

The Eastern Mediterranean Region perspective

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INTRODUCTION

Globalization should have a tremendous impact on health systems, particularly with the implementation of agreements related to trade in health services. Although the World Health Organization (WHO) Eastern Mediterranean Region (EMR) Member States have made rather limited commitments in the area of the General Agreement on Trade in Services (GATS), necessary adaptations are needed to cope with the expected consequences. Efforts should be made to assess the situation in relation to the commitment of various Member States and to the expected gains and risks from opening free trade in health. The WHO is expected to play an important role in analyzing the situation with respect to the free trade of services and in identifying the risks and benefits of such a development. Global and regional responses and policy recommendations are expected to help countries in putting health on the agenda of global trade.

SITUATION ANALYSIS OF THE EASTERN MEDITERRANEAN REGION

According to the information gleaned from available documents on the specific commitments on medical, health-related, social, and health insurance, out of 23 EMR countries only nine have committed themselves so far (Table 1). From this list of commitments it appears that most countries agreed on the free trade of health insurance-related services but that only a few countries have committed to medical, dental, or hospital services. The focus on health insurance is probably explained by the existence of other types of trade in the area of insurance and reinsurance in general such as automobile, property, and life insurance. It is also worth mentioning that some countries committed to health insurance-related trade, such as Cyprus and Qatar, have not yet established national health insurance systems and coverage is mainly under private and corporate

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Table 1. Countries of the Eastern Mediterranean Region and areas of commitment to trade in health services

Country	Area of commitment
Bahrain	Health insurance
Cyprus	Health insurance
Egypt	Health insurance
Kuwait	Hospital services, other human health services and social services
Morocco	Health insurance
Pakistan	Medical and dental services, hospital services and health insurance
Qatar	Medical and dental services, veterinary services and health insurance
Tunisia	Health insurance
United Arab Emirates	Veterinary services

insurance schemes. The mention of hospital services in a country like Pakistan indicates that some form of trade in this area already exists. In most cases, the ministries of health have not been deeply involved in the rounds of negotiations related to GATS.

The EMR does not have quantitative evidence about trade in the health services. However, there is some qualitative information on areas such as the movement of health professionals, hospital and dental care, and insurance-related arrangements.

Arab countries of the Gulf rely heavily on expatriate human resources: professionals such as physicians, nurses, midwives, and technicians from India and South-East Asia, and from some neighbouring countries such as Egypt, Jordan, Lebanon, Palestine and Tunisia. Some countries, among them Lebanon, are hiring nurses from the Philippines and other Asian countries because there is a shortage of nurses in the area. There are countries within the Region that do limit the movement of health

professionals as part of bilateral arrangements for technical co-operation. Unions and professional syndicates have tight regulations regarding the licensing of foreign professionals, particularly in the private sector. Many countries of the EMR have quotas and other barriers to entry. On the other hand, figures on professionals from South-East Asia working in other regions and developed countries are not available, and not expected to be important owing to the barriers that impede the entry of health and medical professionals into northern countries.

With the expanding training of human resources and an increasing number of medical and paramedical schools in the Arab States of the Gulf, there is a clear trend toward the implementation of policies and strategies aimed at developing national work forces in the health sectors. Incentives are also provided to attract nationals to work in the health field. As a result, the number of expatriate physicians is decreasing, especially in

hospitals and urban facilities, while health facilities in some remote areas are still relying on foreign staff. Despite efforts aimed at developing training institutions and at providing financial incentives, countries of the Gulf are still faced by a lack of interest in some health professions such as nurses. Indeed, female students avoid being enrolled in nursing schools because of some social and cultural barriers related to the work of women, particularly in the health field. The development of scenarios for strategic planning in human resource development remains among the main challenges for decision makers in the Region.

In the area of the provision of health and hospital services, there are several forms of joint ventures between national and foreign institutions. Some oil firms have their own hospitals in oil-producing countries, and nationals and foreign investors such as the Saudi-German Group and some Egyptian-German institutions own chains of hospitals. The number of such institutions is growing as a result of changing legislation and aggressive promotion. In some countries, there are arrangements with hospitals in foreign countries such as the United Kingdom, the United States, Germany, France, etc., to treat referred patients or to provide consultants and visiting staff when needed. In the United Arab Emirates, spending on national patients referred abroad was estimated at US\$ 150 million in 1995. EMR countries also contract foreign consultants and specialists to perform some diagnostic or treatment procedures in national facilities.

Many countries of the EMR have initiated transborder provision of health services using telemedicine. Figures on such trade are not easy to

get, as many of those arrangements are made either through the twinning of hospitals and training institutions or as part of bilateral technical cooperation. The demand for such services is supposed to grow in the coming years with the development of information technology and the pressure of consumers for quality diagnostic and treatment procedures.

There is also a growing interest in developing joint ventures in the area of private health and medical insurance. Such arrangements are usually made between corporations or private persons. Some foreign companies provide insurance coverage to their staff and their dependents through foreign insurance firms, especially for medical evacuation and emergency medical care and for some specific types of medical care. The interest in managed care in health systems is expected to foster the establishment of some insurance companies in the Region in the near future. To our knowledge, there are no formal arrangements for insurance coverage as part of bilateral relations.

Consulting in health care delivery is an area of growing development in the EMR, both to cater to national demand and also to support health projects funded by regional and international donor agencies. Some USA and European consulting firms have established branches in countries of the Region such as Egypt and Lebanon. There is keen interest in services related to health care financing, provider payment mechanisms, actuarial studies, economic evaluation of health sector performance, and improvement of strategic planning and management. As many countries of the Region are going through the process of reforming the health sector, it is to be expected

that the need for technical support from consulting firms will grow and that the share of such services in trade will expand. There is evidence that consulting firms from the Region operate in EMR countries to support the ministries of health and health-related agencies such as health insurance funds. With the promotion of privatization policies in the Region, several formerly public consulting institutions will become either autonomous or totally private with shares owned by foreign firms. Trade in health services is also positively affected by various geopolitical groupings in the Region and their diverse channels of technical cooperation among developing countries (TCDC). The main geopolitical groupings operating in health are:

- the League of Arab States (and the executive council of health ministries);
- the Gulf Cooperation Council (health secretariat);
- the Union of Maghreban States (health commission);
- the Islamic Educational, Cultural, and Scientific Organization (ISESCO), and
- the Islamic Conference.

The forums developed by such groupings have contributed to the establishment of networks of professionals in various fields and have led to some joint initiatives related to trade in health services. Efforts are being made in the Gulf Subregion to coordinate human resource development including the creation of subregional institutions and the design of strategies for nationalizing work forces. They are also developing criteria for the import of expatriate professionals and setting norms for the movement of professionals between countries of the

Subregion. Committees of experts, which present their recommendations to annual ministerial conferences, discuss issues of common concerns in the trade in hospital and dental services.

In the Maghreban Subregion, efforts are also coordinated through professional associations and networks such as the Maghreb Economics and Health Systems Network (RESSMA). The latter is involved in studying the impact of globalization on health systems including a study funded by the European Community on the expected consequences of free trade on the pharmaceutical sector of the Region. Special attention is paid to setting standards for trade in health services, particularly with the European countries. By previous agreement, arrangements have been made to authorize free movement of medical professionals among the five countries of the Maghreb Arab Union (Algeria, Libya, Mauritania, Morocco, and Tunisia) and the right to establish private practice. Such agreements are sometimes resisted by national orders and syndicates.

The EMR is working on geopolitical groupings in the area of health and is associated with all its regional partners in this respect. The WHO contributes both normative and technical cooperation functions while streamlining horizontal cooperation between countries of the Region and making the best use of national and regional centers of excellence and WHO-collaborating institutions.

REGULATION OF TRADE IN HEALTH SERVICES

Health systems in the Region have rather ineffectual regulatory functions and this represents a salient feature

among institutional weaknesses. Despite the growing role of the private sector in both the financing and delivery of health care and the diversity of partners in health development, the coordination and regulatory functions still need to be strengthened. Efforts are being made to forecast the expertise needs in the regulation of trade in health services.

It is of utmost importance to get the legal support for all changes that are expected to take place as a consequence of free trade of health services. In this respect, it is necessary to develop and update health legislation covering:

- conditions for licensing foreign health professionals;
- barriers that limit entry in the health professions, if any;
- the ethics of health and medical practice;
- health and medical responsibility; and
- norms and standards of quality in health care.

As mentioned earlier, geopolitical groupings play an important role in developing regulatory mechanisms to adapt to the changes expected to take place in relation to trade in health services. In this respect, countries of the Maghreban subregion shall coordinate mainly with the European Community while Arab Gulf States shall coordinate with India, South-East Asia, the United Kingdom and the USA. These geopolitical groupings would allow collective measures to be taken in order to deal with the trade in health services. The development of subregional and regional norms and standards for licensing, accreditation of diagnostic and treatment facilities,

and quality assurance will be supported by such groupings and by related networks of professionals.

Groups of experts at country, subregional, and regional levels will help in identifying the comparative advantages and potential risks and vulnerabilities of each country. In doing so, experts will first assess the existing situation and then make some projections into the future on the basis of various scenarios. The main areas for analysis are:

- the existing human resources and potentials for trade;
- other countries' needs in terms of health professionals and health services;
- the division of labor among countries of the subregions in terms of comparative advantages in producing and trading health services;
- comparative costs of services; and
- potential risks of trade in services for some countries.

Generally speaking, regulation is still in its early stages of development and will need a lot of support from technical agencies such as the WHO. The Organization is counted upon to play a leading role in setting standards, providing the necessary information, and facilitating its dissemination among regions and countries. It will be requested to provide technical support whenever it is deemed necessary at global, regional, or country level.

Efforts should be made at national and regional levels to develop the necessary expertise in the field of regulation and to promote the exchange of documents and approaches in this respect. Particular

attention should be paid to potential conflicts between national and regional interests and global agreements.

CHALLENGES AND BENEFITS

The challenges and potential benefits of free trade in health services are to be looked at from the perspective of consumers, providers and governments. Consumers of health services are concerned mainly about the availability and affordability of quality health care in light of all the recent developments in biomedical technology for disease prevention, diagnosis, and treatment, as well as rehabilitation.

With the huge development in information technology, consumers of health services are now demanding the most appropriate quality health care. The trade of health services including the movement of qualified professionals in various specialities, the provision of quality medical and diagnostic services, the use of telemedicine, etc. could make quality services accessible wherever they are needed without unnecessary and costly travel to seek medical services abroad. In some countries, the availability of services is considered to be one of the procedures for cost containment, as the locally-provided services could be more cost-effective in the medium and long run.

Consumers are concerned not only about access to quality health care, but also about its cost and who will pay for it. In the EMR, insurance coverage is relatively limited and patients pay for services mainly out-of-pocket. Patients are therefore concerned about the potential increase of the cost of health services.

On the other hand, providers of health services weigh the trade in health services from the perspective of its impact on their standard of living,

career opportunities, and expected improvement in the quality of services provided to their patients. Providers are mainly concerned about competition in health service delivery, which is the driving force behind the protective measures taken by professional associations and syndicates. Such measures usually include stringent regulations for licensing foreign providers as well as barriers to entry in the professions in the form of student quotas for medical, dentistry, and pharmacy schools. In recent years, professional unions have become extremely powerful through important lobbying interventions that have led to strong political support among parliaments, political constituencies, and representatives of the civil society.

The local provision of high-technology diagnostic and treatment facilities is highly appreciated by the health profession in its endeavor to deliver quality care services to patients. New arrangements for health and hospital services including joint ventures and care in institutions abroad are expected to have positive impacts on health outcomes.

Cross-border trade in health such as telemedicine is presently promoted by professionals and their unions as a means of improving personnel performance and competitiveness and promoting career development. Moreover, the movement of health professionals which is generated by free trade in health services may open some windows of opportunity for health professionals from the EMR, either in countries of the Region or in other parts of the world.

Governments look at the trade in health services from a different point of view, which includes the angle of equity in access to health care, the

respect for ethical values and principles, and the expected costs for both individuals and communities.

Fears are frequently expressed that the free trade of health services may lead to an inequitable two-tier health service delivery system with high-tech care for the rich segments of the population and limited quality care for the poor. Laws and constitutions entrust governments with the duty to protect equity in access to health care and to avoid any geographical, financial, or cultural barriers to that access. Governments are also concerned about the respect of ethical values underlying the provision of health care. Such values often shape the regulation of health care and medical practice, the codes of conduct of health professionals, and the bill of rights of patients.

Given that ethical principles are grounded in spiritual, social, and cultural values, efforts should be made to protect the individuality of countries and regions in global trade agreements. As a consequence governments, through their ministries of health, should play an important role in protecting ethical principles and in identifying areas of potential conflicts of interest including, *inter alia*, the appropriateness of advertising for medical professionals and services, noncommercial and voluntary donation of blood and human organs, euthanasia, informed consent, and *in vitro* fertilization.

Governments are also concerned about the cost of health care implications for society in the practice of free trade in health services. With the escalating costs of health care in most countries, governments are becoming more cost-conscious; therefore, it is important from a societal perspective to weigh the cost

consequences of developing global trade in health services. The cost aspects should be looked at according to the various proposed arrangements for trade in health services, such as movement of personnel, trade of hospital and health services, educational activities, and services across country borders, including telemedicine. It goes without saying that countries should include the costs incurred by the brain drain of health professionals in total opportunity costs.

POLICY RECOMMENDATIONS

In order to manage efficiently the consequences of trade in health services, efforts should be deployed at national, subregional, regional, and global levels, with technical support from international agencies. Both the WHO and the countries should take steps regarding needed policies in this respect.

Policy recommendations for countries

Countries should strive to place health on their trade agendas by involving the ministries of health in all negotiations related to trade in health services and carrying out studies and research on the subject. Multisectoral teams of experts from the ministries of health, trade, and foreign affairs should scrutinize all the agreements to check their compliance with national public and professional interests. The various sectors should coordinate their efforts in order to improve further negotiations.

Furthermore, countries should collect the necessary data and assess the situation properly with respect to trade in health services including movement of professionals, provision of hospital and dental care, and other

related activities. Unions and professional associations should also be involved in those activities.

Efforts should be made also to measure the volume of existing trade in health services and to make reasonable projections for the future. The funds spent on traded health services should be registered by national accounting procedures. Expert teams should carry out research studies to analyze the implications of free trade on the various components of the health systems.

Ministries of health should take the lead in preparing national profiles on health trade and developing scenarios for its further development. To do so, these ministries need to develop their capabilities in standard setting, regulation, coordination, and negotiation.

Countries should participate actively in subregional and regional forums to improve negotiations on trade related to health services and to protect national and regional interests. Moreover, they should facilitate the exchange of experts as a means of technical cooperation among developing countries.

Policy recommendations for the WHO

At global level

Through its normative and technical cooperation capacities, the WHO should strive to protect public health functions and the right of citizens to quality health care, in global trade agreements. The Organization should support countries in their negotiations with the WTO and other health-related

agencies. More studies are needed to assess the implications of trade in health services in various regions so as to learn useful lessons.

The WHO should promote the exchange of experiences between regions and establish a specific task force on trade and health that includes representatives of the regional offices. The task force should coordinate with the WTO and other agencies and commission position papers on the subject.

At regional level

The WHO should support countries, geopolitical groupings, and networks of professionals in their endeavors to assess the situation related to trade in health services and design appropriate strategies for dealing with its potential consequences. Regional focal points should monitor the situation, liaise with the global task force, geopolitical groupings, and professional networks, and operate as a clearinghouse for all national, regional, and global studies.

The WHO should promote the importance of protecting health in global trade and provide all necessary technical support as appropriate.

At national level

WHO representatives should participate together with national teams in situation analyses related to trade in health services and provide those teams with technical support. In addition, the WHO offices should disseminate technical material to help country teams and facilitate their coordination with representatives of the agencies concerned.
