

POLICY BRIEF

CAREER GUIDES FOR SELECTED INDUSTRIES

Volume IV, No. 1 2012

ISSN # 2094-3342



De La Salle University

AKI

Angelo King Institute
for Economic and Business Studies

CAREER GUIDE: HEALTH AND WELLNESS SERVICES POLICY BRIEF

INTRODUCTION

Industry experts are optimistic about the prospects of the country's health and wellness services sector. Medical tourism, a multi-billion dollar industry today, is expected to sustain its unprecedented expansion in the medium-term. Industry stakeholders claim that the following factors will continue to fuel the sector's growth: 1) the widening gap in medical costs between developed and developing countries; 2) medical advancements that transcend economic status; 3) relative ease and declining cost of travel; and 4) rising income and improving life expectancy worldwide. In addition, wellness services demand is on an upswing due to the increasing perception that spa services "offer real therapeutic benefits beyond pampering" (Global Spa Summit, 2010).

An emphasis on the contribution of wellness and spa center services to an improved quality of life especially when tied-in with medical services such as spa packages for patients recuperating from medical procedures, or wellness and spa services as alternatives to medical treatments has stretched the market for wellness services past the boundaries of wealthier households that are in search of pampering and beauty services.

The paper of Castillo and Balane (2011) looked into the state of the health and wellness services sector focusing on employment, particularly industry occupations, working conditions and working environment, and job prospects.

The highlights of the study are as follows:

- According to the National Statistical Coordination Board (2007), the health and wellness services industry include "activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for health and wellness purposes not related to the exercise of an activity remunerated from within the place visited";
- The sector is comprised of establishments engaged in: "1) hospital care and treatment refer to services offered by public and private hospitals, sanitaria and other similar services; 2) specialty clinics pertain to general public

Written by
PAULYNNE JUSAY CASTILLO
School of Economics,
De La Salle University

and private medical services such as dental and laboratory services, and other human health services; 3) wellness and spa centers consist of enterprises that provide physical and well-being services including, but are not limited to, slenderness and body-building services, massage, reflexology, facials, nail care, waxing, and body treatments, etc.; and 4) retirement and rehabilitative care that is comprised of residential institutions, that care for the aged and orphans, and the rehabilitation of people addicted to drugs or alcohol” (Castillo and Balane, 2011);

- “Posting average annual growth rates that are greater than the Philippine GDP and GNP, “the share of the sub-sector to the Philippine national income has steadily gone up from 1.06% of GDP in 1991 to 1995 to 1.27% of GDP in 2001 to 2005. GNP shares followed the same trend with a 1.04% in 1991 to 1995 to 1.17% in 2001 to 2005. The slight decline in shares in GDP, an average of 1.26% and in GNP, an average of 1.13% in 2006 to 2009, is attributed to the sub-sector’s slower annual average rates of growth from 2006 to 2009 (except for GDP growth in 2009) because of the global financial crisis, which reduced travels for medical purposes to the Philippines” (Castillo and Balane, 2011);

- “In terms of employment, the 2010 Philippine Statistical Yearbook reported the sector’s share to total Philippine employment to be as low as 1.13% in 2006, 376 thousand workers out of the 33.2 million of total Philippine employment and as high as 1.18% in 2007, 396 thousand workers out of the 33.7 million total Philippine

employment, and in 2008, at 406 thousand workers of the 34.5 million of total Philippine employment” (Castillo and Balane, 2011);

- “Occupations in the hospital care and treatment and specialty clinics fall into two major categories: clinical and non-clinical. Clinical hospital jobs include physicians, dentists, nurses, medical technologists, medical and clinical laboratory technicians, physical therapists, pharmacists, dieticians, medical assistants, midwives, and hospital nurse’s aide – also known as caregivers. In contrast, non-clinical hospital positions consist of case managers or social workers, accountants, human resources and recruiting, executives, information technologists and administrative assistants. Wellness and spa centers, on the other hand, typically employ spa managers, spa support staff, estheticians, massage therapists, and spa hair stylists. Occupations in the retirement and rehabilitative care include the nursing home administrator, nurses, and nursing aides” (Castillo and Balane, 2011);

OUTLOOK OF THE INDUSTRY

Castillo and Balane (2011) list the factors below as the determinants of demand for the health and wellness services sector in the near future:

- “Two of the most important sources of growth in demand for healthcare and wellness services in the country are: 1) the relatively rapid expansion in population; and 2) longevity. It is predicted that the country’s population would go up to 103 million and 111.8 million in 2015 and

2020, respectively. Coupled with a steady increase in life expectancy, the United Nations (2008) predicted average life expectancy to increase from 71.7 years in 2010 to 74 years in 2020; these translate to a lucrative market for all the sub-sectors in the health and wellness services industry” (Castillo and Balane, 2011);

- “Exploiting the potential of the medical tourism industry in the global arena, which benefits the hospital care and treatment, specialty clinics, and wellness and spa centers sub-sectors, begins with attracting a larger share of foreign visitors. An analysis of the latest available data from the Department of Tourism reveals that visitor arrivals in the Philippines have been growing at an annual average rate of 6.4%, from 2006’s 2.8 million to 3.5 million in 2010” (Castillo and Balane, 2011); and

- “Lawmakers and policymakers can position the country to be one of the preferred destinations for retirees, especially in Asia. At present there are roughly 24,000 registered retirees residing at key locations in the National Capital Region, Baguio, Cebu, and Davao. Every retiree corresponds to around 1.5 jobs locally” (Isip, 2011 and Castillo and Balane, 2011);

JOB PROSPECTS

According to Castillo and Balane (2011), the country’s ability to train and educate future health professionals and manage the egress of Filipino health and wellness and services workers will influence job prospects.

- “The Philippines has always enjoyed a higher percentage of medical

professionals, nurses in particular, compared to other developing countries' (Vequist & Valdez, 2008). In 2000, the ratio of nurses per thousand population was estimated at 4.4, while in 2003, the ratio of doctors per thousand population stood at 1.2 (Vequist & Valdez, 2008). Moreover, the future supply of medical professionals in the country is reasonably assured by the more than 313 health recognized educational institutions in the country" (Castillo and Balane, 2011);

- The considerable outflow of Filipino health and wellness workers, and professionals is a factor that can significantly affect the future growth of the industry. "Data shows that over the last three years, 2007 to 2009, deployment of this particular sector's potential employees shrank by an average of 1.4% per year" (Castillo and Balane, 2011);

- "An examination of the data on labor deployment, however, reveals that key professionals in the hospital care and treatment, and specialty clinic sub-sectors – such as doctors medical and nurses professionals – have been leaving the Philippines at a rate that is notably higher than the overall industry average – 16% and 19%, respectively. Whereas, caregivers and caretakers, who are essential workers in the retirement and rehabilitative segment, are emigrating at a negative rate over the three-year period, average of - 19% per year from 2007 to 2009" (Castillo and Balane, 2011);

- "In terms of magnitudes, caregivers and caretakers, nurses, hairdressers, barbers, beauticians and related workers top the

list of health and wellness workers, and professionals deployment during the three-year period at average of 11,245, 11,229, and 1,476, respectively" (Castillo and Balane, 2011); and

- "The Philippine Overseas Employment Agency data does not reflect the number of wellness and spa center workers deployed annually, but the literature claims that given the rapid growth of destination and medical spas, in particular, 'estheticians and other spa workers interested in international travel will find endless opportunities in spas around the world and on cruise ships' (<http://www.hcareers.com/us/resourcecenter/tabid/306/articleid/269/default.aspx>) (Castillo and Balane, 2011).

CHALLENGES AND ISSUES FACED BY THE INDUSTRY

"Despite the heralded 3.52 million arrivals in 2010, which surpassed the 3.3 million government-target for the year, the number of tourists who visited the Philippines still pales in comparison with the more than 15 million and 5.6 million arrivals in Thailand and India, respectively, during the same year and the 9.7 million arrivals in Singapore in 2009" (Castillo and Balane, 2011).

Accordingly, Castillo and Conchada (2011) assert that successfully building on the local industry's strengths, which includes: "1) the provision of medical treatments and procedures at a fraction of the cost of services provided in their developed country counterparts; 2) providers 'combine western medical knowledge with traditional or alternative remedies that may not be readily available in First World countries' (Castillo & Conchada, 2011); 3) medical services

that are asserted to be comparable in quality, if not better, than that of hospitals operating in rich nations; and 4) existing government support through tax and non-tax incentives' (Castillo & Conchada, 2011) would be critical in expanding the local industry's market share and establishing a niche in the world market.

POLICY IMPLICATIONS

Policies that draw foreign visitors to the Philippines will also benefit the health and wellness services sector. Accordingly, addressing concerns with regard to the lack of well-functioning infrastructure such as clean airports, efficient road and transportation system, the cost of travel to, from, and within the Philippines, and the difficulties in maintaining peace and order, which can boost the performance of the local tourism sector, should also aid the health and wellness services industry's growth.

Similarly, critical to local health and wellness services industry's continued viability and profitability is its ability to keep and increase the number of highly-trained personnel and maintain modern facilities in the face of rapidly changing technologies. While the fiscal and non-fiscal incentives currently offered to the medical tourism sector participants promote the well-being of large firms, they do not provide a significant advantage to small-scale spa and wellness centers, which account for 99% of the number of establishments in the sector.

The current supply of nurses in the country outstrips the domestic and world demand. Doctors and dentists, especially those who are willing to work in rural areas, are in short supply. Similar to most professions

in developing countries, Filipino health workers choose to work abroad where the pay is significantly higher, and those who stay in the country opt to reside and work in urban areas. Accordingly, government initiatives can focus on enticing health professionals, specifically doctors and dentists, to practice in rural areas to alleviate the shortage. The Magna Carta of Public Health Workers provide public workers with a hazard allowance when assigned to “health-related establishments located in difficult areas, strife-torn or embattled areas” (<http://www.chanrobles.com/republicactno7305.htm>). Incentives, such as duty-free importation of medical equipment and the facilitation of health coverage expansion in rural areas,

which reduce the opportunity costs of operating clinics in the provinces, can be offered to private health professionals. The fiscal incentives (duty-free importation of medical equipment) are already being offered to investors in the medical tourism sector; this should also be extended to doctors and dentists who serve in rural areas.

Information campaigns that center on “marketing” professions that are in demand to graduating high school students should be prioritized. Bridging programs that take the form of preparatory courses for professions that are in demand—maybe as part of the additional two years that the Department of Education (DepEd)

is poised to implement – can also help in directing individuals towards rewarding professions which also benefit the society.

A similar strategy to promote occupations in the industry that do not require college degrees such as estheticians, cosmetologists and caregivers should also be employed. Training for these jobs takes less than a year and if incorporated in the additional two years that the DepEd is requiring of secondary education institutions, high school graduates can be job ready without a college degree.

REFERENCES

- Castillo, P. and Balane, M. (2011). Career Guide: Health and Wellness Services. A research project commissioned by the Department of Labor and Employment and the Angelo King Institute.
- Castillo, P. J. and Conchada, M. P. (2010). Towards Innovative, Liveable, and Prosperous Asian Megacities: Medical Tourism. Angelo King Institute Working Paper Series, No.
- Global Spa Summit. (2010). Spas and the Global Wellness Market: Synergies and Opportunities. Prepared by SRI International, May 2010.
- Isip, I. (2011). PH to use medical tourism to attract 1M retirees a year. Malaya. Retrieved June 10, 2011 from www.malaya.com.ph/apr01/busi7.html
- NSCB. (2007). Study on the Measurement and Generation of Statistics on International Trade and Services (Focus on Healthcare and Wellness/Medical Tourism Services) for Use in Trade Negotiations and as Data Support in the Formulation of National Positions.
- Vequist, D. and E. Valdez. (2008). Medical Tourism Economic Report. Medical Tourism Magazine, Philippine Issue, 5 February 2008.

WEB SOURCES

1992. Republic Act No. 7305, The Magna Carta of Public Health Care Workers. Retrieved on 15 December 2011 from <http://www.chanrobles.com/republicactno7305.htm>.
- (n.d.). Hot Jobs at the Spa: Rewarding careers in wellness – Hcareers. Retrieved on 21 February 2011 from <http://www.hcareers.com/us/resourcecenter/tabid/306/articleid/269/default.aspx>.

CONTACT INFORMATION

DLSU - Angelo King Institute
Room 223, St. La Salle Hall
2401 Taft Avenue
1004 Manila

Angelo King International Center
Corner of Arellano Avenue and Estrada Street
1004 Manila

+63-2-524-4611 loc. 287,
+63-2-524-5333, +63-2-5245347 (Fax)
<http://aki.dlsu.edu.ph>
AKI@dlsu.edu.ph