



**THE TRANSFORMATION OF HEALTH SERVICES AND EMPLOYMENT PATTERNS IN
HEALTHCARE: THE IMPACT OF NEO-LIBERAL POLICIES**

**SAĞLIK HİZMETİNİN VE SAĞLIKTA İSTİHDAM BİÇİMİNİN DÖNÜŞÜMÜ: NEO-LİBERAL
POLİTİKALARIN ETKİSİ**

*¹Recep FEDAI 

¹Çanakkale Onsekiz Mart University, Lapseki Vocational School, Department of Finance, Banking and Insurance, Çanakkale, Türkiye

Review Article

Received: 26.05.2025, **Accepted:** 14.07.2025

***Corresponding author:** recepfedai@comu.edu.tr

Abstract

This article examines the transformation of health services and employment patterns in Turkey under the influence of neo-liberal policies. Initiated in 2003, the Health Transformation Program (HTP) reshaped healthcare from public rights into a market-oriented service. Hospitals began to be managed with business logic, patients were redefined as customers, and health workers faced flexible and insecure forms of employment. The study analyzes the state-capital relationship and the guiding role of international organizations (World Bank, WHO) through historical and comparative methods. Findings suggest that while HTP increased life expectancy, it also exacerbated inequalities in healthcare access and deepened precarity among healthcare workers. City Hospitals, General Health Insurance, subcontracting practices, and performance-based payment systems are critically discussed within the framework of welfare state erosion and capital accumulation dynamics.

Keywords: Employment Pattern, Health Services, Health Transformation, Marketization, Neoliberalism

Öz

Bu makale, Türkiye’de sağlık hizmetlerinin ve sağlık alanındaki istihdam biçimlerinin neo-liberal politikaların etkisiyle geçirdiği dönüşümü incelemektedir. 2003 yılında uygulamaya konulan Sağlıkta Dönüşüm Programı (SDP), sağlık hizmetlerinin kamusal bir hak olmaktan çıkarılıp piyasa mantığına göre yeniden yapılandırılmasına neden olmuştur. Bu süreçte hastaneler işletme, hastalar müşteri, sağlık çalışanları ise esnek ve güvencesiz istihdam modellerinin öznesi hâline gelmiştir. Araştırma, devlet-sermaye ilişkileri ve

uluslararası kuruluşların (Dünya Bankası, Dünya Sağlık Örgütü) yönlendirici rolünü tarihsel ve karşılaştırmalı yöntemlerle analiz etmektedir. Elde edilen bulgular, SDP’nin yaşam süresinde artış sağlamakla birlikte, sağlık hizmetlerine erişimde eşitsizlikleri derinleştirdiğini ve çalışanların güvencesizliğini artırdığını göstermektedir. Şehir Hastaneleri, Genel Sağlık Sigortası, taşeronlaşma ve performansa dayalı sistemler, sosyal devletin gerilemesi bağlamında ele alınmakta; sermaye birikim rejiminin sağlık politikaları üzerindeki etkileri ortaya konulmaktadır.

Anahtar Kelimeler: İstihdam Modeli, Sağlık Hizmetleri, Sağlık Dönüşümü, Piyasalaştırma, Neoliberalizm

1. Introduction

Since the 1980s, the implementation of economic restructuring policies in Turkey has led to fundamental transformations in the provision of public services. The structural adjustment process that began with the decisions of January 24, 1980 adopted a development model based on free market principles and was later institutionalized through the 1982 Constitution. Although the Constitution formally preserved the principle of the welfare state, in practice, it limited the state’s responsibilities in key public service areas such as health (Çelik, 2016).

In the 1990s, social policies were restructured in line with global economic trends, increasing the role of the private sector in the healthcare system. This tendency was institutionalized through the HTP, launched in 2003 by the Justice and Development Party (Adalet ve Kalkınma Partisi- AKP) government. Designed under the guidance of international actors such as the World Bank and the

World Health Organization, the HTP aimed to restructure healthcare into a performance-based, competitive, and business-oriented model (Yılmaz, 2019).

This transformation has deeply affected not only the way healthcare is delivered but also the labor regime within the health sector. Health workers have been subjected to performance-based, flexible, and precarious employment conditions, while public resources have increasingly been redirected in favor of private investment. As a result, the egalitarian function of the welfare state has weakened, and the health system has evolved into a profit-oriented service sector (Sönmez, 2011; Yenimahalleli Yaşar, 2015).

The aim of this study is to analyze how neoliberal policies have transformed healthcare services and the healthcare labor regime in Turkey since the 1980s. The central research question is as follows: How have neoliberal policies reshaped public healthcare and employment patterns in Turkey's health sector?

Within this framework, the study historically examines changes in performance-based governance, public-private partnership models, social security reforms, and employment conditions of healthcare workers. It also assesses the impact of this transformation on social inequalities, welfare rights, and gender-based disparities. Previous research on the subject (Ağartan, 2012; Yılmaz, 2019; Öztürk, 2017) provides the theoretical and empirical foundation for the analytical framework developed in this article.

2. Material and Methods

2.1. The determination of the historical context and policy background

This section establishes the historical context and policy background that shapes the analytical framework of this study. By examining the origins of neoliberal restructuring since 1980, the study situates the HTP within broader global and national policy shifts. This contextual analysis is methodologically essential, as it clarifies how structural adjustment policies, legislative changes (e.g., Decree Law No. 181), and international institutions have influenced the marketization of health services and the transformation of employment patterns. Grouping this discussion under clear subheading strengthens the methodological transparency of the study and demonstrates the systematic approach to analyzing historical policy determinants.

The neoliberal policies implemented in Turkey after 1980 paved the way for a market-oriented restructuring of the healthcare sector. The first step in this transformation was the structural adjustment process initiated by the economic

decisions of January 24, 1980. These decisions reflected a paradigm shift that aimed to reduce public spending, privatize social services, and reallocate public resources in favor of the private sector. Although the 1982 Constitution preserved the notion of the welfare state at the constitutional level, in practice, it introduced provisions that limited the state's responsibilities and expanded the scope of the market in essential services such as healthcare (Çelik, 2016). It is crucial to note here that this legal contradiction between constitutional guarantees and actual practice laid the groundwork for deep structural inequalities. The study positions this paradox as a critical driver of the commodification of health services in Turkey.

The enactment of Decree Law No. 181 in 1987, along with the implementation of the Fundamental Law on Health Services the same year, laid a legal foundation for the expansion of private healthcare services and the restructuring of public hospitals. As a result, the health sector began to shift away from its public service orientation toward a profit-driven structure.

This transformation was institutionalized through HTP, launched in 2003 during the rule of AKP. HTP aimed to comprehensively restructure the healthcare system by introducing performance management, service procurement, hospital corporatization, and patient co-payments—thus deepening the marketization of health services. The program was designed with the technical and financial support of international institutions such as the World Bank and the World Health Organization and reconfigured Turkey's health system in accordance with global capital dynamics (Yenimahalleli Yaşar, 2015).

As part of HTP, the health insurance system was overhauled by merging different social security institutions under the umbrella of the General Health Insurance (GHI) scheme. While this reform centralized the system, it also linked access to healthcare to premium payments and individual responsibility. Consequently, social rights were redefined as conditional benefits, and access to healthcare services became increasingly stratified by income level.

In this context, neoliberal health reforms should not be viewed merely as technical restructuring processes. Rather, they represent a paradigm shift that has fundamentally altered the meaning, organization, and public-civil relations of healthcare provision.

3. Results and Discussion

3.1. The Marketization of Health Services

The GHI system, introduced in 2008 as one of the core components of the HTP, consolidated Turkey's fragmented social security institutions—including

SSK, Bağ-Kur, and the Pension Fund—under a single framework. However, by linking access to healthcare to the payment of premiums, the system created income-based inequalities in service utilization. According to a 2018 report by the World Bank, nearly 5 million people were unable to access healthcare in 2020 due to outstanding premium debts. This situation has been criticized as a violation of the principle of the universality of the right to health (Yılmaz, 2019).

A significant turning point in the institutional restructuring of healthcare services came with the establishment of Public Hospital Unions in 2011, through Decree Law No. 663. These unions redefined public hospitals as cost-efficient enterprises to be managed according to performance-based criteria. Consequently, hospital administrators came under increasing pressure to generate revenue, and the logic of commercial management became dominant in public healthcare institutions (Öztürk, 2017). This shift prioritized quantitative performance indicators over the qualitative aspects of service delivery.

One of the most concrete examples of this transformation is the implementation of the City Hospitals project. Constructed through public-private partnership (PPP) models, these hospitals bind public resources to long-term financial obligations by committing to pay rent and service fees to private sector companies over a 25-year period. According to audit reports by the Court of Accounts and budget data from the Ministry of Health, the government paid over 21.6 billion TL in 2022 solely for rent and service procurement under this model (Sönmez, 2023; Sayıştay Başkanlığı, 2023). This structure demonstrates how healthcare has been directly integrated into capital accumulation processes.

3.2. *The transformation of employment patterns in healthcare*

Another key dimension of HTP concerns the transformation of employment structures within the healthcare workforce. Between 2003 and 2015, the number of healthcare workers employed in the public sector increased by 57%, while the increase in the private sector reached 278% (TOBB, 2017). This disparity highlights the growing dominance of the private sector in healthcare and the contraction of public service provision in favor of market actors. During this period, subcontracting became widespread, particularly in non-clinical services such as cleaning, security, and technical support. According to Öztürk (2017), by 2020, the number of subcontracted workers in the health sector exceeded 150,000. This expansion has generated serious problems in terms of job security, labor rights, and wage equality. However, this paper argues that the proliferation of subcontracting

should be understood not merely as a labor management strategy but as an intentional policy instrument that redistributes risk to workers while protecting capital interests. This insight points to the need for a rights-based approach to employment reform in the health sector.

The performance-based remuneration system has exacerbated income disparities among physicians and healthcare staff. The patient-based point system prioritizes quantity over quality, incentivizing increased patient turnover rather than improved care. Similarly, under the Family Medicine model, the per capita payment structure has increased physicians' workloads, shortened patient consultations, and undermined the humane character of medical services (Yılmaz, 2019). This study contends that the excessive emphasis on measurable outputs has fundamentally altered the patient-physician relationship. Instead of fostering comprehensive and continuous care, the system rewards short-term thought, which risks undermining the core humanistic values of medical practice.

Taken together, the developments discussed under this section reveal that the marketization of healthcare and the flexibilization of labor are not independent reforms, but rather mutually reinforcing processes that constitute two core pillars of the neoliberal restructuring of Turkey's health system.

3.3. *Gender-based inequalities and the healthcare labor force*

Women's labor has long played a central role in Turkey's healthcare sector. According to data from 2011, 59% of healthcare workers were women (Öztürk, 2017). However, this high rate of representation does not imply that women work under equal or fair conditions. Female workers are predominantly concentrated in lower-paid and less decision-making roles such as nursing, auxiliary health services, and administrative support.

The expansion of flexible and precarious employment arrangements under neoliberal policies has had disproportionately adverse effects on female healthcare workers. Long and irregular working hours, low wages, job insecurity, work-life imbalance, and the emotional burden of care labor have significantly increased burnout and fatigue among women in the health sector. Moreover, performance-based systems tend to render women's care work invisible by reducing productivity to quantifiable technical metrics (Öztürk, 2017). This reveals that market-driven efficiency models fail to acknowledge the qualitative dimensions of women's labor, especially emotional and relational care work. Addressing this blind spot is critical to developing gender-sensitive health

employment policies that value care beyond numerical outputs.

This situation reveals that health reform policies function as mechanisms that reproduce and deepen gender-based inequality. The structural devaluation of women's labor in the healthcare system should not be viewed merely as an individual problem, but rather as a manifestation of systemic political inequality.

3.4. Evaluation from a social policy perspective

The structural transformation of the healthcare system in Turkey illustrates a departure from the foundational principles of the welfare state and the adoption of a market-oriented administrative logic. Reducing healthcare from a universal right to a transactional commodity has particularly limited access for low-income groups and has produced profound inequalities based on income, education, and living conditions.

Performance-based practices have diminished the professional satisfaction of healthcare workers by prioritizing measurable outputs over qualitative aspects of care. Additionally, subcontracting and public-private partnership (PPP) models have led to the erosion of social rights. As market actors gain greater influence in decision-making processes, the public-oriented nature of the health system has weakened, and the direction of social policy has shifted toward the interests of private stakeholders. In addition, the digitalization efforts within health information systems have reinforced this shift by providing rationalized data flows that facilitate private sector investments, further embedding the logic of marketization into the health system (Avaner & Fedai, 2017, p. 1540).

Compared to the example of the National Health Service (NHS) in the United Kingdom, the transformation in Turkey has occurred more rapidly and comprehensively, but it has also resulted in more severe losses in terms of social rights (Ağartan, 2012). This comparative perspective emphasizes that neoliberal restructuring is not inevitable but rather a political choice. The study therefore calls for re-examining policy pathways that protect universal access and labor rights, inspired by more inclusive international models. The Turkish case reveals that health reforms are not merely technical arrangements but are deeply embedded in ideological and class-based dynamics.

4. Conclusion

This study has examined the multidimensional transformation of Turkey's healthcare system within the framework of neoliberal policies implemented since the 1980s. HTP, introduced in 2003, redefined healthcare as a market-driven service rather than a public right, fundamentally

altering the provision, governance, and employment structures within the health sector.

Quantitative indicators such as the increase in life expectancy (from 71.5 years in 2002 to 78.47 years in 2022) and the decline in infant mortality rates point to certain improvements. However, inequalities, especially in access to healthcare, have deepened. Practices like the General Health Insurance scheme have linked healthcare access to premium payments, undermining social justice, while the City Hospital model has integrated the healthcare system directly into capital accumulation processes.

From a labor perspective, flexible and insecure forms of employment have become widespread, and performance-based remuneration systems have reduced the quality of care to quantitative outputs. Moreover, women healthcare workers have been disproportionately affected by these changes, exacerbating gender-based inequalities within the system.

In conclusion, the transformation of Turkey's healthcare system is not merely a technical reform; it represents a complex structure involving the retrenchment of the welfare state, the commodification of public services, and the precarization of healthcare labor. This transformation poses serious challenges to the universality of the right to health, equitable access to services, and the protection of healthcare workers' rights.

Future research should focus on the multidimensional analysis of regional disparities, healthcare workers' experiences, and patient satisfaction, while also reopening the debate around a public-oriented, equitable, and comprehensive healthcare policy framework. In light of the findings, it is evident that Turkey's health transformation process must be critically reconsidered through a public policy lens that prioritizes equity and universal access.

This study highlights that the commodification of health services and the flexibilization of labor deepen existing inequalities and erode fundamental welfare principles. Future research should expand on this by conducting micro-level field studies that capture the lived experiences of healthcare workers and patients across different regions. Policymakers should also explore alternative models that strengthen public accountability, restore secure employment, and reorient the healthcare system towards the collective good rather than profit motives.

Conflicts of interest: No conflict of interest

Funding Statement: This research received no grant from any funding agency, commercial or not-for-profit sectors.

References

- Ağartan, T. İ. (2012). Health policies and neoliberal transformation in Turkey. Istanbul: İletişim Publications.
- Avaner, T., & Fedai, R. (2017). Digitalization in health services: Using information systems in health administration. *Süleyman Demirel University Journal of Faculty of Economics and Administrative Sciences*, 22(Special Issue Kayfor15), 1533-1542.
- Çelik, Y. (2016). Health reforms in Turkey: The impact of neoliberal policies. Ankara: NotaBene Publications.
- World Bank. (2022). Health statistics in Turkey. Retrieved from [https://data.worldbank.org/World Bank](https://data.worldbank.org/WorldBank).
- (2024). Life expectancy data in Turkey. Retrieved from <https://data.worldbank.org/>
- Öztürk, S. (2017). Flexible employment and subcontracting in healthcare. *Çalışma ve Toplum*, 52(1), 123-145.
- Sönmez, M. (2011). Neoliberal transformation and social policies in Turkey. Istanbul: İletişim Publications.
- Sönmez, M. (2023). Public-private partnerships and city hospitals in Turkey. Istanbul: Yordam Books.
- TOBB. (2017). Overview of the Turkish health sector. Retrieved from <https://www.tobb.org.tr/saglik/20171229-tss-genel-bakis-tr.pdf>
- World Health Organization (WHO). (2022). Global health expenditure database: Turkey country profile. Retrieved from <https://www.who.int/>
- Yenimahalleli Yaşar, G. (2015). The influence of international organizations on Turkey's health policies. *Journal of Public Administration and Policy*, 3(2), 45-67.
- Yılmaz, V. (2019). The healthcare system in Turkey: Marketization and inequality. Istanbul: Boğaziçi University Press.
- Turkish Court of Accounts (Sayıştay). (2023). 2022 audit report of the Ministry of Health. Retrieved from <https://www.sayistay.gov.tr/>