PARTICIPATORY POLICYMAKING

THE CRAFTING OF THAILAND'S MEDICAL HUB POLICY

Policy Report

March 2017

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RSiS
Nanyang Technological University
S. RAJARATNAM SCHOOL OF INTERNATIONAL STUDIES

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EXECUTIVE SUMMARY

This policy report examines the making of Thailand's medical hub policy using a negotiation analysis approach, with a focus on the interplay among public officials, the private sector and civil society players in the development of the Second Strategic Plan (2014–2018). The analysis showcases how the Thai government aligned the diverging stances and preferences of various government agencies, reconciled the different interests of the private and civil society sectors, as well as addressed the concerns of civil society stakeholders through the use of participatory policymaking. Although the report focuses on this specific case, it offers recommendations on how governments could engage the public in policymaking on other issue areas.

INTRODUCTION

Global value chains made possible by technological advancements in cross-border communication and transportation have fostered trade in healthcare services. As the cost of healthcare services in the advanced industrialised nations has become prohibitive in the past few decades and legal constraints have made specific medical procedures unavailable in their home countries, people are increasingly pursuing medical tourism in Asia.[1] Medical tourism involves "the movement of patients across borders in the pursuit of medical treatment and health" which "occurs when consumers elect to travel across international borders with the intention of receiving some form of medical treatment."[2] In Southeast Asia, the rising middle class has not only increased the demand for healthcare but also generated new niche markets in the more specialised and customised services that some seek. As part of the regional economic integration envisaged by the establishment of the ASEAN Economic Community (AEC), the ASEAN countries signed Mutual Recognition Agreements (MRAs) on nurses, doctors and dentists in 2006, 2009 and 2009, respectively. Moreover, the 2006 ASEAN Framework Agreement on Visa Exemption and various bilateral agreements between member states permit citizens of the ASEAN countries to travel within the region visa-free for short visits (e.g. 14 or 30 days). These factors combined could accelerate the growth of the region's medical tourism industry in coming years.

This report examines the making of Thailand's medical hub policy using a negotiation analysis approach, with a focus on the interplay among public officials, the private sector and civil society players in the development of the Second Strategic Plan (2014–2018). Using archival research and the author's interviews with parties responsible for shaping the policy, the report demonstrates how different entities with dissimilar priorities and interests bargained to reconcile and/or align their preferences, ultimately leading to the state's medical hub policy.

The topic warrants analysis for the following reasons. First, the report studies a little-examined subject—the impact on policy outcomes of participatory

[1] United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). Medical Travel in Asia and the Pacific: Challenges and Opportunities. Bangkok, 2009; Wilson, A. "Foreign Bodies and National Scales: Medical Tourism in Thailand." Body & Society 17, no. 2/3 (2011): 121–137, p. 121.

[2] Lunt, N., et al. "Medical Tourism: Treatments, Markets and Health System Implications: A Scoping Review." Directorate for Employment, Labour and Social Affairs, Organisation for Economic Co-operation and Development (OECD), Paris, 2011, p. 2.

policymaking, which is a way of policymaking in which governments engage civil society. The failure to engage civil society in policymaking or insufficient consultation with civil society actors could result in policies that fall short of addressing the latter's needs and interests or generate adverse consequences which could otherwise have been prevented. The absence of inputs from civil society stakeholders could also result in dysfunctional policies and policies that are unable to address an increasingly complex environment.[3] Second, an analysis of Thailand's medical tourism industry can produce useful insights to policymakers elsewhere. Because the Kingdom is one of the leading players in the regional healthcare sector,[4] its policy adjustments could alter the future dynamics of an industry where the other prominent contestants are Singapore, Malaysia and India. Hence, this report's findings could enable officials involved in the regional healthcare and related industries to identify potential challenges and formulate effective and timely policy measures to prevent or alleviate negative effects.

The paper is organised as follows. The first section outlines a brief history of Thailand's medical hub policy. The second section begins with a discussion of the key government authorities in the policymaking process as well as their priorities and preferences. This will be followed by an analysis of the interplay among the actors involved, which led to the creation of the Second Strategic Plan. The final section provides policy recommendations on the role of governments in the policymaking process.

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[3] Peters, G., and Pierre, J. "Governance And Civil Service Systems: From Easy Answers to Hard Questions." In The Civil Service in the 21st Century, edited by Raadschelders, J. C. N., Toonen, T. A. J., and F. M. V. Frits, pp. 231–244. New York: Palgrave MacMillan, 2007.

[4] Thailand's medical tourism has rapidly expanded in the past two decades, as reflected in its annual average growth rate of 19 percent from 2004 to 2007. The industry generated around US$1.4 and US$4.7 billion in 2007 and 2013, respectively. In terms of foreign patient numbers, the nation treated approximately 1.8 million and 2.8 million in 2013 and 2015, respectively. For more information, see NaRanong, A., and NaRanong, V. "The Effects of Medical Tourism: Thailand's Experience." Bulletin of the World Health Organization, 89, no. 5 (2011): 336-44; and Ngamsangchaikit, W. "Thailand Pushes Health Care Tourism." TTR Weekly, September 12, 2016. Accessed January 16, 2017. http://www.ttrweekly.com/site/2016/09/thailand-pushes-health-care-tourism/comment-page-1/

I. HISTORY OF THAILAND'S MEDICAL HUB POLICY

Medical tourism emerged in Thailand after the Asian Financial Crisis (AFC) of 1997–1998.[5] The decade before the crisis was characterised by an economic boom, with Thailand witnessing the burgeoning of private medical facilities to serve the increased domestic demand. The AFC, however, brought about an economic downturn and dampened local consumers' purchasing power. On the other hand, the depreciation of the Thai Baht raised the competitiveness of the country's healthcare services in the global market. Consequently, Thailand's private healthcare providers started targeting international patients as alternative sources of revenues.[6] Among the key players were Bumrungrad International Group, Bangkok Hospital Group, Phyathai Hospital Group and Thonburi Hospital.[7] For logistical reasons, these players usually set up medical facilities catering to foreign demand near major airports and tourist spots such as Phuket, Pattaya, Chiang Mai and Koh Samui.[8] In short, Thailand's medical tourism was initially driven by private firms seeking foreign markets in the aftermath of the AFC.

Seeing the industry's growth potential, the administration of then Prime Minister Thaksin Shinawatra pursued a medical hub policy in 2003. Like other developing countries, Thailand viewed medical tourism as a tool to propel its economic prosperity and development.[9] The Ninth National Economic and

[5] It should be noted that geopolitical factors partially contributed to the eventual rise of Thailand's medical tourism. The country's participation in the Southeast Asian Treaty Organization (SEATO), an international anti-Communist alliance during the Cold War, brought about American assistance for the advancement of the nation's healthcare infrastructure as well as the training of medical doctors. America's involvement in the Vietnam War, its military presence in Thailand and the growth of militarised prostitution in the country triggered the development of national health schemes such as communicable disease screening and contraception programmes. Altogether, these conditions improved the quality of the country's healthcare system and facilities in the pre-AFC era and made Thailand well placed to foray into medical tourism in recent years. For more details, see Wilson, A. "Medical Tourism in Thailand." In Asian Biotech, edited by Ong, A., and Chen, N, 118–144. Durham: Duke University Press, 2010, p. 128; Wilson, A. "Foreign Bodies and National Scales: Medical Tourism in Thailand." Body & Society 17, no. 2/3 (2011): 121–137.

[6] Teh, I., and Chu, C. "Supplementing Growth with Medical Tourism." Asia-Pacific Biotech News (Special Report: Medical Tourism), no. 8 (2005).

[7] Saniotis, A. "Medical Bioethics and Medical Tourism in Thailand." Eubios Journal of Asian and International Bioethics 18, no. 5 (2008): 150–151, p. 150.

[8] Lempert, Z. "Thailand: Health and Medical Tourism Update." International Medical Travel Journal, January 15, 2010. Accessed January, 25 2017.https://www.imtj.com/news/health-and-medical-tourism-update

[9] Alberti, F. G., Giusti, J. D., Papa, F., and E. Pizzurno. "Competitiveness Policies for Medical Tourism Clusters: Government Initiatives in Thailand." International Journal of Economic Policy in Emerging Economies 7, no. 3 (2014): 281–309.

Social Development Plan (2002–2006) aspired to turn the Kingdom into a regional medical hub. To achieve this goal, the authorities launched the First Strategic Plan, "Thailand: the Excellent Medical Hub of Asia" (2003–2008), which set forth a five-year strategy aimed at transforming the country into an "Excellent Medical Hub of Asia", the "Wellness Capital of Asia" and the "Origin of Precious Herbs for Superior Health".

Notwithstanding these grand visions, it took six years from the end of the first strategic plan for a second one to be launched. This gap could partly be attributed to the domestic environment as the state was undergoing a series of internal crises. However, despite the absence of national agendas from 2008 to 2014, an external event—the 9/11 terrorist attacks in the United States—stimulated the country's medical tourism industry. Because the United States and other Western countries began to impose entry restrictions on visitors from the Middle East, patients from these countries sought medical treatment in Asia, which turned out to be a windfall for many Asian states, including Thailand.[10]

The adoption in 2012 of the 11th National Development Plan (2012–2016), which sought, among other things, to bolster the global competitiveness of the Kingdom's healthcare providers, precipitated the creation of the Second Strategic Plan (2014–2018). Titled "Thailand as a World Class Health Care Provider", the Second Strategic Plan aimed to advance the medical industry in four areas: medical services, health promotion, traditional and alternative medicine, and herbal products.[11]

[10] Kittikanya, C. "Foreigners Still Flock to Thai Hospitals, Attracted by Highly Skilled Doctors and Lower Bills." Bangkok Post Economic Year in Review, 2007.

[11] International Health Policy Program (IHPP), Ministry of Public Health, Thailand. Prathethaibontanonsoosoon klangsukapabnanachart. [Thailand on the Road to an International Medical Hub.]. March 2014.

II. THE MAKING OF THAILAND'S MEDICAL HUB POLICY

Key government entities shaping the policy

Several public authorities were responsible for designing the state's medical hub policy. For analytical purposes, this report focuses on four of the most influential government stakeholders. The first one was the Ministry of Public Health (MOH). MOH is mandated to act as a leader in shaping Thailand's national health strategic plans.[12] Its main goals are to ensure equitable access to medical treatment for the general public and a sustainable development of the country's healthcare system.

The Ministry of Commerce (MOC) was the second player involved in the policymaking process.[13] The entity's main responsibility lies in the international arena, where it handles Thailand's international trade negotiations such as services liberalisation. The ministry also facilitates the operations of foreign firms in Thailand by granting business licences, and work visas and permits. In the medical hub policymaking process, MOC's interest was to use medical tourism as a way of boosting export revenues and economic development.

The third agency involved in the policy process was the Tourism Authority of Thailand (TAT), a state enterprise under the Ministry of Tourism and Sports. TAT's main responsibility is to promote the nation's goods and services to world markets.[14] TAT saw the medical hub policy largely from a tourism perspective. This view was reflected in its marketing schemes.[15] For example, an "Amazing Thailand" campaign was launched to attract foreigners to utilise the country's spas, hospitals, traditional medicine and herbal products.[16] In collaboration with a state-owned bank, Krungthai Bank, TAT rolled out the "Miracle Thailand" debit card for foreign tourists, which comes with medical and personal accident insurance packages.[17] Moreover, as part of TAT's nation-branding activities, it has played up the country's strength in, among other things, specialised medical services, namely gender re-assignment,

[12] Interview with a Thai researcher from the Thailand Development Research Institute, Thailand, by Kaewkamol Pitakdumrongkit. May 26, 2016.

[13] Ibid.

[14] Interview with Ms. Cha-aim Pachanee, International Health Policy Program, Ministry of Public Health, Thailand, by Kaewkamol Pitakdumrongkit. June 2, 2016.

[15] Interview with Ms. Roongtip Wongpatikarn, Tourism Authority of Thailand, by Kaewkamol Pitakdumrongkit. June 8, 2016.

[16] Russell, C. "A Kinder Cut." Bangkok Post, April 27, 2006.

[17] Eden, C. "The Rise of Medical Tourism in Thailand." BBC Online, September 4, 2012. http://www.bbc.com/travel/story/20120828-the-rise-of-medical-tourism-in-bangkok

cosmetic procedures, dentistry and LASIK surgery.[18] Beyond highlighting the cost-competitiveness and quality of Thailand's medical services, TAT projects these services as highly tailored to patients' individual needs. This is based on the assumption that customisation establishes bonding and rapport between clients and medical staff, which in turn raises the former's satisfaction level and influences their re-visit decisions.[19]

Another player that took part in the crafting of Thailand's medical hub policy was the Board of Investment (BOI), which operates under the auspices of the Prime Minister's Office. Its primary task is to attract foreign investment. The agency's interest was to use medical tourism to further promote inward investment into the country. This it sought to do by giving incentives to foreign investors in the healthcare sector, such as income tax exemptions, lifting foreign equity restrictions on specific areas of healthcare services and waiving the duties imposed on imported medical equipment.[20]

Bargaining for a medical hub policy

Thailand's medical hub policy was the product of negotiations among involved parties. Different stakeholders in the public and private sectors and the civil society sphere bargained with one another to arrive at the agreed terms. Given their varied preferences, how did the government agencies interact with one another as well as with the private and civil society players to craft the Second Strategic Plan?

Within the public sector, the various agencies adopted different postures on the details of the policy. This diversity stemmed from their dissimilar goals and priorities. While MOH wanted to achieve equitable access to good quality healthcare for the Thai people and sustainable development of the national healthcare system, MOC and BOI prioritised raising export revenues and investment.[21] In contrast, TAT aspired to market medical tourism to raise the

[18] Interview with Ms. Roongtip Wongpatikarn, Tourism Authority of Thailand, by Kaewkamol Pitakdumrongkit. June 8, 2016; Teh, I. "Healthcare Tourism in Thailand: Pain ahead?" Asia-Pacific Biotech News 11, no. 8 (2007): 493–497.

[19] Veerasoontorn, R., Beise-Zee, R., and A. Sivayathorn. "Service Quality as a Key Driver of Medical Tourism: The Case of Bumrungrad International Hospital in Thailand." International Journal of Leisure and Tourism Marketing 2, no. 2 (2011): 140–158.

[20] Interview with officers from the Investment Strategy and Policy Bureau, Board of Investment, Thailand, by Kaewkamol Pitakdumrongkit. June 4, 2016.

[21] Interview with officers from the Investment Strategy and Policy Bureau, Board of Investment, Thailand, by Kaewkamol Pitakdumrongkit. June 4, 2016.

number of international clients.[22] In short, due to their diverging interests, MOH's focus was on the medical aspect of the policy while the other three agencies were inclined towards the economic aspect.

Analysis revealed that MOH played a role in reconciling the different stances and interests of the various government entities.[23] Acting as the lead drafter of the policy text, the ministry was able not only to manage the inter-agency differences but also to achieve its own goal of maintaining the sustainable advancement of the public healthcare sector. For example, Strategy 1.2 aims at boosting healthcare trade and investment, which aligned well with the preferences of MOC and BOI. Also, TAT's interests were addressed in Strategy 3, which calls for undertaking marketing schemes to further promote the healthcare sector. However, MOH also managed to accomplish its own objective by inserting Strategy 2, which aspires to develop human resources for a sustainable advancement of the country's healthcare regime and envisages policy measures such as increasing the number and quality of medical personnel and increasing financial support for health and health-related research and innovation.[24]

MOH also helped reconcile the divergent preferences of Thailand's private companies and civil society players. Most of the private healthcare providers adopted a business model and were focused on maximising their profits. Some groups such as cosmetics and plastic surgery companies occasionally lobbied the government to promote their products and activities abroad.[25] In contrast, civil society organisations were concerned about the adverse impact of the medical hub policy on the country's healthcare system and the Thai people's well-being. They reflected the public's worries, which centred around insufficient regulation of the private healthcare sector, an internal brain drain of physicians and nurses from the public to the private sector, and the ethical

[22] Interview with Ms. Roongtip Wongpatikarn, Tourism Authority of Thailand, by Kaewkamol Pitakdumrongkit. June 8, 2016.

[23] Ibid; Also, interview with officers from the Investment Strategy and Policy Bureau, Board of Investment, Thailand, by Kaewkamol Pitakdumrongkit. June 4, 2016.

[24] Ministry of Public Health, Thailand. Krobkarnpensoonborikarndansukkapab Rongrubyuttasartprathetthai (B.E. 2557–2561). [Framework to Develop Thailand as a World Class Health Care Provider—A Country Strategy.] 2014.

[25] Interview with a Thai researcher from the Thailand Development Research Institute, Thailand, May 26, 2016.

aspects of organ purchases and surrogacy services.[26] In short, the public perception was that the Kingdom's medical hub policy had been advanced at the expense of the public healthcare system.[27]

Attempting to accommodate the interests of both private corporations and civil society players, government officials decided to shape the policy to simultaneously attain the following three objectives: (i) the social security of the Thai people; (ii) additional revenue for the country; and (iii) medical innovation and development.[28]

However, civil society actors influenced some aspects of the policy through a mechanism known as the "National Health Assembly" (NHA). The origin of NHA can be traced back to the National Health Act of 2007, which created the National Health Commission (NHC). Chaired by the prime minister, the NHC is aimed at improving the formulation of health policies by engaging the general public. The NHC not only reports directly to the Cabinet but also organises NHAs as part of its effort to undertake participatory policymaking. NHA conferences serve as platforms where public officers, private enterprises and civil society players such as non-governmental organisations and academics examine various health and health-related issues facing Thailand (e.g. universal access to medical treatment, sanitation, infectious diseases, teenage pregnancy).[29] NHA gatherings are usually held every year, with the latest one taking place on 21–23 December 2016.

Through the NHAs, civil society stakeholders hold the power of persuasion as the meetings often adopt non-binding resolutions containing policy recommendations. Thus, on the medical hub policy, the general public was able to use the NHAs as a forum to encourage the government to incorporate its resolutions into the final policy output. It should be highlighted here that government bodies selectively join NHA discussions. For example, MOH

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[26] Poopat, T. "Medical Hub Push Taking a Ruinous Toll on Public Hospitals." The Nation, June 4, 2008; Wilson, A. "Medical Tourism in Thailand." In Asian Biotech, edited by Ong, A., and Chen, N, 118–144. Durham: Duke University Press, 2010, p. 135; Whittaker, A., and Speier, A. "'Cycling Overseas': Care, Commodification, and Stratification in Cross-Border Reproductive Travel." Medical Anthropology 29, no. 4 (2010): 363–383.

[27] These public concerns once sparked an outcry, leading to the stillbirth of a strategic plan that was to be launched in 2009. (Interview with Ms. Cha-aim Pachanee, International Health Policy Program, Ministry of Public Health, Thailand, by Kaewkamol Pitakdumrongkit. June 2, 2016).

[28] Interview with officers from the Investment Strategy and Policy Bureau, Board of Investment, Thailand, by Kaewkamol Pitakdumrongkit. June 4, 2016.

[29] National Health Commission Office of Thailand (NHCO). "Background." Accessed January 15, 2017. http://en.nationalhealth.or.th/Background; Also, NHCO. "Vision." Accessed January 15, 2017. http://en.nationalhealth.or.th/Vision

has participated in several NHA conventions. However, the ministry neither possesses a privileged status nor exercises greater clout over the process than the other parties.

The NHA's influence on the medical hub policy was reflected in Resolution 8 adopted at the Third NHA Annual Conference, held on 15–17 December 2010. For example, Point 1.5 of the resolution urges MOH:

to implement the medical hub policies or strategies that are not affecting the health service system provided to the Thai people and must [sic] develop a mechanism for collaboration between the people, private sector and related agencies to develop such medical hub policies, both the national plan and action plan, in order to lessen negative impacts on the development of the heath service system to the Thai people.[30]

The Cabinet of then Prime Minister Abhisit Vejjajiva endorsed the components of the above resolution in April 2011. MOH was later assigned to incorporate these components into the Second Strategic Plan's Strategy 4, which attempts to ensure that the implementation of the medical hub policy does not cause negative spillover effects onto the national healthcare regime.[31] Some of the key policy actions included in this regard are increasing equity of access to healthcare, raising the quality of public healthcare services and curbing an internal brain drain from the public to the private sector. One indicator to be used to evaluate the effective implementation of this strategy is the percentage of the Thai population with access to higher-cost healthcare services. The strategic plan mentioned that the NHA's resolution was among the inputs used in its crafting, further demonstrating the clout of civil society in the policymaking process.[32]

Civil society forces shaped another aspect of the medical hub policy—the BOI's incentive schemes. Because the agency had previously proffered tax reductions and other incentives to private healthcare investors, civil society players feared that such an approach of privileging the private sector could jeopardise the development of a national healthcare regime. For example,

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[30] The Third National Health Assembly, "Collective Action to Overcome Inequality for the Better Society", (Resolution 8), December 15–17, 2010. Accessed January 24, 2016. http://en.nationalhealth.or.th/sites/default/files/Medical%20Hub%20-%20Resolution.pdf

[31] Ministry of Public Health, Thailand. KrobkarnpensoonborikarndansukkapabRongrubyuttasartpratheththai (B.E. 2557–2561). [Framework to Develop Thailand as a World Class Health Care Provider—A Country Strategy.] 2014.

[32] Ibid.

businesses could use BOI's support to raise their staff's salaries, which could exacerbate the brain drain from the public healthcare sector and ultimately undermine the general public's access to quality medical treatment.[33] These matters were discussed at the Third NHA meeting and ultimately appeared in Point 1.2 of its Resolution 8, which calls for BOI "to comply with the provision of Section 51 of the 2007 National Health Act by not rendering support or special tax or investment privileges to public health services which are business interest oriented".[34] This resolution was later endorsed by the Cabinet in April 2011.[35] Consequently, BOI scrapped its tax subsidies to profit-driven hospitals.[36] According to its revised Promotional Privilege Framework, the purpose of BOI's incentive scheme was refocused "from supporting medical hub policy to strengthening Thai health systems".[37]

The foregoing analysis demonstrated that the final details of the Second Strategic Plan were products of bargaining among involved entities in the public and private sectors as well as civil society stakeholders. First, MOH was able to address the divergent interests and goals of the public agencies involved in the policy decision. The ministry then reconciled the interests of private enterprises and the general public through its decision to create policy terms to simultaneously achieve the three aims mentioned above, namely, the social security of the Thai people, additional revenue for the country, and medical innovation and development. Additionally, the government employed a participatory policymaking method, reaching out to the Thai public through the NHA. At the Third NHA gathering, civil society parties not only voiced their concerns over the harm that a medical hub policy could inflict on the national healthcare regime but also convinced the officials to incorporate those concerns into the Second Strategic Plan.

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[33] Treerutkuarkul, A. "NHC Joins Opposition to Medical Hub Plan." Bangkok Post, November 4, 2010.

[34] Section 51 of the 2007 National Health Act mandates all involved implementation bodies to comply with every regulation, rule and notification issued by the NHC (National Health Act, 2007); The Third National Health Assembly, "Collective Action to Overcome Inequality for the Better Society" (Resolution 8), December 15–17, 2010. Accessed January 24, 2016. http://en.nationalhealth.or.th/sites/default/files/Medical%20Hub%20-%20Resolution.pdf

[35] Pachanee, Cha-aim. "Medical Tourism Policy in Thailand." Presentation at the conference titled "Bridging the Research-Policy Divide", supported by the AusAID Australian Leadership Awards Fellowship Program, Australian National University, Canberra, Australia, September 20, 2012.

[36] Interview with Ms. Cha-aim Pachanee, International Health Policy Program, Ministry of Public Health, Thailand, by Kaewkamol Pitakdumrongkit. June 2, 2016.

[37] The Third National Health Assembly, "A Promotional Privilege Framework for Medical Hub Revised to Strengthen Health Systems." News Release, July 20, 2011. Accessed January 9, 2016. http://en.nationalhealth.or.th/node/204

III. POLICY RECOMMENDATIONS

What are the lessons that can be extracted from this study? How can these lessons be applied to policymaking in other issue areas and countries? The following are some recommendations which could enrich policymaking.

1. Apply a participatory policymaking approach.

Governments could employ a participatory policymaking approach, which engages broader constituencies into the policymaking process to derive more comprehensive policy outputs. Participatory policymaking combines the "top-down" and "bottom-up" approaches, enabling states to craft more well-rounded policies.[38] In this case, the NHA conventions served as channels linking together stakeholders in the public, private and civil society segments. The citizenry could use the NHA mechanism to express their interests and concerns and provide policy inputs to government officials. As the case study has shown, the participatory policymaking approach not only enabled the Thai authorities to tease out the needs and interests of civil society regarding the medical hub policy, but also helped them formulate a more comprehensive Second Strategic Plan. Moreover, adopting a participatory approach brings other benefits. For example, it can help enhance trust in government. This in turn boosts the participants' willingness to respond to policy measures, leading to the successful implementation of such policies.

In view of the advantages outlined above, governments would do well to adopt a participatory policymaking approach in crafting policy in areas ranging from education and transportation to science and technology. Admittedly, how this approach is pursued would vary, depending on the context. Policy practitioners interested in the process should study other cases and adapt their good practices to suit their respective country conditions. Besides Thailand's medical hub policy, other cases where the participatory policymaking approach

[38] Tenbensel, T., and Gauld, R. "Models and Theories." In Health and Public Policy in New Zealand, edited by Davis, P., and T. Ashton. Auckland: Oxford University Press, 2001; Baum F. "Cracking the Nut of Health Equity: Top-Down and Bottom-Up Pressure for Action on the Social Determinants of Health." Promotion and Education 14 (2007): 90–95.

has been successfully used include the Bologna Process of the European Higher Education Area and local governance in Brazil, Portugal, Mexico and India.[39]

2. Foster a political climate which respects the freedom of speech.

An important underlying factor enabling participatory policymaking to function effectively is a political climate which respects the freedom of speech. Such a climate encourages individuals to voice their opinions to governments with little fear of retribution. Consequently, constructive and frank discussions can take place between governments and civil society actors. Therefore, governments would do well to foster a climate of openness.

3. In crafting economic policies, governments can avoid the protectionist trap by implementing redistribution programmes and providing compensation to those negatively affected by such policies.

Another lesson extracted from the above case study is that domestic concerns can lead to a government adopting, or maintaining existing, protectionist policies. As a result of the Thai public's concerns about the deleterious consequences of the medical hub policy, the government found it expedient to take a protectionist course. For instance, owing to Resolution 8 adopted at the Third NHA meeting, the BOI withdrew its investment incentive scheme for private medical facilities. Apart from this, the government held on to some of its existing protectionist policies in favour of domestic healthcare players. While it liberalised some elements of trade in healthcare services as it signed onto the Eighth Package of the ASEAN Framework Agreement on Services, the government continues to impose other restrictions. Notably, it still retains a 49 per cent cap on foreign ownership in private hospital services, which is lower than Malaysia's (70 per cent for ASEAN investors) and Singapore's (100

[39] Bada, X. "Participatory Planning across Borders: Mexican Migrant Civic Engagement in Community Development." The Latin Americanist 55, no. 4 (2011): 9–33; Chhatre, A. "Political Articulation and Accountability in Decentralisation: Theory and Evidence from India." Conservation and Society 6, no. 1 (2008): 12–23; Donaghy, M. M. "Do participatory Governance Institutions Matter? Municipal Councils and Social Housing Programs in Brazil." Comparative Politics 44, no. 1 (2011): 83–102; Fejes, A. "The Bologna Process—Governing Higher Education in Europe through Standardisation." Revista española de educación comparada 12 (2006): 203–231; Falanga, R. "Understanding Participatory Policymaking Processes: Discourse Analysis in Psychosociological Action Research." In Computer Supported Qualitative Research, edited by Costa, A.P., Reis, L.P., Neri de Sousa, F., Moreira, A., and Lamas, D., 13–24. Switzerland: Springer International Publishing, 2017.

per cent for international investors).[40] Furthermore, Thai laws restrict the inflow of healthcare practitioners, requiring that foreign medical, dental and nursing professionals wanting to work in Thailand pass qualification exams that are offered only in the Thai language.[41] [42]

Even though the implementation of particular policies can yield adverse impacts on some domestic groups, governments should avoid the protectionist trap. This is because protectionism can invite retaliation, trigger trade wars and worsen ties among countries. Rather, governments should continue to pursue liberalisation and simultaneously grant compensation to those harmed by such policies. In other words, a better way of addressing the adverse effects of particular policy actions is to redistribute the economic gains resulting from such policies so that even those who are negatively affected can enjoy the dividends.

Redistribution programmes can vary across issue areas. Where Thailand's medical hub policy was concerned, the public was worried that it could trigger the outflow of physicians and nurses from the public to the private sector, leaving the former inadequately staffed, which could in turn cause a decline in the quality of affordable healthcare for the general public. To lessen such problems, experts have recommended levying a special medical tourism tax on foreign patients seeking treatments in Thailand. The revenue from this tax can be used to finance the public healthcare sector, such as by raising staff salaries and offering more attractive fringe benefits to retain staff in the public sector.[43] However, governments must do careful cost-benefit calculations to ensure that the mechanisms they apply to correct or lessen the unequal distribution of benefits do not retard the long-term growth and development of both the public and private sectors.

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[40] Choy, L. B. "Healthcare and Medical Tourism." Ministry of Health, Malaysia, June 15, 2015. Accessed January 13, 2017. http://myservices.miti.gov.my/documents/10180/0/Healthcare%20and%20Medical%20Tourism,%20Sabah%20(15062015);version=1.1&t=1434933603000

[41] Some progress has been made to ease the flow of skilled workers. For example, the Medical Licensure Examination will in future be offered in both the Thai and English languages. For more details, see Kittrakulrat J., et al. "The ASEAN Economic Community and Medical Qualification." Global Health Action 4, no. 7 (2014): 1–6.

[42] Herberholz, C., and Supakankunti, S. "Medical Tourism in Malaysia, Singapore and Thailand." Background paper for the Asia Network for Capacity Building in Health Systems Strengthening/ World Bank Institute (WBI) Knowledge Event on "Engaging the Private Sector to Achieve Health System Goals—Private Hospitals and the Private Sector as Partners for Universal Health Care Coverage", City University of Hong Kong, Hong Kong, May 27, 2013.

[43] Beichl, L. "Market Demand Assessment and Marketing Strategy for Medical Tourism." USAID Jordan Economic Development Program, June 15, 2009. United States Agency for International Development (USAID); Noree, T., Hanefeld, J., and R. Smith. "Medical Tourism in Thailand: A Cross-Sectional Study." Bulletin of the World Health Organization 94, no. 1 (2016): 30–36.

4. Adopt a forward-looking vision by anticipating emerging international industry trends when crafting policy.

In devising the Second Strategic Plan, the Thai government did carefully consider the challenges and concerns regarding the consequences of implementing the medical hub policy. However, it failed to sufficiently take into account the major emerging trends in the international healthcare sector. For example, increased cross-border investment has altered how healthcare services are delivered and could affect the future of medical tourism. To elaborate, the easing of cross-border investment rules has enabled healthcare providers in several countries known for excellence in medical services to establish overseas branches. Thus, instead of travelling across borders to receive treatments, patients can now enjoy the same services at these outposts in their own countries. The failure to anticipate such emerging trends when crafting the Second Strategic Plan may have deprived Thailand of feasible policy responses and could potentially affect its standing as a leading contender in the world's healthcare market in the future.

Thus, when crafting policy, practitioners must embrace a forward-looking approach by identifying key emerging phenomena and possible future scenarios. Doing so would enable public authorities to devise practical responses to address future challenges. It would also help governments to come up with better resource allocation and management plans. In the case of the healthcare industry, for example, governments could spur their respective countries' healthcare exports by continuously exploring new overseas markets for healthcare services and, where necessary, negotiating for lower entry barriers to penetrate those markets.

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