

Does that new research really show competition works in...

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Ian Greener [is a healthcare academic at Durham](#). I strongly recommend his blog to those with interest in NHS matters right now.

Yesterday he looked at the claim, published in many pages, that LSE had shown that competition benefits service in NHS hospitals. [As he's written](#):

Amidst all the fun and games of yesterday, with Andrew Lansley being chased by pensioners, and David Cameron claiming he didn't exclude people from his 'NHS summit', but rather simply forgot to invite them (!), more claims about competition in healthcare were made by the team of researchers from the London School of Economics. Zack Cooper, is the lead author of this work, appeared on Radio 4 yesterday, and his work [is given prominent place in the Telegraph today](#).

But as he notes:

The sad thing is that, frankly, I don't believe the journalists reporting this work so favourably have actually read it, and if they've read it, I don't believe they've understood it. The paper is an application of difference-in-difference analysis, is full of algebra and technical language, and so is hardly a relaxing read. Do these journalists really understand this paper? Really? If they had any clue what it said, they'd realise for a start that the findings don't support the present reforms but those of the previous government — they support public competition finding little evidence for extending private competition as the NHS Bill is doing.

That's not the big issue though:

However, there are big problems with the research that need to be worked though (again).

Last year Cooper and his colleagues claimed that 'Competition saves lives', again from a working paper, which was subsequently published in the Economic Journal. Along with others, this research seemed to me to be so full of holes that we published a response to it in the Lancet. You can get Cooper's original [working paper here](#) (the EJ paper is

behind a firewall) and [our Lancet response here](#). You can find more on this topic at [Allyson Pollock's website](#).

Now Cooper is claiming that competition improves efficiency, using much the same methods and same data. You can find more coverage of the [paper here](#) where Cooper is reported as saying “We found two core findings. Clearly competition between NHS hospitals improves productivity, quality and efficiency. But when they opened up competition to private sector in 2008 it didn’t improve results,” said Cooper.

However, the sting is in the tail:

But here’s the problem. Competition, in itself, doesn’t do anything. Competition doesn’t save lives, or make hospitals more efficient. People do.

What Cooper and his colleagues have completely failed to show is the link between the variable which they have called competition (which we and others have disputed actually measures anything like competition), and the outcome — either improved efficiency, or lives being saved. They make vague allusions, as economists are want to do, about markets and their powers, but they actually have no data or evidence for a link.

When pressed on this, economists say things like markets cause ‘incentives’. There is an irony here. Economics is meant to be about how people make choices, but people are entirely absent from work like this. Instead, they are presented as being rational automatons that simply respond to whatever changes they discern in their environment — they follow ‘incentives’.

But what were the incentives this research is referring to? Are hospitals actually short of demand? If so, why are there waiting times at all? Only if hospitals were short of demand would they have to compete, and they aren’t. Equally, even if hospitals were short of demand, how would this change clinical behaviour? These links simply aren’t made in this research.

Competition, in itself, doesn’t do anything. It interacts with health workers, their professional standards, local cultures, existing practices, hospital infrastructures, GP referrals, patient discussions and a whole range of other things in complicated and unpredictable ways. I still don’t think there is competition amongst public hospitals in the NHS — I’ve yet to see anything like persuasive data it is happening because they aren’t short of demand for their services. And even if we got the point where there was competition, then any claims about it causing something would have to be shown by careful research showing exactly how it was having effects of any kind. Simply asserting that markets are having some kind of magical effect is bizarre.

Excellent stuff.

As I say, I recommend Prof Greener's blog, and trust I'll be forgiven for borrowing so

liberally from it.