The Decline of the Aristocracy: Lessons from Downton Abbey

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Tom Robertson
Executive Director, Vizient Research Institute

I recently returned from a brief trip through the English countryside, during which we visited Highclere Castle, the iconic setting for the internationally acclaimed PBS television series Downton Abbey. For those not already familiar with the story of Robert Crawley, the Earl of Grantham and his extended family, it’s worth taking a moment to establish a bit of context. Set in 1912 – the fictional heir to the Crawley estate is lost with the sinking of the Titanic – Downton Abbey follows the social and economic challenges facing the British aristocracy over the tumultuous period just before and then between two world wars.

At a time in world history when monarchies and feudalism were giving way to self-governance and/or socialism, the aristocratic way of life in Great Britain became increasingly difficult to maintain. The myriad factors contributing to the unsustainability of the aristocracy were at once both complex and uncomplicated. Conscription to the military and wartime casualties created a labor shortage. Rationing exacerbated the already hardscrabble subsistence of the working class. The costs of the war landed the country in debt and the national debt resulted in crippling taxation. Particularly devastating to generational wealth were inheritance taxes. More and more often, families that had held vast expanses of land for generations found it necessary to sell off parcels to pay their taxes. On its face, this convergence of economic drivers seemed complex, but at the root of everything, a much simpler fuse had been lit.

The overwhelming majority of the population was less well-off than the aristocrats. That fact was not new. What had changed was society’s tolerance for the magnitude of the differential. It’s not difficult to imagine feelings of resentment welling up as tenant workers – who spent their days raking hay – looked up at the warmly lit windows of the manor house and listened to violins, or watched guests leave in their gilded carriages after lavish dinners in white tie and tails. Eventually, some would say inevitably, those without declared that enough was enough. Unlike France or Russia, disruption in England was evolutionary, not revolutionary. It took decades, and nearly everyone could eventually see it coming, though some took much longer than others to open their eyes.

There are lessons for American health care in the decline of the British aristocracy. Medical spending in the United States is crowding out other expenditures, both discretionary purchases and basic needs. Patients are becoming impoverished following encounters with the health care system. Health insurance is unaffordable for many and displaces growth in earnings for those who can buy it. The growing awareness of health care costs and the increasingly negative perception of health care spending have reached the point where it’s not inconceivable for the middle class to say enough is enough. It’s less likely to come as the sudden bite of a viper and more likely to resemble the prolonged squeeze of a constrictor. Even a precipitous shift to a single payer system, should it ever occur, would by political necessity hold stakeholders relatively harmless at the outset. It would be through constriction over time that the “haves” would have less.

Without envisioning a politically unlikely single payer system, at least two governmental options are available if patience for market-based solutions runs out: taxes or a regulated public utility model. Taxes were an accelerant in the decline of the British aristocracy. Health care providers have enjoyed favored status with respect to income and property taxes. Our cost of capital is lower due to tax-free bond financing. Political pressure to revisit the question of taxes could emerge if financial pressures on the middle class intensify sufficiently. An even more profound shift would occur if health care was viewed as a public utility and price controls were introduced while maintaining the private delivery system. Regulated utilities have emerged when industries were engaged in providing essential services and normal market forces were unable to ensure fair and affordable prices.

In his 2015 retrospective published in the Michigan Law Review, Professor Nicholas Bagley notes that health care has avoided public utility status in the United States (unlike other western countries), having been regulated more as a charity than a business. It’s not difficult to imagine regulatory views changing, however, as health care entities continue to exhibit the characteristics of businesses and as market forces fail to control prices. Downward pressure on provider prices (or merely holding them constant over a protracted period of time) – whether via regulated public utility status or taxes – could put us in a situation not unlike that facing the Earl of Grantham in 1912... declining prosperity over an extended period of time.

In his book titled The Decline and Fall of the British Aristocracy, David Cannadine observed:

“As late as the 1870s, these patricians were still the most wealthy, the most powerful, and the most glamorous people in the country...but during the hundred years that followed, their power faded, their glamour tarnished, and their collective sense of identity and purpose gradually but inexorably weakened...how, when, and why did this pride of lions decay into a fable of unicorns?”

It’s worth noting that the British aristocracy did not disappear. Highclere Castle remains in the possession of the family that has owned it for generations. What is different is the size of their fortune and the gap between their standard of living and that of the English commoner. Aristocrats are still wealthier than farmers or factory workers, but the disparity has lessened in the decades since the second world war. Had I stumbled onto the grounds of Highclere in 1919, I would have been
immediately sent packing. In 2019, I was invited in for a tour in exchange for an admission fee. Similar changes have occurred throughout the manor houses of England. Some remain private residences with tours available, others have been converted to hotels or golf resorts. The aristocracy did not disappear, it adapted. The same may be said of us before our kids retire.

About the author and the Vizient Research Institute™. As executive director of the Vizient Research Institute, Tom Robertson [8] and his team have conducted strategic research on clinical enterprise challenges for 20 years. The groundbreaking work at the Vizient Research Institute drives exceptional member value using a systematic, integrated approach. The investigations quickly uncover practical, tested results that lead to measurable improvement in clinical and economic performance.

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