Economics and animal welfare in small animal veterinary practice: the case of genetic welfare problems

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Abstract

Veterinary practice is subject to veterinary surgeons' professional ethics, which ensure that patients' welfare is considered paramount and clients' interests are considered important. The provision of veterinary services is also subject to market forces that can affect transactions between clients and veterinarians. Veterinary markets could encourage or permit welfare harms due to potential market variations, imperfections and limitations, for example where financial constraints limit owners' willingness to pay for treatment or veterinarians’ abilities to provide pro bono treatment. Consequently, economic factors could lead to potential welfare compromises through animals being undertreated, overtreated or mistreated. Fortunately there are possible solutions to these problems. Some are supplier-driven, for example improved the market functioning through transparency and honesty, strategically disrupting it through co-ordinating clinical standards and protocols or using veterinary authority to influence clients. Others are consumer-driven, for example improving consumer decision-making through the actions of insurance companies.

Keywords: animal welfare, dog, economics, overtreatment, undertreatment, veterinary practice

Introduction

This paper looks at the possible economic contexts of veterinary practice, including hypothetical market variations, imperfections and limitations, and links these to potential welfare problems they could cause and possible solutions to prevent them. Economic concerns are key to many issues within veterinary ethical decision-making, alongside veterinarians’ legal, professional and personal ethics. As an example, this paper looks at canine breed-related conditions, which are a matter of topical discussion within the veterinary literature (Higgins & Nicholas 2008; Nicholas & Wade) and a salient example where veterinary professionals could face a conflict between earning money for correcting breed-related problems and their duty to advise against breeding practices (Bateson 2010).

A simple economic model of veterinary treatment choices

On one side of the transaction, owners ‘buy’ medical treatment for their animals. Their willingness to pay for this treatment requires them both to have the money and to be prepared to spend it. Some owners’ willingness to pay is due to expected financial returns. Treatments may save valuable stock; increase animals’ show success or reproductive ability; make animals more sellable through repairing congenital problems or providing a certificate of health (‘vetting’); or avoid future costs through prophylactic treatment, such as vaccination. Other owners’ willingness to pay is often based on non-financial considerations, such as love and empathy for their animal.

On the other side of the transaction, non-charity veterinary prices ‘sell’ treatment in order to cover costs, fund investment and make appropriate profits. This provides a motivation to increase practice turnover and reduce costs. Again, there are also non-economic motivations for veterinary practices to charge fees, such as wanting a fair reward for their skills and efforts to encourage responsible ownership, and non-economic motivations to provide treatment, not least their concern for the patient and client.

In an ideal economic model, these two drivers might be expected to reach an optimal equilibrium based on a mutually beneficial compromise between the interests of the owners and veterinary parties. For example, the price of a given therapy would be set at a price that benefits both owner and practice, since charges outside this level would be above the owners’ willingness to pay or unsustain able for the practice. Similarly, services would be provided if and only if the benefit perceived by the owner and practice exceed the cost.