the fact they are raising expectations that they are solving the problem.

The European Foundation for Progressive Studies

(sponsored by the European Parliament) is doing its best to promote better global governance.

It not only produced its vision for how progress toward UN goals for Global Sustainable Development set in 2015 will be achieved by 2030 in '[A New Global Deal -Reforming world governance](#)', but also produces a regular bulletin, [the latest edition](#) of which warns of the implications of a Trump victory and focuses a special investigation on the results of right wing governments cutting the

welfare states of Finland, Italy and Hungary.

The rich are getting richer, and inequality has grown apparently. Who would have known?

Social Europe speculates on what [dealing with Trump](#) will entail. But no one knows.

**It looks like 2025 will be an eventful year.
You cannot say you were not warned.**