

## Is Commodification of Medical Education an Answer for Economic Woes?

The global recession continues to take its toll, with the most severe effects seen in countries such as Sri Lanka, which are already challenged by internal crises. Economic recovery is likely to be hampered by geopolitical tensions and the COVID-19 pandemic, with implications on trade, market growth and investment.

Historically, during times of economic crisis the World Bank and International Monetary Fund (IMF) may laydown general or specific conditions for economic assistance such as debt relief and borrower bail out, which may include restrictions to Government expenditure (World Bank, 2019). This may have an indirect impact on state controlled institutions, including in healthcare and higher education.

Publicly funded medical education may be significantly affected due to the investment required to maintain high quality of training. Limited funds are typically channeled towards recurrent expenditure and maintaining minimum requirements. Progress in keeping with the global trends may be hampered, and indeed, it may even be difficult for medical schools to focus on innovative teaching and research, thus compromising the quality of training.

Demands for commodification of both healthcare and medical education have been known to intensify during times of economic crisis (Benatar *et al.*, 2011; WHO, 2014; Chapman & Sarvi, 2017). However, economic impacts affect the private sector first with private sector higher education institutes becoming unsustainable as student enrollments stall, quality declines and recurrent expenditures increase (Postiglione, 2011). Thus, many private sector medical education institutions are likely to be severely affected, while the demand and competition for state sector medical education will increase.

Higher education is now a booming industry. One need only glance at education supplements of newspapers and targeted social media advertisements to be convinced of the scale of the marketing of education. It is a common yet strongly held misconception that establishing private universities and higher education institutions will benefit the country's economy by producing and exporting professionals, stopping the outflow of foreign revenue to overseas universities and bringing in revenue through foreign students.

Would exporting professionals benefit the country? Developing a competent professional is costly in terms of finances, infrastructure and human resources required. The human capital cost invested on producing a professional cannot be regained by simply exporting them to overseas markets. Often, it is only the best qualified from well recognized universities who will be able to secure jobs in the highly competitive overseas job markets and the home country will be left with the second best or run-of-the-mill graduates. Will those who migrate bring in foreign revenue? Unlikely if they choose to settle in those countries. A pertinent question to ask could be, in which country will they open their savings account?

DOI: <http://doi.org/10.4038/seajme.v16i1.397>



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*South-East Asian Journal of Medical Education*

*Vol. 16, no. 1, 2022*

Will it stop the outflow of foreign revenue? Reasons for seeking international higher education are multiple and complex, with both social and financial factors. International higher education and student mobility is an inevitable feature of globalization. Although research shows that Asia accounts for the largest segment of global private higher education, hundreds of thousands enroll in higher education institutions in countries such as UK, Australia and USA (Levy, 2018; Mok *et al.*, 2021). Therefore, it cannot be guaranteed that the emergence of private universities would curb the outflow of students.

Would expansion of private higher education bring in foreign revenue? Attraction of foreign students will depend on many factors, including; condition/ facilities of the country, acceptance of the degree, stability of the institution and cost of the degree. Local investors, specially during an economic crisis, will not be able to fulfill the above requirements to attract foreign students and bring in foreign revenue. However, investors and higher education institutions in other countries will focus more on attracting overseas students, which will be detrimental for the economy of the home countries already struggling with recession.

Misconceptions regarding private medical education occur due to the misunderstanding that medical education can be governed under normal market forces, which possess the following characteristic features:

1. The main interested parties are the buyers and sellers in the market.
2. Buyers are good judges of what they get from sellers.
3. Buyers pay sellers directly for the goods and services being exchanged.
4. Market prices are the primary mechanism for coordinating the decisions of market participants.

Perceived advantages of the market economy model are based on theoretically perfect world scenarios, which assume consumers are rational, have full freedom of choice, are receiving all available information needed for decision making, and that institutions adapt and respond to consumer preferences. However, these assumptions do not translate into reality. Higher education, particularly medical education, does not exist in a free market. In most developed countries medical education is not an ordinary commodity but more like a “public good” which should be financed using a regulated public utility model. A “public good” is a product or service, which benefits everyone in the community. Public goods are characterized by:

1. Value that has benefit to the community as a whole beyond any purchase price paid.
2. Requiring large initial investment that are generally too expensive for any individual or private corporation to afford and earn a reasonable return.
3. Requiring a higher level of administration than any individual or company can arrange.
4. Having value that accrues over time and is difficult to price properly.

These economic concepts provide an important insight as to why privatization of higher education will not bring intended benefits.

However, a recession can also be considered as an opportune time for state sector higher education to foster innovative reforms. Reforms for effective administration and management, innovative approach to enhance the quality of instruction towards developing as world-class universities and centers of excellence in medical education. Universities can have the opportunity to become less dependent and more autonomous. Options such as twinning opportunities with

overseas institutions should be considered. Decisions regarding resource allocation will have to be made on the basis of performance-based objectives. Measures such as intensification of a philanthropic culture that provides scholarships for economically disadvantaged students and upgrading of research on problems confronting vulnerable communities will be required to support populations affected by economic crises.

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