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Whose healthy ASEAN Community?

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Now that the ASEAN Economic Community is underway, we may want to ask whether the process of regional integration bodes well for the realization of '€ஐA healthy, caring and sustainable ASEAN Community'€ய, as declared at the last ASEAN Health Ministers Meeting in 2014.

In public debates, not much mention is made of health care being one of the 11 prioritized sectors for accelerated liberalization. Yet business consultants and bank advisors are busy highlighting its market potential to investors by arguing, somewhat cynically, that health needs can only increase with changing demographic and epidemiological conditions.

An aging population will battle more chronic diseases, foremost among them cancer, diabetes and cardiovascular diseases '€ all requiring long-term, expensive care. These growing needs, coupled with the rising demand of an expanding and more exigent middle class and from the governments'€ inclination to privatize health care while providing the poor access

through a mix social health insurance schemes, ensure commercial enterprises of abundant profit opportunities.

An additional source of projected gain is the increasingly mobile patient population that travels from country to country in

To foster the growth of this attractive health market, ASEAN is set to remove trade barriers in health products and healthcare services.

Still-to-be-implemented harmonization measures for health products'€ registration, performance, safety and compliance, among others, are meant to free up the cross-border flows of pharmaceutical products, medical devices and equipment, traditional medicines, health supplements and, interestingly, cosmetics as well.

For health services, member states are committed to lifting all restrictions on the cross-border supply of health care, such as telemedicine, and on healthcare consumption abroad through medical tourism.

They have also agreed to up to 70 percent share ownership in healthcare businesses for ASEAN investors and to the movement of mutually recognized health professionals, particularly doctors, nurses and dentists.

The resulting integration of the healthcare sector is presented as a win-win situation that boosts economic growth, strengthens domestic regulations and enhances the supply-demand match. Suppliers benefit from a larger market and greater knowledge transfer, while consumers would have more choices and better care.

Market dynamics may prove different though, as it has been shown that health care does not behave as a typical commodity, with information asymmetry, poor transparency in costs and patients'€™ dependent position contributing to market distortions and uneven gains.

responsible'€ ASEAN.

However, this public health approach is placed separately under the ASEAN Socio-Cultural Community, the newest and most underfunded pillar of regional integration when compared to the ASEAN Economic Community and the Political-Security Community as ASEAN'€™s two other pillars. Commitment has yet to translate into adequate resources and collective action has been limited to the control of infectious epidemics.

Most significantly, the liberalization of health care under the ASEAN Economic Community is clearly biased toward curative services as being more profitable than health promotion.

Commercial ventures see growth opportunities in the hospital industry, as reflected in the long-term plan of one of Indonesia'€™s largest health care groups to open 20 hospitals for the growing urban middle class in Myanmar.

The public sector too is biased toward medical care, allocating to it the largest part of already meager government health budgets (averaging 6.7 percent in ASEAN, compared with the OECD'€™s 17.2 percent).

Member states'€™ investments in hospital growth and the promotion of medical tourism, as well as the launch of social

health insurance schemes, can be expected to exacerbate this bias.

Second, to whom will the benefits of this curative, biased healthcare market accrue? Experiences in other regions show a

basic services, especially in resource-poor settings.

As Meghann Ormond, Wong Kee Mun and Chan Chee Khoon noted in a recent article in Global Health Action, commercialization of Malaysia'€™s health care '€¦may further entrench a two-tier health care system, with deluxe priority care for the better off (including '€˜medical tourists'€™) and a rump, underfunded public sector for the rest'€¦.

More generally, the overall health system may become more expensive as higher private charges drive increases in the public sector '€[CCH] as is already occurring in Southeast Asian countries like Thailand, Indonesia and Singapore '€[CCH] and trade agreements restrict the use of cheaper generic drugs.

And yet, while richer patients may have more choices, they may still face issues of lack of quality in a regional pro-business environment that has limited rules and enforcement mechanisms to protect patients and ensure better safety. In cases of malpractice across borders, healthcare providers are even less accountable.

In view of these serious public health, equity and safety implications, ASEAN agreements in health deserve greater public scrutiny. The ASEAN Socio-Cultural Community framework needs to be integrated with the Economic Community'€™s blueprint to ensure a holistic approach to health. Public health experts, activists and patients'€™ groups ought to be part of

the trade negotiations that have so far been restricted to governments and corporate actors.

After all, they are the ones who have a greater stake in a '€¬healthy, caring and sustainable'€• ASEAN Community, one that

emeritus regional director for Southeast Asia with the Rockefeller Foundation and IDRC. This commentary will be part of the '€œReporting ASEAN: 2015 and Beyond'€ series of IPS Asia-Pacific in partnership with the ASEAN Foundation.

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