

Exercise 4

Discuss the efficacy of consumer choice in health and social care. Use long term care to demented individuals, heart surgery and dental care as examples.

Imagine you are to design public policies aimed at improving service quality. Do the policy implications of asymmetric information differ from that of limited consumer sovereignty?

Discuss interaction effects between limited consumer sovereignty and quality. In what type of service contexts would you think this is relevant (if at all)? Argue your view.