
Public Services and Private Financing: Governance Problems and the Prospects of Marketization in China's Hospital Sector

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Abstract (in French and English)

This paper will focus on China's township health centers (THCs) to analyze crucial and long-standing governance problems in the Chinese hospital sector. It will assess the potential of the new marketization-oriented approach of the Xi administration in comparison to the more government-oriented measures of the 2009 New Health Reform. The administrative model of public hospitals in China straddles the fence between soft autonomization in terms of decision rights, and strong corporatization in terms of financing. THCs constitute an extreme case particularly suitable for the exploration of governance problems. Based on the theoretical framework of actor-centered institutionalism and fieldwork in rural China, this study diagnoses a deadlock between local governments and hospitals, in which neither side is interested in performing its formal functions and adhering to health sector regulations. This contributes to the swift increases in health costs. Recent health sector reforms altered certain aspects of the governance problem, but failed to bring about fundamental changes. Privatization can improve the governance of the privatized units, but may at the same time intensify the problems in the public hospital sector. It might increase the need for public funding rather than decreasing it.

Keywords: China, governance, health policy, healthcare, hospital

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