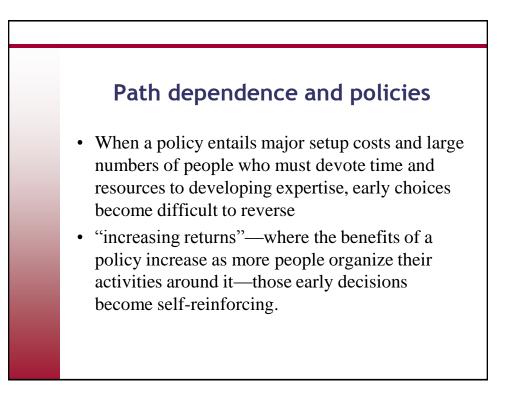
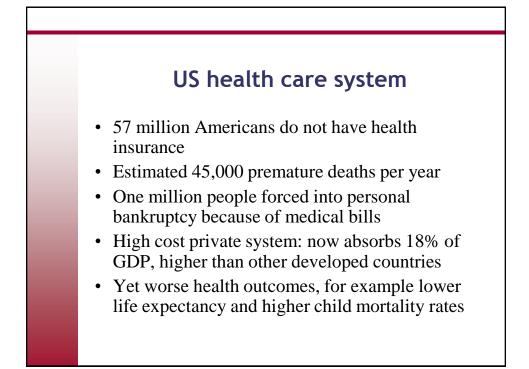


Path dependence

- When an economic process or policy has started down a track and it is very expensive to reverse course (high exit costs).
- In the presence of increasing returns, the relative benefits of continuing down the same path are higher than all possible options
- Example: QWERTY typewrite (Paul David 1985)
- Trade patterns and specialization

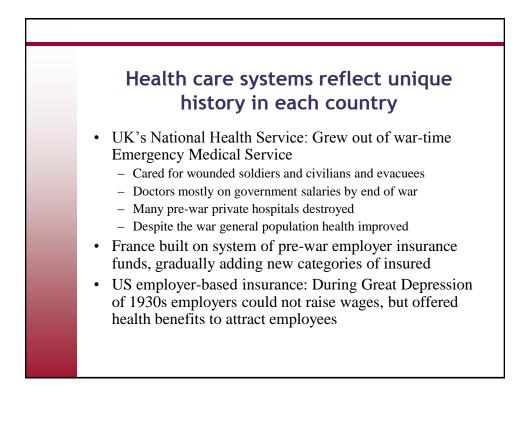




Health care indicators			
	(A) (B) (C)	
Australia	9% 8	1 4.4	
Belgium	10% 7	9 4.2	
Canada	10% 8	1 4.8	
France	10% 8	1 5.2	
Germany	11% 7	9 5.4	
Italy	9% 8	1 5.0	
Japan	8% 8	3 4.2	
New Zealand	9% 8	0 6.4	
Norway	10% 8	0 4.4	
Singapore	3% 8	0 4.1	
Sweden	10% 8	1 4.0	
United Kingdom	8% 7	9 4.8	
United States	18% 7	8 6.3	

Universal health coverage in selected countries

Country	Year	Туре	
		Basic coverage provided by government,	
Australia	1975	supplemental private insurance	
Belgium	1945	Compulsory national insurance	
Canda	1966	Single-payer (one public sector insurer)	
		Univeral coverage provided free through local, non-	
France	1974	profit insurers	
		Social insurance, universal through private and	
Germany	1941	non-profit insurers	
Italy	1978	Single-payer (one public sector insurer)	
Japan	1938	Single-payer (one public sector insurer)	
New Zealand	1938	Primary health providers funded through taxation	
Norway	1912	Single-payer (one public sector insurer)	
Singapore	1993	Compulsory savings and price controls	
Sweden	1955	Free provision by local councils	
United Kingdom	1948	National health service	
		Currently private system with government	
United States	2014?	insurance for the elderly and poor	



Health care in Vietnam

- Price control and state subsidy
 - Subsidies cover less than half of operating costs
 - So providers do not adhere to statutory prices
 - Insurers only cover official fees: providers also demand side payments
- Increase health insurance coverage through compulsory state health insurance in formal sector and Health Care Fund for the Poor.
- Financial autonomy (Decree 43) for providers
 - To encourage them to collect fees to reduce state subsidy
 - Revenue channeled into higher staff salaries