

The Children's Hospital Public Economy Model (CHPEM)

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The initial focus of this essay is an explanation of the Children's Hospital Public Economy Model (CHPEM). In the last half of the essay the Development of a Collaborative International Network of Unique, Independent, Creative, Self-Determined, Self-Reliant, and Democratic National Public Economies is discussed.

[Note: In other essays I have referred to the Children's Hospital Public Economy Model CHPEM) as the Academic Pediatrics Economic Model. It could also be called the Economic Altruism Model or the Appropriate Budget-Based Economic Model or the Appropriate Reimbursement Economic Model. But I think the best label for this model is the CHPEM.]

The Children's Hospital Public Economy Model (CHPEM):

Since the 1940s, Academic Pediatricians throughout the world (best exemplified in Canada), have practiced an altruistic Public Economy Model (the CHPEM) and have developed a loose and informal Collaborative International Network of Public Children's Hospitals. Experience with the CHPEM suggests that this model could be implemented throughout the general economy of any nation, potentially in all nations. It can serve as an example for development of a Collaborative International Network of Unique Independent Creative, Self-Determined, Self-Reliant Democratic National Public Economies. Such a network of Public Economies could replace global corporate capitalism, and, thereby, could ameliorate much of the suffering of the world's people and the earth itself.

Characteristics of the CHPEM?

The CHPEM is a needs-based model that starts with the question, **"What do children need?"** For example, children need primary care clinics, pediatric sub-specialists, various levels of hospital care, clinical and basic science research, and an educational system to train pediatricians (and other health care workers) and share new knowledge.

The next question is **"What is the best way to organize the above needs-meeting effort?"** One answer has been the development of a large collaborative network of independent-but-closely-linked, geographic/population-based academic pediatric medical centers—consisting of public children's hospitals affiliated with public medical schools. This is best exemplified in Canada, where it was recognized that each large metropolitan area needed a medical school-affiliated children's hospital, and it was decided to publicly fund these medical schools and hospitals. In Canada, each children's hospital is Public and is staffed with sufficient types and numbers of academic pediatricians to meet the needs of the population of children in that particular geographic area, including surrounding rural areas. All of these public children's hospitals are associated with a public medical school (like the University of Alberta College of Medicine) and are funded by the Provincial governments.

Each Children’s Hospital within the Canadian Collaborative Network of Provincial Public Children’s Hospitals operates according to a cost-based, budget-based, altruistic economic model: There is absolutely no interest in “making money.” That is not the purpose of these hospitals. Their purpose is to meet the needs in their geographic/population area, not to make a profit. The hospitals are guided by moral incentive, not monetary incentive. Each Children’s Hospital is funded according to an appropriate budget presented by the Children’s Hospital to the Provincial government. The leaders of the Children’s Hospital base the budget on actual appropriate costs, including appropriate salaries for physicians, nurses and other employees who are asked to perform appropriate workloads with appropriate efficiency. The Province trusts that the Hospital leadership is presenting an appropriate budget, and the Hospital leadership is committed to running the Hospital in an appropriately efficient way—neither skimping too much, nor being too extravagant. The definition of “appropriate” is democratically determined, with input from all concerned, including patients. The entire network is guided by an altruistic spirit and work ethic, accountability, fairness, and trust. Another term for this economic model would be an “Appropriate Budget Economic Model.”

When practiced well, the CHPEM creates an abundance of Social Beauty and a Most Precious Freedom within the hospital. ¹⁻³

A key to the success of this network is that exemplary “natural leaders” are asked to assume leadership positions. Physicians who have demonstrated exemplary kindness, altruism, empathy, trustworthiness, fairness, competence, wisdom, leadership skills, and incorruptibility are democratically asked to serve as leaders. Accordingly, the provincial governments can trust the budget requests made by these leaders.

Another key concept is that the public Children’s Hospitals within this national network collaborate and coordinate with one another to improve care for children. There is no cut-throat competition or empire-building. To the contrary, the goal is to help each other become better. Importantly, the CHPEM promotes a healthy, accurate understanding of the true meaning and role of competition.⁴ Unnecessary duplication of services is minimized. Each children’s hospital shares its expertise and new knowledge with all other children’s hospitals. Regular local, provincial, and national educational conferences are scheduled to share information. There is no such thing as “intellectual property rights.” The academic pediatricians write articles and gladly share their new research insights freely, via medical journals and conferences. They do not sell their knowledge, nor do the recipients buy it. Health care, medical knowledge, and medical expertise are not considered “commodities” for sale, they are considered public property to which the public has a right to free access. Health care is viewed as a Human Right. A physician’s opportunity and ability to serve is considered to be his/her privilege and honor.

Importantly, all children’s hospitals in the network are committed to practicing the fundamental principles of science, medicine, ethics, and democracy. For example, data must be

collected in a scientifically sound fashion and must be honestly presented and honestly explained. Thorough patient education and informed consent are paramount.

This same needs-based, cost-based, budget-based, altruistic, collaborative, appropriate reimbursement economic model has been practiced by academic pediatricians throughout the world for decades—though not necessarily in as pure and excellent a fashion as in Canada. For example, in the USA there is a mix of public and private children’s hospitals and, unfortunately, an increasing amount of cut-throat competition, profit-making, corporatization, and empire-building has infected institutions, at the administrative level. Unfortunately, the same corporatization process is now affecting children’s hospitals in Canada.

Generally, though, academic pediatricians from around the world have altruistically worked together to raise the level of knowledge and quality of care. International conferences are held for this purpose. International pediatric medical journals have been developed, through which the world’s pediatricians freely share their knowledge and research. Physicians from Canada interact with children’s hospitals in other countries to mutually share experiences and knowledge and mutually improve each other. There is no such thing as exploiting money-making opportunities in other countries. Canadian Children’s Hospitals, e.g., have no interest in creating an international empire of children’s hospitals designed to make profits off of patients in other countries. Within the international academic pediatrics community there is no counterpart to the transnational corporations, like Exxon, General Electric, Apple, etc.

With the Academic Pediatrics Economic Model (i.e., CHPEM) there is no need for international “free trade” agreements—because nothing is being traded for profit. Knowledge and expertise are generously and freely “traded” only in the sense of mutually sharing what is needed for the benefit of Humanity.

A good example of the value and efficiency of this collaborative public economy model is the progress made in treating childhood leukemia. In the 1970s pediatric hematologists/oncologists at public children’s hospitals in the USA and Canada pioneered the development of a Multi-Center Collaborative Research Effort to advance progress in treating leukemia. Thanks to this altruistic collaborative Public Effort, the mortality rate for Acute Lymphocytic Leukemia (ALL) went from 90% in the early 1970s to less than 10% today. The knowledge gained has been freely shared with pediatric hematologists throughout the world. Not only has this collaborative Public Activity been extraordinarily successful, but it has also been a necessary approach to the problem—i.e., such success probably would not have occurred without this collaborative Public Effort, at least not as quickly and efficiently. For decades, pediatricians in all specialties have, similarly, freely and selflessly collaborated and shared their research and knowledge with other pediatricians, nationally and internationally,

So, for decades, Academic Pediatricians, particularly in Canada, have demonstrated the feasibility of developing a Collaborative National Network of Public Children’s Hospitals, and a Collaborative International Network of National Public Children’s Hospitals. For decades, Children’s Hospitals throughout the world have been practicing a needs-based, cost-based,

appropriate budget-based, altruistic economic model. This model has not simply been developed in theory, it has also actually been practiced, for decades, and has proven to be of great benefit to the world's children, at an affordable price for societies. Academic pediatricians, especially in Canada, have already demonstrated the feasibility and value of this model. If the USA and other countries were to better emulate the Canadian Network of Provincial Public Children's Hospitals, a currently good International Collaborative Network of Public Children's Hospitals could become even better.

Furthermore, the vast majority of Academic Pediatricians have found this Academic Pediatrics Economic Model (the CHPEM) to be very meaningful, gratifying, and emancipating. They would not wish to have approached their work in any other way. They like the Public Economy Model, including the opportunity and freedom it provides to enjoy expressing their altruistic capacities. They have enjoyed the freedom to plan and act selflessly. They have treasured this Selfless Freedom. In fact, they have been greatly disturbed by the increasing encroachment of a private corporate business mentality into the administrative workings of pediatric institutions (particularly in the USA). That corporate mentality has been increasingly down-sizing (even punishing) altruism, over-extending physicians, and adversely transforming behaviors within our children's hospitals, particularly at leadership levels.¹ The altruism and Selfless Freedom³ of pediatricians has been under assault (at least in the USA), and children are suffering because of it. (See the companion essay, "*The Social Beauty of Children's Hospitals*" which compares the "Social Beauty Era to the "Corporatized Era.")^{1,2}

In Canada, the National Network of Children's Hospitals is entirely a public network and, thereby, exemplifies what a Public Economy could look like, if all essential sectors of the general economy were to emulate the Academic Pediatrics Economic Model (the CHPEM). In short, the General Public Economy could resemble one giant network of children's hospital-like public activities—regarding philosophy, spirit, behavior, sub-divisions, over-all organization, and logistics.

Development of independent-but-collaborative Public Economies:

If Canada can develop and successfully practice a pediatric health care system (and a similar system for adults) that is based on a Public Economy model, why can't Canada develop other essential industries and a general economy based on the same model? And why can't this happen in other countries, and globally.

Regarding the general economy of a nation: What would a "Public Economy" look like, and what is meant by "vast Public Activity?"⁵

A Public Economy is a democratic economy that is truly of the people, by the people, and, most importantly, for the people—as opposed to an economy that is designed to benefit the already wealthy and those seeking wealth. It is a democratically determined economy. The people decide what their priority needs are and how the Public Economy can meet those needs in a kind, efficient, non-profiteering manner.

In a Public Economy people's needs are met by publicly owned and operated essential industries—i.e., through vast Public Activity. For example, a public pharmaceutical industry (as opposed to private BigPharma) would develop and provide all of the pharmaceutical products that people need; a comprehensive public health care system, free of private sector profiteering, would provide comprehensive health care for all, including much needed mental health services; a public computer and phone industry would provide the computers and phone services that people need; a public energy industry would provide the electricity, gas, and oil needed; a public transportation industry would build electric cars, buses, trains, light rail, planes, and bicycles; public construction outfits would build the infrastructure and buildings (government contracts with private profiteering construction companies would cease); and even a public hygiene industry would provide the everyday hygiene products that people need (low-priced soap, deodorant, tooth paste, tooth brushes, razor blades, etc., as opposed to the exorbitantly high priced products currently provided by private corporations, like Proctor and Gamble and Gillette). And, a Public Bank, uninterested in profit, would provide the funds needed to develop the above Public Activity. There would be no need for private banks, and Usury would be eliminated, as has been wisely suggested (for centuries) by Islamic teachings.

In contrast to the private corporations who are currently providing the above products and services at predatory profiteering prices, the publicly owned and operated industries would not be seeking profit. Their goal would be to meet a democratically determined need and meet it in a most responsible, kind, and affordable way. A Public Economy would practice cost-based pricing, not price-based costing. That is, in a Public Economy, the price the buyer pays is based on the true cost of producing the product (cost-based pricing); whereas in a capitalist economy the price is based on “whatever the market will bear” and not on the true cost of production (price-based costing).

In a Public Economy, the price for the most essential and healthy goods might actually be set below costs, through subsidization, to assure that all people can afford basic necessities. For example, the healthiest foods (organic vegetables and fruits) would be subsidized to encourage healthy eating.

The goal of a Public Economy is to provide healthy goods and services that people need and democratically request, and to provide those goods and services at a fair, affordable price, with subsidization if necessary. It is a needs-based economy, not a profit-making economy. Exploitation, predatory business behaviors, misleading advertising, and cut-throat competition⁴ have no place in a Public Economy. In fact, advertising is not needed in a Public Economy.

A Public Economy's only interest in international trade is to exchange expertise for mutual benefit and to trade goods/resources when it is not possible for countries to provide such goods/resources on their own. There would be no place for international profiteering or exploitation in an International Public Economy. In fact, the possibility of internationalizing natural resources (like oil) would be strongly considered. After all, why should an individual country become excessively wealthy just because oil has been found under its soil? Why does

that oil not belong to the entire global community, and why should it not be developed (or left in place) for the benefit of the entire global community. Perhaps we should strongly consider not just nationalizing natural resources, but internationalizing them, so that all can fairly benefit from them and protect them. Instead, the capitalist model, absurdly, privatizes these natural resources, and allows the extractors to rape the environment and exploit and displace indigenous peoples. Why is that allowed?

The leaders in a Public Economy would be natural leaders who are asked to assume positions of leadership because of their kindness, competence, fairness, honesty, integrity, work ethic, wisdom, collaborative spirit, incorruptibility, and altruism. Unlike in a capitalist economy, people whose behaviors are near the sociopathic end of the behavioral spectrum would not ascend to positions of leadership in a Public Economy; instead, they would be deliberately marginalized so that society could be protected from them, not ruled by them. In a Public Economy, people at the altruistic end of the spectrum would be asked to provide leadership. The natural leaders in a Public Economy would increasingly promote Public Activity, designed simply and only to look after people, as opposed to exploiting people, manipulating them, indebting them, and making money off of them—public activity designed to give free expression and practice to the best of our human capacities—not to the worst of our capacities.⁶⁻⁸

In summary, a Public Economy is an economy that is devoted to selflessly serving the Public, is based on Social Truth, encourages vast Public Activity, is designed to create Social Beauty and Social Justice, and is democratically managed by citizens who serve as Social Clinicians and monitor the Public Economy in the Social Clinic.⁹ A Public Economy encourages Economic Altruism, national self-reliance, national sovereignty, and horizontal collaboration with other nations. There is no profiteering, no exploitation, no predation. It encourages and gives practice to the very best capacities of Human Nature—not the worst capacities.⁶⁻⁸ It creates and protects Selfless Freedom. It is led by “Natural Leaders,” who have demonstrated exemplary kindness, altruism, Social Insight, and competence, and have been asked to lead. In short, a general Public Economy resembles one giant network of children’s hospital-like public activity—regarding philosophy, spirit, behavior, sub-divisions, over-all organization, and logistics.

Compare the two economic models—the corporate capitalist model¹⁰ and the Public Economy model: A Public Economy is democratic (with decisions being made by the public), needs-based, cost-based, non-profiteering, non-exploitative, collaborative, compassionate, efficient, responsible, accountable, egalitarian, and promotes health and high spirit; is led by exemplary altruistic natural public leaders; affordably and kindly meets the needs of all the people; protects the environment; increasingly up-regulates individual and collective human kindness; and promotes and protects Selfless Freedom.

The Capitalistic Economy is undemocratic (with corporate powers determining what needs will be met and at what price), profit-based, price-based, exploitative (even predatory), non-collaborative, grotesquely competitive (due to an inaccurate understanding of the true meaning and role of competition), and aggressively individualistic; is led by and promotes people whose

inclinations are near the sociopathic end of the spectrum (as opposed to the altruistic end); heartlessly makes essential needs unaffordable for most people; focuses, instead, on protecting the freedom of the wealthy to increase their wealth via unlimited exploitation of others; destroys the environment; is uncaring (or employs disingenuous caring, fake caring, as a business strategy), wasteful, inefficient, and irresponsible; up-regulates the worst of our human capacities, individually and collectively, particularly at the leadership level; promotes unhealthy activity and consumption; creates obscene income inequality, and demoralizes an indebted, dis-empowered, dehumanized, dispirited public that struggles to find meaning in their society.^{11, 12}

And, yet, we are told that capitalism, realistically, is the best possible economic model, and that a Public Economy would be impractical, dangerous, and would rob us of our freedoms. Astonishingly, capitalism has been accepted, largely unchallenged! In particular capitalism's understanding of Human Nature, an understanding upon which capitalism is fundamentally based, has not been adequately challenged. But we should not be surprised. After all, an abusive male is often able to convince his female victim that he is great and she is totally unworthy; that she is the problem, not him. Such is the power and twisted logic of people at the sociopathic end of the spectrum.

True freedom does not come from the individualism espoused by capitalism, at least in my opinion. It comes from participating in collective public efforts to genuinely look after others. **The most important freedom is the freedom to enjoy widespread up-regulated expression of the human capacity for kindness—up-regulation both in oneself and in the larger society.** A Public Economy provides that opportunity; Capitalism does not.

We don't really need capitalism, do we? We do not need to accept the abusive, negative view of Human Nature it preaches, do we? There is a far better model: the Public Economy Model—a model that has been exemplified by Academic Pediatricians, who have proven, long ago, that it can work.

Academic Pediatricians are not unique. Most people are like pediatricians (and pediatric nurses, school teachers, most clergy, and most workers, for that matter). Most people care deeply about Humanity and meeting the needs of their fellow human beings. They are altruistic, and they want to be helpful—in fact, they crave the meaningfulness and emancipation that comes with being truly helpful. The natural inclinations and behaviors of the vast majority of the world's people fall along the altruistic half of the spectrum of kindness—and the choice of economic models can make this either increasingly or decreasingly so.

Most people are desperately needing and wishing for more Social Beauty, Social Justice, Social Truth, and Social Health. Most people would love the freedom to participate in vast, vibrant, meaningful Public Activity. Most would like to participate in the Social Clinic, and most would be good Social Clinicians. Most people are fed up with the callous profiteering and predatory exploitation of the disrespectful Capitalist Economic Model. The earth itself is fed up with the Capitalist Economic Model. The Capitalist Model is a malignant model that empowers and is run

by people at the non-altruistic end of the behavioral spectrum.^{11, 12} As with most malignancies, its behaviors inherently and inexorably get worse.

All of Humanity, all of the world's non-human living things, and the earth itself would benefit from Public Economies, particularly a Collaborative International Network of Unique, Independent Creative, Self-determined, Self-reliant National Public Economies. Public Economies have the capacity to create desperately needed Social Beauty, Social Health, and Social Freedom, while also protecting the environment and its natural beauty.

So, why have we not developed Public Economies? Because the people currently in power insist on continuation of a Private Corporate Capitalist Economic Model, globally, and use their extreme power and mis-education to maintain it. They do not want Public Economies (if they are able to imagine such), and they have convinced people that no good alternative to the Private Corporate Economic Model (capitalism) exists. They do not think like pediatricians, nurses, school teachers, and most of the population. They have different inclinations, motivations, and goals. And we have allowed them to prevail.

But, there is no reason why the Public (in all nations), following the lead of Academic Pediatricians and children's hospitals, cannot insist on replacement of the current Private Corporate Capitalist Economic Model with the Public Economy Model (the CHPEM). Each nation could develop its own unique, creative version of a Public Economy, based on its unique circumstances—resulting in a rich diversity of creative national Public Economies. In each nation, the Public can do this by serving as Social Clinicians, by bringing problems before the Social Clinic, and by participating in peaceful mass public education that exposes the Capitalist Model for what it is, explains the Public Economy Model, compares the two, and proposes a peaceful (but not too slow) democratic transition from one Economic Model to the other. If pediatricians and children's hospitals (throughout the world) can develop and practice a Public Economy Model, so can the general Public in nations throughout the world—resulting in a Collaborative International Network of Unique, Independent, Creative, Self-Determined, Self-Reliant Democratic National Public Economies.

It is totally unrealistic, impractical, and absolutely Pollyannish to think that the world's present illness (its constant wars, poverty, social tensions, etc.) can be treated successfully by continuing the current prevailing Capitalist Economic Model—even with a much “kinder, gentler,” “more inclusive,” version of global capitalism; even with a global capitalism “with Chinese characteristics.” At best, a currently vicious malignant economic model could be transformed into a milder, gentler malignancy. But, why should we vote for malignancy of any kind—not a fascist malignancy; not a totalitarian communist malignancy; not a kinder, gentler capitalist malignancy; not a state capitalism malignancy “with Chinese characteristics.”

The most realistic, practical, pragmatic way to make the world healthy is to consider, through extensive Public Dialogue, democratic implementation of a Public Economy model, preferably in all nations. Development of a Collaborative International Network of Unique Independent

National Public Economies would give us the best chance to transform societies in the direction of Social Beauty.

It is proposed, therefore, that the capitalist economic model be replaced (in all nations) by a Public Economy model (like the CHPÉM), as exemplified by the Academic Pediatrics Economic Model—a model that has been practiced with spectacular success, for decades, by Academic Pediatricians throughout the world—an altruistic economic model that has enormously benefitted the world’s children, at an affordable price for societies.

Replacement of the capitalist model with the Academic Pediatrics Economic Model (i.e., a Public Economy) could bring peace, meaningfulness, and the most important of freedoms to People across the globe, and the Earth and its people would have a fighting chance to become healthy again.

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FOOTNOTES:

The footnotes refer to related essays that further explain the concepts and terms used in the current essay. These related essays are posted on the **Notes From the Social Clinic Website:** www.notesfromthesocialclinic.org

¹ The Social Beauty of Children’s Hospitals. (Soon to be posted on www.notesfromthesocialclinic.org)

² Social Beauty: <https://notesfromthesocialclinic.org/social-beauty/>

³ A Most Precious Freedom: <https://notesfromthesocialclinic.org/a-most-precious-freedom/>

⁴ On Competition: <https://notesfromthesocialclinic.org/competition/>

⁵ Create Vast Fields of Public Activity: <https://notesfromthesocialclinic.org/create-vast-fields-of-public-activity-victor-hugo/>

⁶ On Human Nature
<https://notesfromthesocialclinic.org/human-nature/>

⁷ Upregulation and downregulation of the Expression of Human Behavioral Capacities.
<https://notesfromthesocialclinic.org/the-concept-of-up-regulation-and-down/>

⁸ Human Nature---A Graphic Depiction---Sowing the Seeds for Public Economy and Social Beauty:

<https://notesfromthesocialclinic.org/human-nature-a-graphic-depiction-sowing-the-seeds-for-public-economy-and-social-beauty/>

⁹ Welcome to the Social Clinic: <https://notesfromthesocialclinic.org/welcome-to-the-social-clinic/>

¹⁰ In this essay, and in all other “Notes From the Social Clinic,” the term “capitalism” is intended to primarily refer to large corporate capitalism (e.g., giant transnational corporations), as opposed to small “Mom and Pop” capitalism (small businesses). I make this point because there are many examples of small businesses whose owners have operated in a kind, altruistic manner. The criticisms advanced in this essay are primarily directed at big businesses and apply much less to many small businesses.

However, just because some small business owners have operated very admirably, does not mean that capitalism is okay. In fact, it is the opinion of this social clinician that the truly kind and altruistic small business owners could be even happier if their businesses were a component of a Public Economy. They would still lead their business, but they would do so with the financial support, admiration, and gratitude of the Public.

¹¹ Problematic Aspects of Capitalism---Its Malignant Nature:

<https://notesfromthesocialclinic.org/problematic-aspects-of-capitalism-its-malignant-nature/>

¹² Little Economic Story: To What extent Should Capitalism be Practiced in a Public Economy?
<https://notesfromthesocialclinic.org/little-economic-story-to-what-extent-should-capitalism-be-practiced-within-a-public-economy/>