

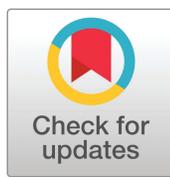
ORIGINAL ARTICLE

THE ROLE OF PRIVATIZATION IN HEALTHCARE SERVICES

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ABSTRACT

This paper explores the impact of privatization on healthcare delivery with a focus on Meerut district, Uttar Pradesh, India. Using primary data collected from 50 purposively selected respondents through structured interviews, the study assesses both the socio-economic profile of participants and their perceptions of healthcare services. Findings reveal that private healthcare is widely perceived as more efficient, patient-centered and offering higher quality care. However, concerns about affordability, lack of transparency in billing and restricted access for economically weaker sections were prominent. The research underscores the paradox of privatization: while it enhances service delivery and efficiency, it simultaneously deepens inequality and financial burden. Limited awareness and utilization of government schemes designed to mitigate private healthcare costs further highlight policy gaps. The study concludes that a balanced approach is needed, combining private sector efficiency with strong public regulation, equity and accountability to ensure healthcare functions as a right rather than a privilege.

Objective of Study: To examine the perceived role of privatization in shaping healthcare efficiency, quality, cost and accessibility.

Area of Study: The study was conducted in Prahlaad Nagar located in District Meerut in western Uttar Pradesh by conducting interview of 50 respondents from different socio-economic backgrounds

Keywords: Privatization, Healthcare, Public, Private, Healthcare cost and quality, Health accessibility, Socio economic factors

INTRODUCTION

Healthcare is a fundamental component of human development and social well-being. It encompasses the prevention, diagnosis, treatment and management of illness and injury, as well as the maintenance of physical and mental health. Around the world, health systems are organized through varying combinations of public and private arrangements. In

India, government expenditure on health remains comparatively low and this has contributed to persistent gaps in accessibility, affordability and quality. As a result, the private sector has emerged as a major provider of healthcare, often filling the void left by public facilities.

Privatization, in general, refers to the transfer of responsibilities, ownership, or management of services from the state to private actors. In healthcare, this process may involve private hospitals, clinics, or insurance mechanisms taking on roles traditionally held by public institutions. Advocates of privatization argue that it improves efficiency, responsiveness and quality of care through competition and innovation. Critics, however, caution that it may reduce equity, raise costs and prioritize profit over public welfare.

The present study examines this tension through an empirical investigation in Meerut district, Uttar Pradesh. Specifically, it looks at the socio-economic background of respondents and their experiences with both public and private healthcare providers. The central questions guiding this research are:

- (1) What is the socio-economic profile of the respondents?
- (2) How has privatization influenced healthcare access, quality and affordability in the region?

By addressing these issues, the study contributes to broader debates on healthcare reform and the role of private providers in developing societies.

REVIEW OF SELECT LITERATURE

Tarek M Alayed et al. (2024): Tarek M Alayed et al. (2024) concluded that A notable shift in healthcare policy is healthcare privatization, which refers to the transfer of ownership, management, or provision of healthcare services from the public sector to private entities.

Benjamin Goodair et al. (2024): Benjamin Goodair et. Al (2024) reviewed four decades of healthcare privatization in high-income countries and found that while reforms were intended to enhance quality through competition, many instead prioritized cost-cutting. Hospitals shifting to private ownership often increased profits by reducing staff and selectively admitting patients, with overall trends linked to poorer health outcomes. They conclude that evidence supporting further privatization is limited.

Prof. M. Hanumantha Rao (2023): Prof. M. Hanumantha Rao (2023) highlights the fundamental link between health and socio-economic development, noting that despite India's rapid economic growth, the health sector continues to suffer from inadequate public funding, which stands at just 1.29% of GDP. This low investment has widened inequalities and limited the effectiveness of public healthcare institutions.

Susan F. Murray et al. (2022): Susan F. Murray et al. (2022) emphasize the importance of understanding healthcare regulation in contexts where private actors dominate. Their study of Maharashtra shows that both state and non-state actors shape rules, norms and practices in private healthcare, leading to complex governance challenges.

Sarvanan.a (2021): Sarvanan.a (2021) compares public and private healthcare, concluding that while the private sector is more efficient and responsive, it also deepens disparities in access and affordability. Similarly, Chakravarthi (2013) draws attention to the increasing commercialization of healthcare, where hospitals are seen not merely as social institutions but as economic ventures, raising concerns about equity.

Shoo K Lee et al. (2021): Shoo K Lee et al. (2021) found that private financing in Canada undermines core values of Medicare, showing negative effects on universality, equity, accessibility and quality of care.

Kevin Croke (2020): Kevin Croke (2020) notes that corporatization, which grants public hospitals greater autonomy while retaining public ownership, is intended to improve efficiency, but its outcomes depend heavily on governance and payment structures.

Indira Chakravarthi (2013): Indira Chakravarthi (2013) found that corporate hospitals are becoming a significant presence within the health care industry in India. There is strong advocacy and promotion by the industry and the

government, of the idea that health care infrastructure should not just be viewed as a social good but also as a viable economic venture with productivity. Yet, the discourse on privatization, on the publicprivate divide in health systems does not pay attention to the spread of corporate sector activities and corporate financing in health care; to the increasing commercialization of health services.

This brief note highlights some recent trends and features of the hospitals sector of the health care industry in India. There is a need to document and analyze the practices and behavior of the hospital industry and examine the impact of these changes for the public health systems, for policy and planning in public health, from a critical public health perspective.

Sanjay Basu et al. (2012): The study by Sanjay Basu et al. (2012) conducted a systematic review of healthcare in low- and middle-income countries, finding that while the private sector is often described as more efficient and sustainable, public systems generally provide more equitable and evidence-based care.

Saeed Sobhani (2019): Saeed Sobhani (2019) analyzed that in the past several decades, the World Bank (WB) and the International Monetary Fund (IMF) have transitioned priorities from rebuilding European and Asian countries to decreasing poverty in developing countries. In addition, they evolved to be the worlds main financial sponsor to healthcare-related projects. Policies of these organizations forced some structural adjustment policies on many developing countries that resulted in negative consequences. This piece examines the impact of the changing policies of WB and IMF on the health of vulnerable populations and suggests potential recommendations for future improvements.

DISCUSSIONS

The findings of this study reveal the complex and often contradictory consequences of healthcare privatization in the Meerut district. Respondents consistently associated private healthcare with improved efficiency, faster service delivery and higher responsiveness compared to public facilities. These perceptions mirror earlier studies by Sarvanan (2021) and Chandan (2011), who observed that patients often prefer private hospitals because of reduced waiting times, better infrastructure and more patient-centered service, even when costs are higher.

At the same time, concerns regarding affordability and transparency were repeatedly voiced. Nearly 90% of respondents reported that privatization had led to increased healthcare costs, while 80% found billing procedures to be unclear or exploitative. Similar findings are reported by Chakravarthi (2013), who argues that the rise of corporate hospitals in India has led to the commodification of healthcare, privileging profit motives over patient welfare. International evidence further supports this pattern. For example, Duckett (2022) highlights how in Australia, private healthcare access often undermines universality by favoring the wealthy, while Lee et al. (2021) show that private financing in Canada erodes the core values of equity, accessibility and universality.

The study also highlights the paradoxical nature of privatization: while it improves perceived quality, efficiency and provider attentiveness, it simultaneously deepens inequalities by excluding economically weaker sections from access to high-quality services. Basu et al. (2012) reached a similar conclusion in their review of healthcare systems in low- and middle-income countries, noting that while the private sector may appear more efficient, the public sector remains more equitable and evidence-based. Goodair, Reeves and Stuckler (2024) also challenge the assumption that privatization enhances quality, showing instead that reforms often prioritize cost-cutting through reduced staffing and selective patient intake, which in turn negatively affects patient outcomes.

Another important theme emerging from this study is the limited awareness and utilization of government healthcare schemes among respondents. While 40% were aware of such schemes, only a small proportion reported actual usage. This indicates a significant policy communication gap and suggests that state interventions meant to mitigate the inequities of privatization are not reaching their intended beneficiaries. Murray and Elston (2022) emphasize that weak regulatory systems in India allow private providers to operate with minimal accountability, further aggravating these challenges.

The Meerut findings underscore the need for balanced healthcare reforms. Privatization cannot be dismissed outright, as it clearly provides efficiency and infrastructure improvements that are difficult to replicate in the public sector under current budgetary constraints. However, unregulated privatization risks transforming healthcare into a commodity accessible primarily to the affluent, thereby undermining its role as a basic human right. To avoid this, stronger regulatory oversight, transparent billing mechanisms and the expansion of publicly funded insurance or subsidy schemes are crucial.

Finally, this study contributes to the literature by offering micro-level evidence from an urban Indian district. While much of the existing literature is either national-level or comparative (Basu et al., 2012; Maarse, 2006; Goodair et al., 2024), this study provides localized insights into how privatization is experienced by patients across socio-economic groups. These findings illustrate the need for policy approaches that are not only nationally consistent but also sensitive to local socio-economic realities.

CONCLUSION

This study provides empirical insights into the role of privatization in healthcare services, focusing on respondents from Meerut district. The evidence demonstrates that privatization has improved efficiency, quality and patient satisfaction, yet it has also introduced new challenges, including rising costs, limited transparency and unequal access.

Respondents generally expressed conditional support for privatization many acknowledged its advantages but emphasized the necessity of effective regulation. Policymakers, therefore, face the challenge of striking a balance: leveraging the strengths of the private sector while safeguarding healthcare equity through regulation, accountability and stronger public infrastructure.

The research suggests three key priorities. First, transparent billing and cost regulation are essential to build public trust in private healthcare. Second, awareness of government schemes must be expanded so that patients can effectively benefit from financial support mechanisms. Third, investment in public healthcare infrastructure must continue, ensuring that privatization complements rather than replaces the public system.

In conclusion, privatization in healthcare is neither wholly positive nor wholly negative. Its outcomes depend heavily on governance, regulation and equity safeguards. If managed carefully, it can contribute to a more efficient and modern healthcare system in India. If left unchecked, however, it risks deepening inequality and transforming healthcare from a social right into a privilege accessible mainly to the affluent.

Peers also strongly affect risk-taking behaviors, where the desire for acceptance may push youth toward experimenting with harmful substances, reckless driving, or unsafe relationships, all of which carry long-term consequences. Alongside this, excessive need for approval often causes a loss of individuality, suppressing unique thoughts and talents in favor of conformity. Such struggles frequently contribute to mental health issues like anxiety, stress, or depression.

On the positive side, supportive peer groups promote the development of social skills such as teamwork, leadership and communication. However, many youth also face financial pressure caused by the urge to match their peers lifestyles, which can lead to debt and instability. Peer influence further extends to moral and ethical values, where friendships can either foster honesty and responsibility or encourage unethical behavior.

Importantly, peers impact self-confidence, either nurturing belief in ones abilities or creating self-doubt through criticism. Ultimately, the habits and values shaped by peer influence determine future opportunities, making it either a path to growth or an obstacle to success.

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