

Urbanization and Healthcare Services in Punjab: Role of Private Sector

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Abstract

In recent years, the world is becoming increasingly urban with about fifty five percent of its population living in urban areas. This urbanization is a sign of good job opportunities, better education and health facilities, better housing and sanitation, and improved standards of living. However, urbanization brings with it socio-economic and environmental problems which ultimately lead to health hazards. And, the demand for healthcare services rise. But the issue is that the public sector healthcare system becomes inadequate to meet the growing healthcare needs in urban areas mainly due to low level of government outlays for the health sector. As a consequence, the private healthcare sector emerges. The extant literature reveals a correlation between urbanization and the growth of the formal private healthcare sector. However, the role played by the private healthcare sector in urban areas is limited to certain sections of the society mainly because of higher medical costs. In this context, this paper examines the role of private sector in the face of growing urbanization in the Punjab state of India. It is concluded that the private sector fails to address the issues of equity in healthcare services. Therefore, public-private partnership is suggested as the alternative option for attaining equity in health.

Key Words: Urbanization, Healthcare, Private Sector, Punjab

1. Introduction

In the process of economic growth of a nation, urbanization plays a significant role because it brings with it modernization, industrialization, higher GDP growth, improved consumption pattern, and enhanced living standards of people (Mahey & Tripathi, 2016). Urbanization is the gradual increase in urban population due to rapid population growth in these areas as such and/or due to internal migration from rural to urban areas. Although urbanization is the positive manifestation of socio-economic development (Singh & Singh, 2014), it is associated with several environmental and social service problems (Robert, 1997). Particularly, a high population density in urban areas poses serious challenges for public health. These challenges relate to water supply, environment, violence and injury, accidents, communicable and non-communicable diseases, nutrition and physical inactivity, alcohol and illicit drug use, and the increased potential for infectious disease epidemics (Yadav *et al.* 2011). Thus, urbanization and health has been a serious concern, especially in emerging market economies like India and its States. In recent years, the economic development of India has been rapid coupled with a high rate of

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