

Indian election: a formality or a step towards change in health provision?

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The 2009 parliamentary election in India meant a roller-coaster journey for the country in April and May of this year. The results are now out and the Congress Party, with a few other regional parties, has resurged with more seats and confidence. Dr. Manmohan Singh, who is well known for his strong commitment to economic reforms and liberalisation policies, has returned as the Prime Minister.

The current scenario projects a very challenging set of tasks for the new government. On the one hand, there is an urgent need to address the unfinished agenda of market reforms and get the economy quickly back on fast-track growth; on the other, it is necessary to break the dualism between impressive growth and persistent poverty coupled with emergence of newer vulnerabilities and inequalities.

The Indian health sector epitomizes the challenge. There has been an unprecedented structural transformation in the health care market in the last two decades. In the curative care (treatment and therapies) market, the private sector, largely unregulated, has taken a dominant role in place of a miserable public sector. It has a mixed result; while people, especially the middle and richer section, have more choices, they are also more exposed to the risk of catastrophic financial shocks due to the staggering rise in health care costs. Highly subsidized public facilities provide some protective shield, but, as the [Future Health Systems](#) (FHS) research reflects, they still fail to protect a significant number (15%) of their client householdsⁱ. Clearly, poor people want better governance in service delivery so that public hospitals can play a more protective role; it is, however, not clear how the central government will meet this need since this is primarily a matter for each state in India to decide.

The progress in health outcomes in the last decade, especially in infant and child mortality, has been promising, as are the downward trends in public health problems, such as TB, HIV/AIDS, and leprosy. However, unacceptably big gaps remain in maternal health and child nutrition. The most prominent response of the last (central) government was the National Rural Health Mission - a comprehensive health programme for the rural population which integrates all public health programmes in a single package. The programme has triggered the public expenditure on health to some extent; yet it falls far short of the target (2% of GDP) and is significantly low by even Asian standards. Given that the new government has got the mandate of the people, it is expected that investment on health and education will get a substantial boost as a pay-back strategy.

The direction of public investment in health, however, will depend on how the central government aligns itself to the transforming health market. There are two clear options: (1) it may encourage the state authorities to be a more active market actor (i.e., less of a financier and more of a provider and regulator) especially in secondary / tertiary care, and (2) it may regain the lost position of the public sector by increasing subsidy and focusing exclusively on better governance in service delivery at public facilities. The federal structure of the country does not allow the central government to be the sole player in exercising any one of them. However, it will be interesting to see whether and to what extent they could activate the state governments towards adopting one of these directions.

ⁱ See [“Catastrophic health care payment: how much protected are the users of public hospitals?”](#) by FHS-India www.futurehealthsystems.org