Globalisation, Health Care System & Services, and Health Tourism: A Systematic Review

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Abstract

This paper explores healthcare globalisation’s repercussions on the healthcare system and services through exploring the existing literature. Globalisation has been providing opportunities to people in every area, including health, but it also has harmful effects on people, health systems, and health services. The researcher conducted a systematic literature review to gain insights into the link between globalisation and health. The keywords used for the searches are “Globalisation and Health System”, “Globalisation and Health Services,” “Globalisation and Health Tourism”, and “Globalisation and Medical Tourism”. A total of 47 articles were identified as pertinent for inclusion. The study pointed out that the focus of the literature is shifting toward the role of international agencies in healthcare, international relations’ role, global governance in healthcare, more complex nature of social determinants of health (SDHs), etc. The findings of this study will assist health tourism marketers in identifying their target segment of health tourists.

Keywords: Globalisation, Health Care System, Health Care Services, Health Tourism, International Trade

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1. Introduction

Globalisation has changed the world as well as the business environment. It is not a new phenomenon, and it has its roots since the 19th century. However, globalisation came into force with rapid speed and affected the whole world in the 20th century. It has been breaking spatial limits and changing the way in which the world carries out its activities, and people live their lives (Gupta, 2020; Poku & Whiteside, 2002). Rennen and Martens (2015) defined contemporary globalisation “as an intensification of cross-national cultural, economic, political, social and technological interactions that lead to the establishment of transnational structures and the global integration of cultural, economic, environmental, political and social processes on global supranational, national, regional and local levels”. Globalisation made the boundaries of countries come closer to each other in all aspects of human life; countries started to benefit from each other in every area, including the healthcare system and services.

Nwankwo (2015) defined the healthcare system “as a system of institutions, people, technologies and resources designed to improve the health of the population”, and healthcare services means any medical or remedial care service, preventive care service, palliative care service, and rehabilitative care service like surgical treatment, nursing care, hospital service, complementary health service, etc. (Health Care Services, 2007; Primary Health Care, 2019).

Globalisation has changed the healthcare scenario as its features run on contextual level of health determinants, i.e., institutional infrastructure, economic infrastructure, culture, population, social infrastructure, ecological settings and affect distant factors, i.e., health policy, health-related policies, economic development, trade, knowledge, social interactions, ecosystem goods and services, which ultimately affect proximal factors, i.e., health services, lifestyle, social environment, food & water, and physical environment (Huynen et al., 2005).

The globalisation of healthcare is mainly associated with the increase in international trade in healthcare products and services, especially in the form of patients crossing national borders for
healthcare services (Pocock & Phua, 2011). Globalisation has also changed the perspective of people around the world about healthcare. Nowadays, people see themselves as global citizens and try to take every possible advantage provided by globalization (Johnson & Garman, 2010). People now frequently travel to other countries for healthcare purposes. This travel is known as health tourism. Loh (2015) defined health tourism as “the activities of consumers traveling to other countries for a variety of health services and medical care”. This mobility of patients is facilitated by the liberalisation of financial services, inexpensive communication technology, standardised communication technology, the falling price of air travel (Zafar Ansari & Khan, 2014), inadequate fund allocation to healthcare by the domestic governments (Central and State), inability to meet the local healthcare demand, and domestically under-developed private sector (Ali & Medhekar, 2016).

This new form of healthcare also became attractive due to higher opportunities in terms of financial gain as opposed to public health (Plianbangchang, 2018). Governments also played an important role in this new trend of globalization of healthcare because they use strategic elements in policy-making to promote health tourism in the form of incentives, subsidies, public-private partnerships, etc. (Carman & Iuliana, 2014).

As globalisation is making countries interdependent in every area, academicians, socialists, health professionals, and other stakeholders are discussing the facets of globalisation. Globalisation has many facets, and it constitutes social determinants that affect the health system and services. These determinants affect individuals, small groups or communities, or even nations (Nwanko, 2015). Some people are in favour of globalisation and say that it has opened so many new paths for the world. However, the opponents say that globalisation is responsible for more negative effects. These contrasting opinions raised a point that globalisation has brought benefits, but whether the harms that it has been causing have far-reaching impacts than the benefits or not.

This paper tries to give the answers to the following research questions:
1) What is the impact of globalisation on the healthcare system and services?

2) How has globalisation played an important role in the rise of health tourism?

3) What is the trend of the literature on the abovementioned topic?

For this purpose, a systematic review has been conducted using the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analysis) framework for synthesising the available evidence from individual research studies, thereby attempting to ensure easy accessibility of evidence to decision-makers or stakeholders. To the best of our knowledge, no systematic review study has been conducted in the last five years in this area, and this paper attempts to fill this gap by summarizing the main body of literature.

1. International Trade in Health Services

International trade in health services occurs under General Agreement on Trade in Services (GATS) and outside the GATS framework. International trade in health services has increased, especially after the implementation of the General Agreement on Trade in Services (GATS), which has four modes, i.e., Cross-border delivery of services (Mode 1), Consumption of health services abroad (Mode 2), Commercial presence (Mode 3), and Movement of health personnel (Mode 4) (Chanda, 2001). Although, the complications have also increased in the trade of health services. Possibly, it is because of the nature of the healthcare industry as this industry is basically about people, viz., health professionals and patients (Mode 2 & 4) (Smith et al., 2009).

The international trade in health services operates through all four modes under GATS as well as outside GATS, as these modes are interdependent. This facet of trade in healthcare must be considered to reap the benefits. Among the four modes of GATS, countries have made little commitments under mode 2 under GATS provisions (Smith et al., 2009), but still, the consumption of
health services abroad has been booming under the name of the health tourism industry.

In the 20th century, health tourism gained popularity as an industry, and now, many countries recognise health tourism as a niche product. Presently, health tourism is one of the fastest-growing industries in India and the World. In the context of globalisation, David Ricardo’s and Heckscher-Ohlin’s theories of international trade explain the nature of the healthcare industry in the world. David Ricardo’s comparative advantage theory answers the question, “What goods and services a country should produce”? Ricardo’s theory says that a country should produce and export goods and services in which it has a comparative advantage, i.e., how much more efficient a country is than another country in producing a particular commodity and service. Heckscher-Ohlin’s theory answers the question, “What gives the comparative advantage to a country in producing goods and services”? Heckscher-Ohlin’s theory considers two factors of production, viz., capital and labour. The theory says that a country’s comparative advantage lies in the availability of the factors of production. A country could produce goods and services with capital or labour or both, but it should specialise in producing that good or service that utilises its endowed factor and gives a comparative advantage to it compared to another country. It means a capital-endowed country should produce and export capital-intensive goods and services, and a labour-intensive country should produce and export labour-intensive goods and services (Krugman et al., 2018).

Hospitals of international accreditation and skilled medical professionals, specially trained doctors in the USA and the UK, the specialised procedure provided by developing countries, teaming up of different stakeholders, low cost of production, local human force, and the abundance of tourist attractions and activities are positioning many developing countries such as India, Thailand, Malaysia, etc. as a preferred healthcare destination and giving a comparative advantage to developing countries (Bookman & Bookman, 2007; Kruk, 2012).

Together, both theories explain the growing trend of the rise in the export of healthcare services and tourism services. Now, the countries have abundant capital (domestic & foreign) and labour
(highly skilled professional, semi-skilled and unskilled workers) to produce healthcare services and tourism services compared to 30 – 40 years before, which makes them an ideal producer of these two services to export and earn important foreign exchange.

An idea of how big this single-mode (health tourism) of trade in the health services market has become in recent years can be surmised by the fact that “the market size is $74 – 92 billion, based on approximately 21 – 26 million cross-border patients worldwide spending an average of $3550 per visit, including medically-related costs, cross-border and local transport, inpatient stay and accommodations” (Patients Beyond Border, n.d.).

According to a report by the Indian Brand Equity Foundation (2019), India’s revenue could exceed US$ 9 billion by 2020 from this niche market, and the number of foreign health tourists’ arrival has increased from 4,27,014 in 2016 to 4,95,056 in 2017. This aspect of healthcare came into existence due to globalisation and providing many new options, but globalisation does not have an equal impact on everyone.

2. Research Methodology

A systematic literature review has been carried out by the author to answer the research questions. PRISMA framework was used to carry out the systematic review. Online secondary source databases: Elsevier, Jstor, Taylor & Francis, and Google Scholar were accessed for collecting existing reputed research papers and research articles. The data were also collected from leading and authentic institutions databases such as World Tourism and Travel Council (WTTC), Indian Brand Equity Foundation (IBEF), etc., and textbooks as well. The time horizon is considered from 2000 to 2020 for the study. On 03/11/2020, search words were used for collecting research papers and research articles on the aforementioned electronic databases are “Globalisation and Health Care System”, “Globalisation and Health Care Services, “Globalisation and Health Tourism”, and “Globalisation and Medical Tourism” (Refer to Table 1).
A total of 138 documents appeared after the first step of keyword searching and web search. In the second step, three duplicate documents were removed, and 135 documents were selected for screening. In the third step, 84 documents are selected that a) are research papers and articles, b) published in English, and c) are freely available with full text, but all the other material (like book reviews, reports, editorials, debate, conference proceedings, etc.) was excluded, and 51 documents were rejected. In the fourth step,
37 articles and papers were further rejected because they were not clearly stating the link between globalisation and the healthcare system (or healthcare services or health tourism). Therefore, 47 papers and articles were identified as pertinent for inclusion in this systematic review (Please see Figure 1).

3. Results

3.1. Year-wise distribution of papers and articles

The literature is approximately evenly distributed over the time horizon of the year from 2000 – 2020 (Please see Figure 2). The highest number of articles and papers were published in 2006 and 2014. Five papers are published each year. Three years, i.e., 2001, 2007, and 2020 were close to the years 2006 and 2014 in terms of the number of publications. Four papers and articles are published each year. No document was published in 2004, 2007, and 2019.

Figure 2: Year-wise distribution of papers and articles

Source: Prepared by the Author
Documents identified through database search (n = 122)

Documents identified from web search (n = 16)

Documents after duplicates removed (n = 135)

Records Screened (n = 135)

Records Excluded (n = 51)

Full text articles assessed for eligibility (n = 84)

Full text articles excluded (n = 37)

Full text articles included for systematic review (n = 47)

Source: Prepared by the Author
4. **Analysis by the most cited articles**
Among all the included articles and papers in this review, these articles and papers are the top ten most cited articles and papers (Please see Figure 3). “Does globalization affect growth? Evidence from a new index of globalization” is the topmost cited article, followed by “Medical tourism: Sea, sun, sand and … surgery”, “Globalization and healthcare: understanding health and medical tourism”, “Trade in health services”, “First World Health Care at Third World Prices”: Globalization, Bioethics and Medical Tourism”, etc.; they have been cited 3106, 1690, 494, 490, 417, times respectively. The remaining five articles are also cited in the range of 250 – 400.

![Figure 3: Analysis of the most cited articles](chart)

5. **Analysis by the most productive author**
Among all the contributing authors of articles and papers in this review, these are the most productive authors in the field (Please see Figure 4). Labonté and Schrecker are the most productive authors with the contribution in four and three papers that is followed by Chanda, Crooks, Martens, Synder, and Johnston with the contribution in two papers by each author.
6. Analysis by the most productive journal
Among all the contributing journals in this review, these journals are the most productive journals (Please see Figure 5). “Globalization and Health” and “Bulletin of the World Health Organization” are the most productive journals with a number of five articles and papers and four papers and articles, respectively. “Global Health Action” and “The European Journal of Health Economics” contributed four papers and articles in total, wherein the contribution of each journal is limited to two papers and articles.

Source: Prepared by the Author
7. Discussion

7.1. Trends of the literature
In the last 10 years, literature has been more focussed on the impact of globalisation on health equity, especially among people living in rural and inland areas in developing countries, instead of an exploration of trade in health services, foreign direct investment in health, and development of linkage framework between globalisation and health. Now, the focus of the literature is also shifting toward the role of international agencies, policies in healthcare, international relations role, global governance in healthcare, more complex nature of social determinants of health (SDHs), a global healthcare response mechanism, and the role of politics and transnational corporations playing in shaping health care policies at various levels. The health tourism aspect of globalisation of healthcare services and its effects on the health system and services are also gaining more attention in the literature. Now, the focus is also on the infectious diseases in developing countries and the risk they present to developed countries. The rising issue of non-infectious diseases such as heart problems, diabetes, kidney failure, cancer, and others in developing countries is becoming the point of debate in healthcare.

8. Impact of globalisation on health care system and services

The common supposition about globalisation’s contribution to greater well-being and health, as long as it augments economic growth, is being criticised due to concurrent processes offsetting these benefits (Feachem, 2001; Koivusalo, 2006). But still, it fosters economic growth, and the more globalised countries witness higher economic growth (Dreher, 2006; Missoni, 2013). Improvements in health status, healthcare services, and health systems of countries (such as China, Vietnam, and India) can be attributed to deregulation in the domestic market and abolition of barriers to international trade (Cornia, 2001; Labonte & Torgerson, 2005).

The removal of barriers increases foreign direct investment inflow and income of the people, which aids in poverty reduction, indirectly leading to improvements in health (Outreville, 2007; 152
Dollar, 2001). Although early, speedy and unconditional globalisation could result in worse social conditions and health outcomes such as lifestyle diseases, increased health risks caused by the global market of the tobacco-related product, migrant patients’ majority in hospitals in other countries (Attamah & Kalu, 2020; Cornia, 2001; Dollar, 2001; Koehn, 2006).

Globalisation has made healthcare a global issue as it has reshaped the level of decision making, distributional disputes, and power of large transnational companies, which poses significant constraints in health improvements, but it contributes to greater access to information regarding health care services, competitive prices due to increased competition (Labonté et al., 2011; Schrecker, 2020). International organisations’ policies also affect healthcare, especially in developing countries (Forster et al., 2020).

These new temporal-spatial dynamics came into existence due to globalisation, which has changed the disease’s pattern, weakness of certain inhabitants, nature of SDHs, and the global health response process and its ability to respond, particularly in case of international emergency (Lee & Dodgson, 2000; Zhou & Coleman, 2016). The indirect effects of globalisation on health and direct effects on the level of population and personal risk parameters for health and the healthcare system and services operate through the global economy, national economy, household economies, and health-related segments (Woodward et al., 2001).

The relation of ill health to SDHs, such as education, food security, and basic amenities, as mere barriers, has also changed because of the interaction of local, national, and global forces in healthcare, which has made SDH factors more complex as International Monetary Fund’s (IMF) structural adjustment reforms might reduce access to the health system (Forster et al., 2020; Krumeich & Meershoek, 2014). The scarcity of resources is not a problem in addressing health issues, whether medical or SDHs, but the effective utilisation of them is necessary to meet the healthcare needs of the world population (Labonté & Schrecker, 2007; Singh & Gautam, 2012) in which trade in health services has been playing a key role through various agreements.
Global and regional agreements, such as GATS and European Union directive, affect trade in health, health systems and services in both ways (positive and negative), such as the supply of health services to distant areas, a generator of foreign exchange to the country exporting health services, generate new jobs, transfer of money to native country or remittance, the spread of contagious diseases, financial crises due to increased burden of diseases, migration or emigration of health personnel (from public to private sector or rural to urban), two-tier health care system in the country exporting health services, aggressive marketing of illegal drugs and medicines (Davies, 2010; Kjellström et al., 2007).

These agreements foster the growth of the health tourism industry. The member and non-member countries of GATS should take a proactive approach for further systematic development of trade in healthcare, but the scenarios at the national and international levels must be understood for the growth of the market (Holden, 2005).

The present state of the health tourism industry, i.e., the export of healthcare services with tourism services, is the result of the globalisation of healthcare services and international agreements among or between countries (Bhat, 2015; Johnston et al., 2010). People want quality and cost-effective healthcare services despite social-cultural barriers. The rising cost of health care in developed countries, long waiting time, the unavailability of service in the home country, modern technology in developing countries, specialist doctors, demographic shifts, and quality personnel has been driving the market (Ali & Medhekar, 2016; Omer Tontus & Nebioglu, 2018).

Health tourists and local people interact with the components of the healthcare system, i.e., system structure and system processes, which could also result in negative effects such as hospital and procedure-related risk to health tourists, and local endemic infection catching risk (Chen & Wilson, 2013). On the other hand, health tourism provides competition to the health system, affecting the health of the local population in terms of resource exploitation, quality of care for locals, regional health inequality, and health inequity (Mogaka et al., 2017). Although, it is contributing to many countries’ gross domestic product as a niche market of tourism.
Singapore, Malaysia, Thailand, India, and other countries became healthcare hubs after implementing globalisation, liberalisation, and privatisation policies. They are alluring patients from neighbouring and developed countries. Public investment promotion agencies, private players in the health sector, and bilateral and multilateral agreements in the sector have been driving the health tourism industry, but the industry escalates the issue of health equity as it has deleterious effects such as a crowding-out effect (foreign patients’ ability to pay higher makes services unaffordable for local people), the shift in focus from public welfare to money-making, misuse of government funds, increased burden on the domestic health system, on the source country including people and destination country (Johnston et al., 2016; Turner, 2007).

Notwithstanding its harmful effects, it provides benefits such as access to unavailable treatment in the home country, reduced emigration from the source country, higher healthcare standards in a developing country, new modes of financing in healthcare, more efficient management of healthcare services and system, increased integration among healthcare-related sectors (Bisht et al., 2012).

Niche healthcare services’ provision, traditional healing system, international accreditation of hospitals, foreigners’ ability to afford the cost of the treatment, and other factors are the reasons for the boom of health tourism in developing countries, which covers medical and wellness tourism (Carrera & Bridges, 2006; Connell, 2006; Rai et al., 2014). If countries can carefully manage health tourism, it could be a game-changer in the global healthcare scenario because it represents a win-win situation for the source and the destination country.

9. Theoretical and managerial implications

This study adds to the existing literature on health tourism in several ways and has many implications for government agencies and health tourism service marketers. This study elucidates the importance of the two most prominent international trade theories in the healthcare sector, especially in the health tourism industry.
The paper clearly explains the push and pull factors of tourists involved in health tourism, which assists health tourism marketers in identifying their target segment of health tourists. Additionally, by clearly explaining the important role of globalisation in enabling technology transfers among countries and raising healthcare standards across the globe, this paper provides a clear understanding to the government agencies that they cautiously design the policies for opening a sector to globalisation and not allow any external pressure to influence their decision. The findings of the paper also aid government agencies in deciding the role of health tourism in its national health care policies.

10. Conclusion

This paper has provided us with a broad view of the changing nature of healthcare services in the modern era of globalisation. It explained how the healthcare system came into existence and the role of globalisation in it. The study synthesises the positive and negative impacts of globalisation on the healthcare system and services and the emergence of health tourism therein. The findings of this paper also assist health tourism marketers in identifying their target segment of health tourists and aid the government of a country in deciding the role of health tourism in its national health care policies. The analysis also revealed that the majority of the studies are qualitative; this paper has identified the current trends in the healthcare field.

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