

# A Comparative Study of the Social Sector at Global Level (With Special Reference to Public Health of India)

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**Abstract – Social sector is an important sector for any economy and includes several important component such as education, health and medical care, water supply and sanitation, poverty alleviation, housing conditions etc. that play a vital contribution in human development. The elements of liberalization and economic reforms have played a key role in the areas of social infrastructure and development but on the other aspect it has also led to the commercialization of the health sector leading to high out of pocket expenditure (OOP). Important aspects of human development are now governed within economic sphere where market and private philanthropy play a vital role. Due to the rapidly globalizing competitive marketplace coupled with the increasing need to expand quality of life at the grassroots level and to spur innovative thought, policy makers in India are slowly but surely setting the social sector on the reform track. Our paper focuses on the condition of the public health system of India. The paper has been divided into three sections, the I section is based on introduction about social sector along with the objectives and methodology of the study. In the II section an attempt is made for a comparative analysis in regarding various aspects of the social sector of India & other countries of the world. Section III briefly summarizes the conclusion of the study.**

**Key Words : Social sector, Public health, Globalization, Out of Pocket Expenditure.**

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## SECTION I

Social sector is an important sector for any economy and includes several important component such as education, health and medical care, water supply and sanitation, poverty alleviation, housing conditions etc. that play a vital contribution in human development. Social sector may also refer to the value system of an economy which fosters values such as philanthropy, social business, social entrepreneurship etc. The elements of liberalization and economic reforms have played a key role in the areas of social infrastructure and development. Important aspects of human development are now governed within economic sphere where market and private philanthropy play a vital role. Due to the rapidly globalizing competitive marketplace coupled with the increasing need to expand quality of life at the grassroots level and to spur innovative thought, policy makers in India are slowly but surely setting the social sector on the reform track. The private sector too is not left behind either. Several well-known impact funds and venture philanthropy funds have also shown interest in this unique and emerging business opportunity, which balances investor returns with social responsibilities

and aims to uplift communities.<sup>1</sup> with the advent of globalization the Indian social sector development is not at par with the world level.

Objectives of the paper are to state that the Public health system of India in the global level is weak. In spite of having open economy the out of pocket expenditure of India is too high. The analysis of the study is done with the help of secondary data & the facts and figures have been compiled with the data of worldbank.

## SECTION II

India has to not only increase resources for healthcare but also radically transform the architecture of the country's healthcare delivery system, if the nation is to achieve the government's vision of assuring health for all. There are several deficiencies and structural problems with the health-care system that fails to assure health coverage for all in India. The government expenditure on health as compared to the other developed nation is quite low.

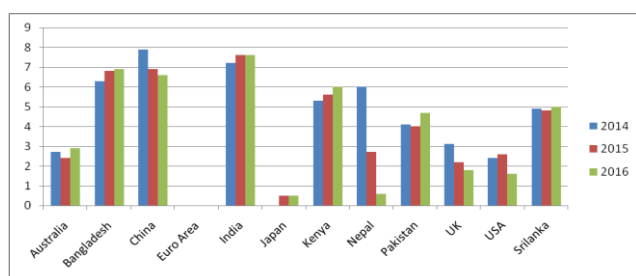
The GDP of the developed nations are quite high but the rate of GDP growth differs in all the countries.

Table 1

Real GDP Growth with Percentage Change

Country	2014	2015	2016
Australia	2.7	2.4	2.9
Bangladesh	6.3	6.8	6.9
China	7.9	6.9	6.6
Euro Area	NA	NA	NA
<b>India</b>	<b>7.2</b>	<b>7.6</b>	<b>7.6</b>
Japan	0.0	0.5	0.5
Kenya	5.3	5.6	6.0
Nepal	6.0	2.7	0.6
Pakistan	4.1	4.0	4.7
UK	3.1	2.2	1.8
USA	2.4	2.6	1.6
Srilanka	4.9	4.8	5.0

Source: www.knoema.com.



In the above table(1) we can see that the GDP growth rate of India is higher than the developed nations but inspite of this the public health condition of India is quite bleak. Whereas the growth rate of UK & Australia is very less but their public health system is very strong and people friendly. There is enormous inequity in the distribution of ill health across geographical, caste, wealth, gender and educational strata. A large proportion of the population are afforded little financial protection against healthcare costs, such that the poor are either unable to access quality healthcare or when they do so they are impoverished. The demand for hi-tech, hospital-based medical care stands in stark contrast to widely perceived deficiencies in the provision of basic healthcare.

Table 2

A Study of the Birth Rate & Death Rate

Countries	BirthRate		Death Rate	
	1960	2014	1960	2014
Australia	22	13	09	07
Bangladesh	49	20	20	05
China	21	12	25	07
Euro Area	19	10	10	10
<b>India</b>	<b>42</b>	<b>20</b>	<b>22</b>	<b>07</b>
Japan	17	08	08	10
Kenya	51	35	20	08
Nepal	45	21	28	06
Pakistan	44	29	21	07
UK	18	12	12	09
USA	24	13	10	08
Srilanka	37	16	12	07

Source: worldbank.org

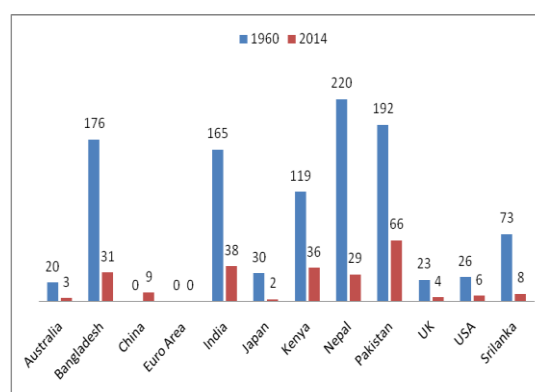
The aspects of the globalization has only increased the exports & imports but having look over the Indian scenario a bright picture has not been presented. The public health system has yet not been brought at par with the developed nations of the world. India is still having high birth rate & death rate. If we look at the condition of the developing nations it is very bleak, they have high birth rates & death rates due to lack of effective governance in the public health system.

Table 3

Percentage Change in Infant Mortality Rate (IMR)

Countries	Infant Mortality Rate		Percentage Change
	1960	2014	
Australia	20	03	17
Bangladesh	176	31	145
China	NA	09	NA
Euro Area	NA	NA	NA
<b>India</b>	<b>165</b>	<b>38</b>	<b>127</b>
Japan	30	02	28
Kenya	119	36	83
Nepal	220	29	191
Pakistan	192	66	126
UK	23	04	19
USA	26	06	20
Srilanka	73	08	65

Source: world bank.org



In the developing nations the IMR is very high. India's healthcare system is in need of reform. Child and maternal mortality rate is high and deaths from chronic diseases are increasing. From the above table 3 it is clear that the IMR of the developing nations are high due to poor medical facilities, low standard of living etc. India's IMR is quite high

Despite higher income per head and sustained economic growth for over two decades and substantial improvements in some health indicators in the last decade, India continues to fare badly on many health indicators compared with other middle-income countries and its neighbours like Nepal and Bangladesh for instance, India accounted for 20 per cent of the global burden of disease in 2013, as against 21 per cent in 2005. Nearly 27 per cent of all the neonatal deaths and 21 per cent of all deaths in children younger than five years take place in India. Diarrhoea, pneumonia, preterm birth complications, birth asphyxia, and neonatal sepsis are responsible for 68 per cent of all deaths in children of this age group.

About 39 per cent of the children in this age group suffer stunting. More than 6 per cent of women are severely undernourished — which is among the highest in low-income and middle-income countries.

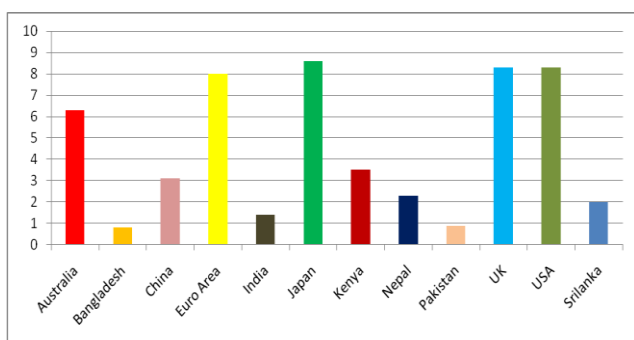
India faces a double whammy of communicable and non-communicable diseases. Non-communicable diseases are responsible for 52 per cent of all disease burden and more than 60 per cent of deaths in the country. Nearly 65 per cent of Indians have diabetes. On an average, Indians get their first heart attack when they are 50 years old, at least 10 years earlier than in developed countries. Though primary health-care infrastructure improved between 2005 and 2015, the expansion in public services has been “inequitably distributed.” The primary health care is weakening in all States; it is consistently falling. Even the quality of care offered in PHCs is uneven and poor. By the end of March 2015, only 21 per cent of primary health centres and 26 per cent of the community health centres were functioning as per Indian Public Health Standards set by the Health Ministry.<sup>3</sup> To achieve the objective of health for all, the availability and utilisation of health services in the country play a vital role. Since all the facilities cannot be provided by the government, a mix of public and private services as well as the corresponding expenditure-mix also become important variables to reckon with the performance of existing health services.

**Table 4**

**Health Expenditure as a Percentage of GDP at the Global Level**

Country	2014
Australia	6.3
Bangladesh	0.8
China	3.1
Euro Area	8.0
<b>India</b>	<b>1.4</b>
Japan	8.6
Kenya	3.5
Nepal	2.3
Pakistan	0.9
UK	8.3
USA	8.3
Srilanka	2.0

Source: worldbank.org



The health expenditure as a percentage of GDP of the developed countries are too high (Table 4) India is spending only 1.4 percent of its GDP for the health expenditure. The largest populated country in the world China is spending about 3.1 percent of its GSDP and under developed nations like Kenya has higher contribution compared to India.

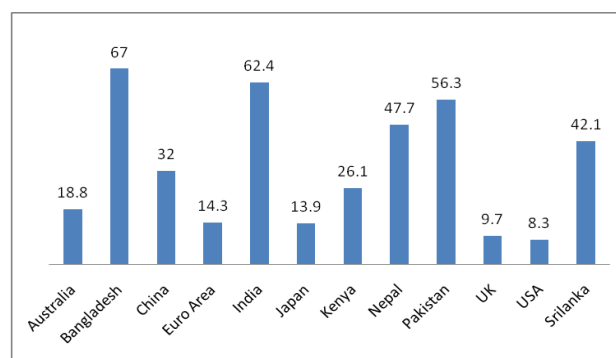
It is a fact that a large proportion of the population stands impoverished as a result of high out-of-pocket health-care expenditures and people also suffer the adverse consequences of poor quality of care. About 73 per cent of the public hospital beds are located in the urban areas despite 69 per cent of India's population residing in rural areas. There continues to be an overall availability shortfall of 22 per cent of primary health centres, and 32 per cent of community health centres that serve people living in rural areas across the country. The shortfall in health facilities is felt the most in States like Bihar and Madhya Pradesh.<sup>3</sup>

**Table 5**

**Out of Pocket Health Expenditure as a Percentage of Total Expenditure on Health**

Country	2014
Australia	18.8
Bangladesh	67
China	32
Euro Area	14.3
<b>India</b>	<b>62.4</b>
Japan	13.9
Kenya	26.1
Nepal	47.7
Pakistan	56.3
UK	9.7
USA	8.3
Srilanka	42.1

Source: worldbank.org



The out of pocket expenditure (OOP) in the developing nations are quite high whereas the OOP of the developed nations are less. India is having an OOP of 62.4 percent whereas USA is having only 8.3 percent. Bangladesh being the developing nation is having highest OOP with a very poor public health system. According to the results of the National

Sample Surveys on social consumption, there has been a “steady decrease” in the use of public hospitalization services in the last two decades. The decrease was greater in the urban areas (from 43 per cent in 1995-96 to 32 per cent in 2014) than in rural areas. Use of public services also decreased sharply by the rich both in urban and rural areas. 2

### SECTION III

There has to be a dire spending on public health system. The developed countries of the world are spending huge amount on public health system. In spite of the third largest growing economy after China & USA, India's infant mortality rate is still high. With the advent of the globalization privatization in the health care has increased. In 2014, more than 70 per cent of outpatient care (72 per cent in the rural areas and 79 per cent in the urban areas) and more than 60 per cent of inpatient care (58 per cent in rural areas and 68 per cent in urban areas) was in the private sector<sup>2</sup> due to which the cost of the health care is increasing, out of pocket expenditures are escalating and poor people are getting drowned in the ocean of poverty. There is a desperate need of political will to give primacy to health in India's development agenda and a belief that economic growth by itself will lead to sufficient health gains. The developed nations are better off with respect to public health.

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