The Cuban Healthcare Paradox:

A Case of Ignored Economic Implications

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Abstract:

Healthcare, and its provision, is a major component of any given nations expenditure; the means of such healthcare provision requiring large resource expenditure. Though centrally planned economies have proven to lead to decreases in economic, political, and other forms of well-being worldwide, one communist regime, claims to offer stellar health outcomes – especially when considering their relatively low health expenditure levels. The Cuban Healthcare System has impressive outcomes, as recorded by the World Health Organization, exceeding the outcomes of developed nations such as the United States, This paper investigates this paradox. Data from Cuba has called into question the laissez-faire, or free market, approach to healthcare provision, since the highly socialized central planning of the Cuban system of healthcare is purportedly capable of producing health outcomes on par with developed nations, while still maintaining developing nation status. Accepting the empirical data recorded by the World Health Organization as accurate, this paper argues that Cuba's healthcare success is unconnected to their attempt to centrally plan other elements of the economy; in fact, many features of their healthcare system are not mutually exclusive with market provision of healthcare.

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Political Economy, Political Economy of Healthcare, Comparative Health Systems.

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Introduction: The Cuban Healthcare System as a Model for the World

The International community submits the Cuban Healthcare system as a paragon amongst healthcare systems; rightfully so, given its impressive health outcomes as confirmed by the World Health Organization in its 2006 report. [2]These impressive health outcomes exist in spite of the country's third world status In fact, the Cuban Healthcare system has inspired health reforms in other countries; one notable example is Trinidad and Tobago.[3] The Cuban Healthcare system is viewed as being a perfect match for these developing countries since Cuba itself is an underdeveloped country yet is able to maintain health outcomes equal, and even above, those found in developed countries like the United States.

Not only is the Cuban model of healthcare viewed as a means of improving the health outcomes of developing countries but also it's being considered as a means by which more affluent countries, particularly the United States, may improve their own outcomes. When asked if it was realistic to expect non-communist countries to adopt a Cuban-like system, Healthcare expert Peter Bourne[4] explained they would, or at least should, given the positive health outcomes within Cuba.[5] His enthusiasm in connection with the Cuban healthcare model is by no means an isolated incident, the general opinion being mirrored by the rest of the medical community internationally.

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[2] Lincoln Chen, David Evansand, Tim Evans, Ritu Sadana, Barbara Stilwell, Phyllida Travis, Wim Van Lerberghe and Pascal Zurn. "Working Together for Health." (World Health Organization, The World Health Report, 2006),
[3] Michael C. Belcon & Nasar U. Ahmed "Analysis of National Healthcare Systems: Searching for a Model for Developing Countries - Trinidad and Tobago as a Test Case" *Public Administration & Management* 13, no. 3. (2009): 49
[4] Author of *Fidel – A biography of Fidel Castro* and noted physician, anthropologist, biographer, author and international civil servant
[5] Bourne, Peter. "The Cuban Health Care System: An Interview with Peter Bourne, MD, MA." Filmed [April 2013]. YouTube video, 12:03. Posted [May, 2013]. https://www.youtube.com/watch?v=sJapxnjFIDw&t=204s

Such staunch support and admiration for the Cuban healthcare system demands that it need not be taken lightly; discussion for facets of the Cuban model to be utilized within the U.S., as well as other already developed nations who view the system as a way to improve efficacy at a lower cost, have already begun.[6] At face value such a policy sounds attractive yet there are underlying issues with pursuing such a path, namely the fact that few have investigated, in depth, the nature of the Cuban healthcare model. Although the outcomes of the system are undoubtedly impressive, considerations for free market alternatives are ignored and, in their stead, are placed cross-comparisons between the United States', or other developed nations, and Cuban systems.

The means by which the Cuban system is able to produce such impressive outcomes are not merely confined to the framework of central planning but are also available under a free market system of resource allocation within the healthcare market. Therefor the conclusion that central planning is responsible for these outcomes is not warranted, albeit fundamentally intuitive and necessary for further development of the issue, it does not take into account the fact that free markets are able to obtain the same outcomes without forgoing economic freedom thereby making significant economic growth possible; a point, which must be stressed, given the stagnant nature of Cuba's economy.[7]

The main arguments for the Cuban healthcare system, most notably enunciated by Bourne[8], are that the means by which Cuba accomplishes such impressive health outcomes are its availability of doctors; focus on prevention, and cost-effectiveness of the system. The exact enumeration of such arguments differing from one scholar to another while retaining

[6] Bourne, Peter. "The Cuban Healthcare System Today" Presented at Unite for Sight's 2013 Global Health & Innovation Conference, New Haven, CT, April 22-23, 2013.
[7] Javier Corrales, "Cuba's 'Equity Without Growth' Dilemma and the 2011 Lineamientos." *Latin American Politics and Society* 54, no. 3. (2012): 158
[8] Bourne, Peter. "The Cuban Healthcare System Today" Presented at Unite for Sight's 2013 Global Health & Innovation Conference, New Haven, CT, April 22-23, 2013.

fundamentally similar principles thereby placing them within the same categories for the convenience of aggregated examination. The “free” nature of the system will herein be omitted since there is no such thing as a “free” good within economics; instead, the concept of free healthcare has been replaced with availability of doctors since the availability of doctors has much to do with the price.

This essay will proceed as follows: Section I describes the availability of doctors in Cuba, their contribution to healthcare, and the means by which the free market can equally accomplish this end. Section II argues that the focus on preventative care, for which Cuba’s system is famous, is equally costly and not the product of central planning. Section III argues that, the purported cost-efficiency of the system neglects opportunity costs and explains how having a centrally planned economy allows Cuba to mask the true costs of their healthcare system.

I: Availability of Doctors

The universality, or easily accessible nature via the exceptionally large number of doctors, of the Cuban healthcare system is perhaps its most notable attribute. “Soon after the revolution of 1959, health care was declared a right, and in the 1960’s, a healthcare system was created to cover the entire country.”[9] Invariably such an expansion of coverage would require an increase of physicians in order to be effective. An expansion that the Cuban government executed creating a system which today boasts, “64 [doctors] per 10,000 inhabitants, compared with 14 for the world as a whole and 28.6 for high-income countries.”[10] Such a high doctor to

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[9] Kamran Nayeri, “The Cuban Health Care System and Factors Currently Undermining It.” *Journal of Community Health* 20, no. 4. (1995): 324

[10] Javier Corrales, “Cuba’s ‘Equity Without Growth’ Dilemma and the 2011 Lineamientos.” *Latin American Politics and Society* 54, no. 3. (2012): 161

inhabitant ratio is no doubt impressive although the inherent justification of central planning via the high doctor/inhabitant ratio seems weak.

Consider the nature of both the current Cuban and United States systems, both of which are centrally planned although in different ways. The Cuban system, as previously noted, has an impressive 64:10,000 doctor/inhabitant ratio or one doctor per 156.25 inhabitants[11] of the island nation whereas the United States has a reported 24.5:10,000 doctor/inhabitant ratio or one doctor per 408.163 inhabitants.[12] It's readily apparent, dealing merely with the aggregated information provided, that accessibility to medical care would be far easier to accomplish in Cuba than the United States; however, the free market is by no means the culprit of this scenario. When purveyors of the Cuban healthcare model point out the superior doctor/inhabitant ratio of Cuba in comparison to the United States, they fail to see the implications within their own findings, namely their failure to, 1) offer actual alternatives which are not fundamentally similar to the model being evaluated, and 2) recognize that within any centrally planned economy trade-offs exist. However, they do recognize:

> Based on [their] understanding of the Cuban paradox, we must monitor changes over the coming years to learn more profoundly HOW Cuba adapts to the pressures associated with globalization. By understanding the Cuban paradox, we may, some day, be able to test Cuban methods elsewhere. When and if the World Bank and IMF recognize that health is not tied only to wealth, there may be opportunities to use what is learned from Cuba. There ARE alternatives that can be built and there is indeed evidence from which to learn.[13]

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[11] Javier Corrales, "Cuba's 'Equity Without Growth' Dilemma and the 2011 Lineamientos." *Latin American Politics and Society* 54, no. 3. (2012): 161

[12] "The World Factbook," *Central Intelligence* Agency, Accessed December 12, 2016, https://www.cia.gov/library/publications/the-world-factbook/fields/2226.html.

[13] Jerry M. Spiegel and Annalee Yassi. "Lessons from the Margins of Globalization: Appreciating the Cuban Health Paradox." *Journal of Public Health Policy* 25, no. 1 (2004): 103

Within the remainder of the article Spiegel and Yassi correctly identify the intriguing implications of the "Cuban Paradox," as well as the disconnect between impressive health outcomes and national wealth; however, the statement from the above text, "When and if the World Bank and IMF recognize that health is not tied only to wealth, there may be opportunities to use what is learned from Cuba. There ARE alternatives that can be built and there is indeed evidence from which to learn."[14] Illustrates their failure to compare the Cuban system to something that is fundamentally different given the fact that the United States' healthcare system is itself a manifestation of central planning especially in regards to doctor licensure.[15]

For example, Bourne reiterates the notion that Cuba's main strength lies in its focus on primary care and its doctor to inhabitant ratio both of which, as noted by the outcomes, are the correct course of action. In reference to why the United States fails in this regard, Bourne points out the cost of medical schooling in the United States is too expensive to pursue mere primary care since higher paying wages, wages necessary for student loan payments, require additional specialization.[16] This assertion ignores the economics behind the issue, namely the why behind economic calculation within the sphere of a career in medicine.

Consider United States medical school and the associated costs. Unlike the Cuban system wherein costs are merely implicit or "free,"[17] the United State's system has an explicit cost in dollar amounts to be paid by the medical student; however, this does not mean that the system is free market. This can be further understood through the words of economist Murray Rothbard when he explained:

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[14] Ibid,.
[15] "Directory of State Medical and Osteopathic Boards," *Federation of State Medical Boards*, Accessed December 12, 2016, http://www.fsmb.org/state-medical-boards/contacts.
[16] Bourne, Peter. "The Cuban Health Care System: An Interview with Peter Bourne, MD, MA." Filmed [April 2013]. YouTube video, 12:03. Posted [May, 2013]. https://www.youtube.com/watch?v=sJapxnjFIDw&t=204s
[17] Kamran Nayeri, "The Cuban Health Care System and Factors Currently Undermining It." *Journal of Community Health* 20, no. 4. (1995): 329

> Little attention has been paid to licenses, yet they constitute one of the most important (and steadily growing) monopolistic impositions in the current American economy. Licenses deliberately restrict the supply of labor and of firms in the licensed occupations. Various rules and requirements are imposed for work in the occupation or for entry into a certain line of business. Those who cannot qualify under the rules are prevented from entry. Further, those who cannot meet the price of the license are barred from entry. Heavy license fees place great obstacles in the way of competitors with little initial capital.[18]

The inherent monopolistic nature of state licensure, by definition, means that the current United States' medical field is not a free market thereby making a case against the free market impossible when using the United States as an example. Within Rothbard's description of licensure resides the crux of the deficit of United States physicians because licensing inherently shifts the supply of doctors to the left along the supply curve creating a shortage (as illustrated in figure one).[19]

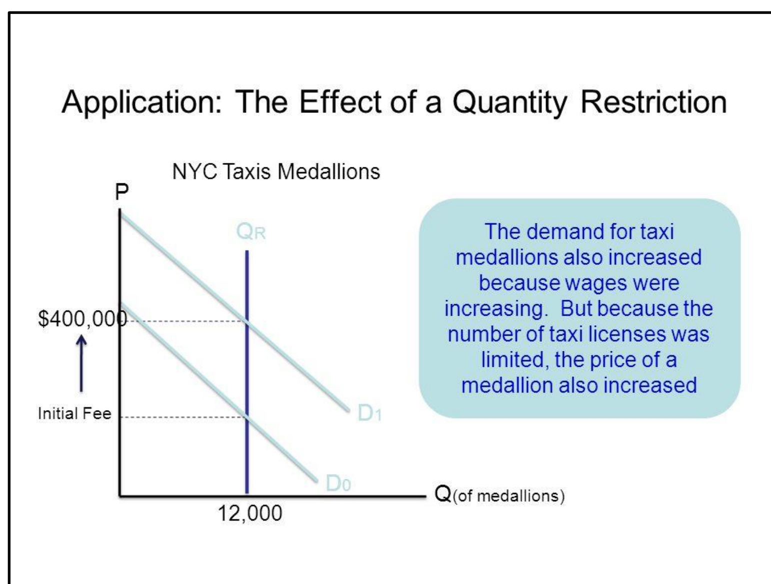

Figure 1 source http://slideplayer.com/slide/4829051/

Within Figure 1, the number 12,000 on the Q axis is the quantity restriction on taxi medallions and the P axis shows how detrimental quantity restrictions are when there's a change in demand. Were State licensing to be removed and

[18] Rothbard, Murry N. *Man, Economy and State with Power and Market*. Auburn: Ludwig von Mises Institute, 2009. pg. 1094
[19] Ibid,. 1076

markets allowed to approach equilibrium unhindered by intervention, more doctors would be available to service the general public since the cost of medical school would be inherently lower. This is not to say some form of licensure would not exist; quite the contrary, instead a free market system of licensure would exist wherein economic calculation would allow for a more efficient allocation of resources.

II: A Focus on Prevention

An additional benefit of a Cuban style healthcare model system, according to its advocates, is the emphasis/excellent preventative care. A benefit only achievable by Cuba, as mentioned by Bourne, due to the price of United States medical training being too expensive. Bourne neglects to mention; however, the pernicious nature of State intervention which directly results in a rising price of the product being licensed. According to an Association of American Medical College's study for the 2016-2017 year there were a total of 53,042 applicants for medical school nationwide consisting of 830,016 applications. (The study estimated 16 applications per applicant.) Of the 53, 042 applicants, 21,030 were accepted as matriculates.[20] In other words 39.648% of applicants for medical school within the United States for the 2016-2017 academic year were not accepted due to the stringent licensing of the medical field. Compound these statistics across several decades and it should be evident that, given the demand even under the current pricing, physician misdistribution and scarcity should by no means be an issue within the United States.

[20] "Table A-1: U.S. Medical School Applications and Matriculants by School, State of Legal Residence, and Sex, 2016-2017," *Association of American Medical Colleges*, Last modified December 6, 2016, https://www.aamc.org/download/321442/data/factstablea1.pdf.

The foundation for an adequate supply of doctors within the United States being established the issue excessive costs, therein affecting supply, can, in fact, be alleviated through free market measures. Bourne's argument concerning a need for primary care focus is also confronted and given a further solution since a lower cost for medical school would inevitably make primary care a more attractive occupational pursuit. Again the increase of primary care specialists[21] would be a result of the increased supply of doctors whereby lowering the barriers to entry for medical students decreasing their costs of education, since his argument stems from the cost of education, such a result would adequately serve to quell any theoretical objections to a free market solution. Although the suggestion has been made to work within the existing framework[22] of licensure, such a reallocation of doctors would only serve to raise the price of specialty services since the number of practicing physicians within the United States would, ceteris paribus, remain unchanged.

The Cuban system's focus on prevention is another widely accepted advantage of the system, such a means being possible via an adequate supply of primary care physicians to carry out the preventative measures and a centrally planned mandate which stresses said preventative focus.[23] This mandated focus on prevention beginning to come to fruition in 1974 under the new "Medicine in the Community" model.[24] Bourne praises the Cuban government's proactive, and continued, commitment to "prevention, early detection and early intervention to reduce the upstream cost of healthcare. [Healthcare in Cuba] was made universal, assessable and available

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[21] Or Family Medicine (w/OB) specialists as listed in the AAMC's "Starting Salaries for Physicians"
[22] Gary T. Athelstan and Darwin P. Moradiellos, "Selection of Medical Students to Meet Physician Manpower Needs," *Public Health Reports* 94, no. 1 (1979): 16
[23] Kamran Nayeri, "The Cuban Health Care System and Factors Currently Undermining It." *Journal of Community Health* 20, no. 4. (1995): 324.
[24] Ibid,.

to people, free at the point of contact."[25] For the time being, the comment "free at the point of contact" will be ignored; instead, the, "prevention, early detection and early intervention to reduce upstream costs of healthcare" will be the point under consideration.

The Constitution of the Republic of Cuba itself details the national mandate for a preventative type care in Article 50:[26]

> [e]veryone has the right to health protection and care. The state guarantees this right: by providing free medical and hospital care by means of the installation of the rural medical service network, polyclinics, hospitals, preventative and specialized treatment centers; by providing free dental care; by promoting the health publicity campaigns, health education, regular medical examinations, general vaccinations and other measures to prevent the outbreak of disease.[27]

A mandate such as this one is no doubt a powerful statement on the part of the Cuban government; even more powerful is the apparent execution of the mandate. Unfortunately Bourne, along with the corresponding advocates of the Cuban model, neglect the examination of the United States dental industry, which itself also focuses on prevention devoid of a constitutional mandate.

> The American public saved more than $39 billion (1990 dollars) in dental expenditures from 1979 through 1989 in contrast to the substantial increases in expenditures in other sectors of the U.S.

[25] Bourne, Peter. "The Cuban Health Care System: An Interview with Peter Bourne, MD, MA." Filmed [April 2013]. YouTube video, 12:03. Posted [May, 2013]. https://www.youtube.com/watch?v=sJapxnjFIDw&t=204s
[26] Pol De Vos, Wim De Ceukelaire, Geraldine Malaise, Dennis Pérez, Pierre Lefèvre and Patrick Van der Stuyft, "Health Through People's Empowerment: A Rights-Based Approach to Participation," *Health and Human Rights* 11, no. 1 (2009): 30.
[27] The Constitution of the Republic of Cuba (1992). www.constitutionnet.org/files/Cuba%20Constitution.pdf

> healthcare system that have been pushed the system to the brink of reform.[28]

What is intriguing about the corresponding study is the fact that "the dentist-to-population ratio increased"[29] resulting in a "flattening of the growth in dental expenditures"[30] while simultaneously "dentists [were] spending significantly more time providing diagnostic and preventative services."[31] The exact figure was an increase in preventative services from, "18.2 percent in 1981 to 21.3 percent in 1990."[32] Figure 2 shows this increase in preventative care measures within the United States Dental industry.

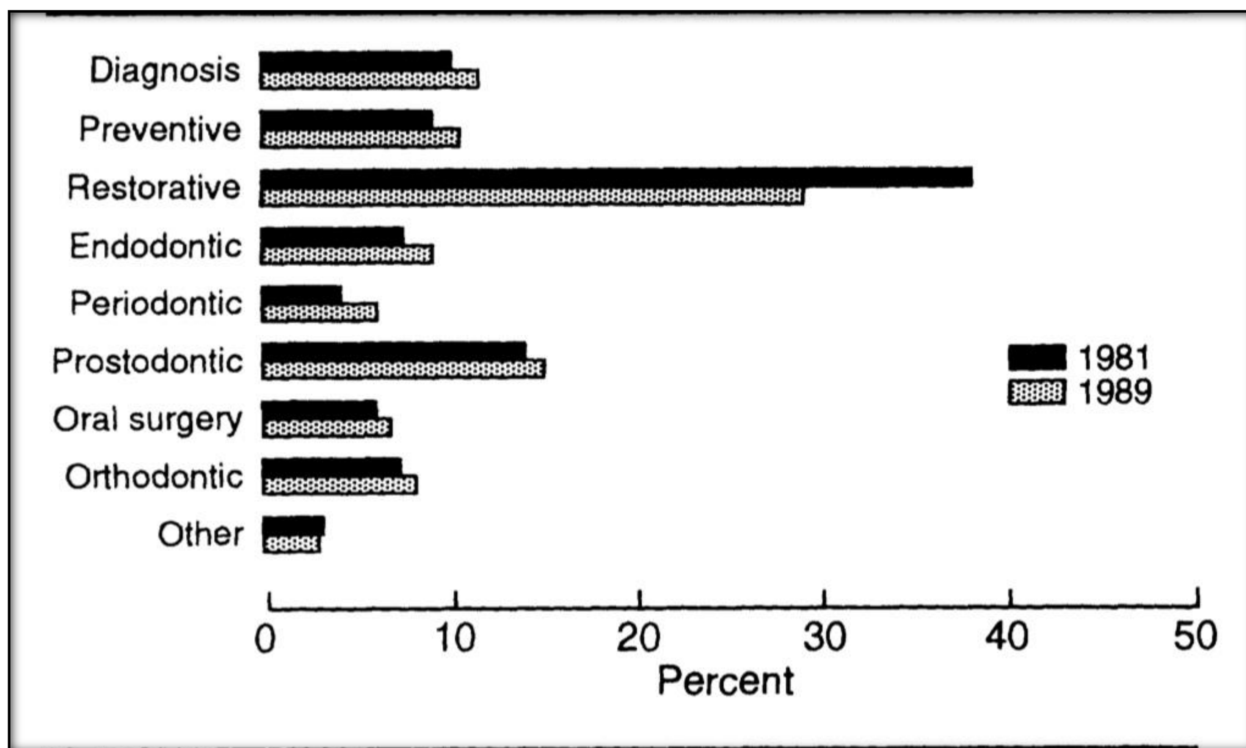

Figure 2 source Estimated Savings in U.S. Dental Expenditures, 1979-89. Pg. 198.

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[28] Jackson L. Brown, Tryfon Beazoglou and Dennis Heffley, "Estimated Savings in U.S. Dental Expenditures," *Public Health Reports* 109, no. 2 (1994): 195.
[29] Ibid,. pg. 196
[30] Ibid,.
[31] Ibid,. pg. 198
[32] Ibid,.

The data within Figure 2 further shows the transition from restorative care toward preventative care. None of the aforementioned reasons, both economic and non-economic, for this significant increase in preventative care were mandate by the government. Instead it was a response to market forces. Market forces, it should be added, were working within the confines of a system of licensure; however, a system of licensure which, whether advertently or inadvertently, allowed for a more adequate allocation of resources within the market. Thus it may be observed that the availability of doctors and a focus on prevention are two facets of the health care industry whereby an increased supply is best achieved by a lowering of barriers to entry within the market via free markets.

III: Cost-Effectiveness

Returning to Bourne's statement, "[Healthcare in Cuba] was made universal, assessable and available to people, free at the point of contact"[33] will further the examination of the assertion that Cuba's centrally planned, and mandated, provision of healthcare is the optimal means by which health outcomes may be maintained. In pursuance of this, the next segment will be separated into two segments both of which in connection to the cost-efficiency of the Cuban healthcare system. The first being dedicated to the allocation of physicians throughout Cuba along with the concept of universally mandated "free" healthcare, the second will be related to the first in that it seeks to evaluate the implicit costs of mandated universally "free" healthcare on the country as a whole, specifically its economic growth or lack thereof.[34]

[33] Bourne, Peter. "The Cuban Health Care System: An Interview with Peter Bourne, MD, MA." Filmed [April 2013]. YouTube video, 12:03. Posted [May, 2013]. https://www.youtube.com/watch?v=sJapxnjFIDw&t=204s
[34] Javier Corrales, "Cuba's 'Equity Without Growth' Dilemma and the 2011 Lineamientos." *Latin American Politics and Society* 54, no. 3. (2012): 163

The common assertion, in regards to Cuba's healthcare system as in others', is that equitable, or fairly dispersed, healthcare provision can only be achieved through the central planning of the State therein being closely followed by the assumption that the Cuban healthcare system is cost-efficient as well as equitable. This assertion being made in spite of the corresponding supply of doctors, be it a deficit or surplus, since the allocation of resources, cost efficiency, of the system is somehow a separate issue. Interestingly enough, and in direct conflict with the general supposition of the concept of centrally planned economies[35], "[w]hat is called a planned economy is no economy at all. It is just a system groping about in the dark."[36] In other words, the Cuban healthcare system, being socialist by its very nature, blindly allocates resources into the healthcare market due to the inability of central planners to perform economic calculation. Without prices to allocate resources in an economically efficient way. The allocation of physician labor throughout Cuba all that remains is a centrally devised, empirical best guess. Therefor an inefficient cost-efficiency outcome is not readily apparent; however, one can use the overall health of the economy as an indication of efficient resource allocation. Take for example the Cuban job market wherein:

> Wage incentives are eliminated, job seekers look for positions that offer the highest nonmonetary benefits; this naturally leads many of the most qualified Cubans to seek positions such as teachers, which offer high personal and psychological rewards. The same reasoning applies to Cuba's surplus of doctors. This surplus also results partly from the lack of professional opportunities in other sectors…Arguably, then, improvements in education and health were achieved partly through restrictions on liberty and economic opportunities.[37]

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[35] Cuba's economy being an extreme example of a centrally planned economy i.e. government agency over the means of production in varying degrees.
[36] Ludwig von Mises, *Human Action*. (Auburn: Ludwig von Mises Institute, 2008), 696
[37] Javier Corrales, "Cuba's 'Equity Without Growth' Dilemma and the 2011 Lineamientos." *Latin American Politics and Society* 54, no. 3. (2012): 163.

Although it may be true that the Cuban government's investiture into the healthcare industry and implementation of a planned decentralization of care provision increased the supply of physicians, which resulted in an easier policy of prevention. All of which being possible under a free market system, the stringent narrow minded policy creation by Cuban central planners culminating in, "Cuba's surplus of doctors"[38] casts doubt on the cost-efficiency of the system.

Moving on from the allocation of physicians, now consider the services provided by the physicians themselves within the context of mandated universally "free" healthcare. The universality of the system is "[t]he ultimate solution for adverse selection…similar to what the United States did for the elderly by creating Medicare."[39] In other words, the Cuban system creates the reverse effect or positive selection wherein low-cost individuals pay regular premiums, or taxes in Cuba's case. Under a free market system this would increase profit margins but under the socialist system of Cuba this merely results in dispersed costs and centralized benefits to the tax base. In theory the central planning of such a system seems most advantageous given the resultant positive selection; however, the universality of Cuba's system, coupled with the focus on prevention, have consequences in and of themselves. Namely the resultant moral hazard as well as increased burdens upon the system due to an increasingly aged population.

The economic definition of moral hazard is a lack of incentive to guard against risk where one is protected from its consequences, e.g., by insurance.[40] Such a lack of incentive is especially exacerbated under a mandated "free" universal healthcare system due to the fact that

[38] Ibid,.
[39] Thomas E. Getzen, *Health Economics and Financing* (Temple University: Wiley, 2012), 81.
[40] Ibid,.

access is, "free at the point of contact."[41] The exacerbation lying in the systems implicit costs through taxation, after the reforms of 1994,[42] whereas free market economies rely on premiums contracted by individuals. The effects of moral hazard within the context of government healthcare are expertly represented by Rothbard's treatment of resource-using activities of governments wherein he states, "As in all cases where price is below the free-market price, an enormous and excessive demand is stimulated for the good, far beyond the supply of service available"[43] the excessive demand in this case being a direct result of the ignored implicit costs of the economic good, healthcare provision. The shortage in the case of Cuba being most evident in its aforementioned stagnant economic growth, which no doubt has the redirection of scarce resources toward an inefficient healthcare system to blame.

Perhaps the strongest objection to this claim is the commonly cited United State's embargo of Cuba, the economic burdens of which are not in question. Although the economic burdens of the United States embargo did have an effect upon the Cuban economy even the aid provided by the Soviet Union did nothing to strengthen the Cuba Economy as evident in Figure 3 below.

Figure 3 shows the stagnation and general failure of the Cuban economy throughout the years 1950-1999 only beginning to rise again after the reforms of 1994. This final rise, which has remained relatively steady, continued in spite of the United States embargo and was made possible only through reforms which freed the economy of Cuba, most notably the legalization of the dollar and creation of free market zones.[44] Even with the increased pressure of a United

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[41] Bourne, Peter. "The Cuban Health Care System: An Interview with Peter Bourne, MD, MA." Filmed [April 2013]. YouTube video, 12:03. Posted [May, 2013]. https://www.youtube.com/watch?v=sJapxnjFIDw&t=204s
[42] Ana Julia Jatar-Hausmann, "What Cuba Can Teach Russia," *Foreign Policy*, no. 113 (1999): 95
[43] Murray N. Rothbard. *Man, Economy and State With Power and Market.* (Auburn: Ludwig von Mises Institute, 2009), 945
[44] Ana Julia Jatar-Hausmann, "What Cuba Can Teach Russia," *Foreign Policy*, no. 113 (1999): 94-95.

States free of Soviet pressure the slight freeing of Cuban markets, thereby improving economic calculation, had the direct result of increasing economic development. Therefor, the crux of the cost-inefficiency of Cuban healthcare, which siphons scarce resources away from more desirable markets, is an issue separate from the United States Embargo.

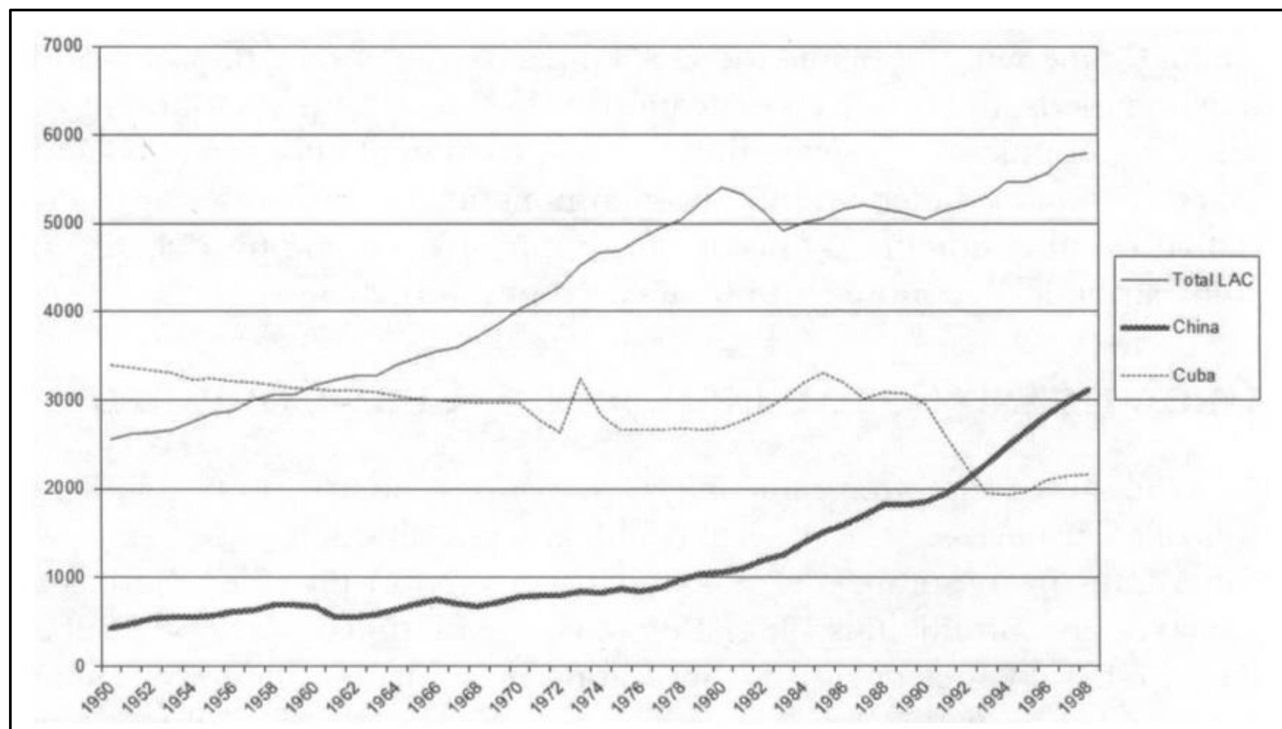

Figure 3 Javier Corrales, "Cuba's 'Equity Without Growth' Dilemma and the 2011 Lineamientos." *Latin American Politics and Society* 54, no. 3. (2012): 160.

Economic Implications

Cuba's outcomes in healthcare are, without a doubt, impressive given their economic condition. A country capable of health outcomes on par with those of developed nations, all of which taking place under siege by the United States, is a feet worth the compliment of in-depth investigation; however, the underlying principle that tradeoffs are real within any economy cannot be ignored. As evident within the preceding argumentation, the Cuban government's focus on healthcare was a detriment to the nation. Although succeeding empirically in terms of

the systems availability of doctors, focus on prevention, and cost-effectiveness[45] the inherent incalculable nature of the system meant that sustainability would come at a cost, or a trade-off. This trade-off consists of a pernicious misallocation of resources in the name of equity and, fundamentally the only economically tangible of the two,[46] satisfactory health outcomes.

Each of the three main arguments for the Cuban healthcare model simultaneously serve as a means of justifying the system, given the outcomes, and illustrating the ability of the free market to have the same result. Bourne himself concedes his ignorance in regards to the economic analysis of the system[47] therefor the generally ignored implications of the means by which the outcomes are obtained may be better understood via thorough economic analysis. Unfortunately, the economic means are generally ignored, or only partially analyzed, by those at the forefront of the debate due to their non-holistic approach to the health outcomes witnessed in Cuba. The solution of such un-holistic scrutiny of the "Cuban Health Paradox" being a finer understanding of the underlying economic principles, an economic holism in discussion procreating a more appropriate furtherance of understanding on the issue.

The Future of Healthcare, Cuba and Beyond

The market for healthcare is unique in comparison to other markets given the positive externalities a healthy population breeds. In pursuance of increased health, the fundamental principles of economics are, more often than not, cast aside in order to combat the supposed

[45] The purported cost effectiveness of the system being in terms of the inhabitants of Cuba at face value.
[46] Murray N. Rothbard, *Man Economy and State With Power and Market* (Auburn: Ludwig von Mises Institute, 2009), 1360
[47] Bourne, Peter. "The Cuban Healthcare System Today" Presented at Unite for Sight's 2013 Global Health & Innovation Conference, New Haven, CT, April 22-23, 2013.

healthcare market failures. Laws of economics, unlike the laws of men, cannot be conveniently ignored despite the degree of nobility inherent in the intent. The immutable laws of economics are omnipresent, manifesting themselves in man's every act coming to fruition in the ends achieved by acting. Perhaps Mises articulated the immutability of economic law most eloquently when he wrote:

> Only reluctantly does man resign himself to the insight that there are things, viz., the whole complex of casual relations between events, which wishful thinking cannot alter. Yet sense experience speaks an easily perceptible language. There is no use arguing about experiments. The reality of experimentally established facts cannot be contest.[48]

Mises' insights, although from decades past, are just as relevant today as they were during the publication of his magnum opus, Human Action, in 1949. Reluctance will be the general public's attitude in accepting the pernicious economic implications of the Cuban healthcare system; however, the proponents of equity cannot alter the laws by which the framework of man's social cooperation is determined.

[48] Ludwig von Mises, *Human Action*. (Auburn: Ludwig von Mises Institute, 2008), 858

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