

Economic Commission for Latin America and the Caribbean

**ECLAC SUBREGIONAL HEADQUARTERS
FOR THE CARIBBEAN**



Report of the expert group meeting: an analysis of offshore medical universities in the Caribbean



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Economic Commission for Latin America and the Caribbean
Subregional Headquarters for the Caribbean

Expert group meeting: an analysis
of offshore medical universities in the Caribbean
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REPORT OF THE EXPERT GROUP MEETING: AN ANALYSIS OF OFFSHORE MEDICAL UNIVERSITIES IN THE CARIBBEAN

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A. INTRODUCTION

1. The Economic Development Unit of the ECLAC subregional headquarters for the Caribbean supports its Member States by conducting research aimed at promoting sustainable development and growth. As Caribbean countries grapple with ways to diversify its economies, it is important to explore products or markets for which they have a comparative advantage. The offshore medical university (OMU) industry offers such an opportunity.
2. Since the 1970s, there has been an increase in the number of OMUs in the Caribbean. This growth has been driven by market demand and limited supply restrictions. The large number of North American students seeking to obtain tertiary level medical education forms the basis for the demand. On the other hand, the less restrictive barriers to establishing a medical university in the Caribbean facilitate supply.
3. Using global value chain (GVC) analysis, this study on the “The analysis of offshore medical universities in the Caribbean” seeks to gain a deeper understanding of the offshore medical university industry in the region.
4. GVC analysis identifies the three main elements of any industry: i) the geography and linkages between stages and value added activities; ii) how power is distributed and exerted among the main actors in the chain; and iii) the role that institutions play in facilitating a business/ industrial location (Sturgeon et al. 2008). Each of the aforementioned features can assist in the explanations of how industries evolve.
5. The GVC framework highlights how developing countries in the chain may earn incomes, and how they may upgrade their income and position in the chain (Nadvi 2004).
6. The study explores four critical questions. These include “How the OMU cluster emerged?”, “What are the characteristics of the OMUs in the Caribbean cluster?”, “What are the contributions of the OMUs to the economy of the host Caribbean countries?”, and “What are the prospects of enhancing the educational quality and value added captured by the Caribbean in the medical value chain?”
7. By answering these questions, this analysis seeks to highlight ways Caribbean developing countries can potentially earn income in the value chain and/or upgrade their income and position in the chain.

B. ATTENDANCE

1. Place and date of the expert group meeting

8. The United Nations Economic Commission for Latin America and the Caribbean convened an expert group meeting to discuss the findings of the study “A Global analysis of offshore medical universities in the Caribbean” at the ECLAC subregional headquarters for the Caribbean on 26 September 2017 in Port of Spain, Trinidad. The meeting was primarily conducted via WebEx.

2. Attendance

9. Representatives from the following institutions participated in the expert group meeting: Ministry of Finance, Macroeconomic Policy Unit, Grenada; Health Economics Unit (HEU), Centre

for Health Economics, Trinidad and Tobago; UWI Consulting, Barbados; Ministry of Finance, Saint Lucia.

10. This meeting was chaired by the Coordinator of the Economic Development Unit (EDU) of ECLAC subregional headquarters for the Caribbean. The study findings were presented by the Economic Research Assistant (individual contractor) attached to the EDU.

3. Agenda

- Welcome remarks and introduction
Sheldon Mc Lean, ECLAC subregional headquarters for the Caribbean
- Overview and presentation of the study

Don Charles, Economic Research Assistant (individual contractor), Economic Development Unit, ECLAC subregional headquarters for the Caribbean
- Plenary discussion on presentation and study

Sheldon Mc Lean, Coordinator, Economic Development Unit, ECLAC subregional headquarters for the Caribbean
- Closure of the meeting

Sheldon Mc Lean, ECLAC subregional headquarters for the Caribbean

C. OUTLINE OF PROCEEDINGS

1. Opening of the meeting

11. Welcome and opening remarks were made by the Coordinator of the Economic Development Unit at ECLA subregional headquarters for the Caribbean. During these remarks, emphasis was made of the focus of ECLAC on responding to Member States grappling with low growth and high debt and the important role economic diversification plays in addressing this issue.

12. The Coordinator of the EDU further noted the increased shift over the years towards the service sector in the Caribbean, where ECLAC research has shown that there is greatest comparative advantage. This sector offers increased possibility for the development of new products and markets for the Caribbean. It is in this context that the Caribbean offshore medical universities subsector offers an opportunity for such diversification in the region.

13. Following these statements, the meeting agenda was outlined and the study presenter was introduced.

2. Overview and presentation of the study

14. The presentation of the study began by first distinguishing offshore medical universities from traditional medical universities in the Caribbean. The main distinction is that OMUs cater to foreign students interested in practicing medicine in countries outside the Caribbean such as the United

States of America whereas traditional medical universities focus on training Caribbean students for practice within the Caribbean.

15. The remainder of the presentation delved into the emergence of the OMU cluster, the global value chain, a comparison of the Caribbean cluster to other regions, benefits and challenges along with recommendations for developing the OMU industry.

16. The study determined that the OMU cluster emerged in the 1970s when the private sector identified a gap with students excluded from entry into the more stringent American medical school system. The Caribbean offshore medical universities are all private, for-profit institutions often owned by large corporations and managed by individuals or small organizations.

17. The Caribbean was identified as a great location for OMUs because of geographic proximity to the United States of America, instruction in English, less stringent requirements for establishing a medical university in the Caribbean relative to the United States of America, lower tuition and fees and less finance and academic regulations.

18. For the OMUs, the study determined that the global value chain comprises three segments which include pre-education (student recruitment), education (teaching and evaluation), and post-education (graduate placement and alumni support). In the pre-education phase, students are recruited from feeder schools. The OMUs and the clinical rotation hospitals then provide the necessary medical education. Finally, in the post-education phase, focus is given to obtaining employment particularly in the United States of America.

19. The study outlined the three main steps to obtaining a Doctor of Medicine (MD) from an offshore university. In step 1, students complete 2-3 of basic science and pass the United States Medical Licensing examination (USMLE) step 1 exam. Step 2 requires completion of two years of clinical rotations, passing the USMLE step 2 exam and obtaining a MD degree. In the final step, students must complete 1 year of rotation in a US hospital, pass the USMLE step 3 exam and obtain Educational Commission for Foreign Medical Graduates (ECFMG) certification.

20. Although no OMUs are ranked in the top 50 universities worldwide, ECFMG certification is highest among Indian universities followed by Grenada (St. Georges) and Saint Vincent and the Grenadines. Relative to the world, the Caribbean cluster performs well. However, the data are skewed because some universities in the Caribbean perform well while there are a number of underperformers.

21. With regard to the distribution of medical universities worldwide, as at July 2015 it was estimated that there were a total of 2,639 medical schools operating worldwide. Asia held 37.3 per cent which was the highest percentage of the world's medical universities. In fact, the amount of medical universities in Asia (985) was greater than the amount of medical universities in all the Americas (734). Europe which held 20.3 per cent of the world's medical universities, held the second highest percentage of the world's medical universities. North America held only 10 per cent of the world medical universities. When the Caribbean is aggregated with Central America, the data suggest the region held 4.5 per cent of the world's medical universities. However, when the Caribbean is considered as a separate region, the data suggests it held 2.7 per cent of the world medical schools.

22. By July 2015, India had 299 medical universities which was the largest number of universities in any country. India was followed by China which had 178 medical universities. The United States of America had a total of 170 medical universities. In the South America region,

Colombia and Argentina had the largest number of medical universities. Colombia¹ had 46 medical universities and Argentina² had 26 universities. By July 2015, there were seventy two (72) medical universities in the Caribbean, offering programs leading to an award the Doctor of Medicine (MD) and/or Bachelor of Medicine, Bachelor of Surgery (MBBS) degrees.

23. The offshore medical universities provide a series of substantive economic benefits to the host countries. Such benefits include the expenditures by students and faculty as they spend on accommodation, travelling, clothing, and other goods and services. However, there are number of challenges. The OMUs also contribute to their host economies by: i) the corporate and student taxes paid by the medical universities and their enrolled students; ii) the income tax paid by the local faculty staff in the medical universities; and iii) the tariffs charged upon imported products.

24. However, there are a number of challenges within the OMU industry that must be addressed. These include concerns about the quality of education, inadequate faculty and materials, teaching primarily to pass the USMLE exam, insufficient face-to-face instruction, and lack of accreditation. In an effort to address the issues of quality of education, the ECFMG announced that effective 2023, all physicians applying for ECFMG Certification will be required to graduate from a medical university that has been appropriately accredited.

25. The presentation concluded with a number of recommendations for reflection. Some of these include using the regional medical accreditation authority to address quality of education, increasing contribution of OMUs to the region's economies by hiring more local staff and forming partnerships with local hospitals, and increasing the provision of goods and services consumed by students. There were also several policy recommendations for improving the competitiveness and optimizing the economic contribution of the OMUs to regional economies. Some of these include: i) avenues for further integration of the sector, e.g. exploring options for increased utilization of regionally trained nurses along the value chain; ii) the harmonized accreditation of the OMUs in the cluster; and iii) using the industry to improve general health care domestically.

3. Plenary discussion

26. The plenary discussion phase of the meeting began with mention of the opportunity OMUs present to build resilience and diversify from tourism sector and primary resources particularly in the context of high debt and low growth along with challenges to the offshore financial services sector. It is the expectation of ECLAC that an improved model can be replicated in the future.

27. Initial discussion focused on the challenges faced within the OMU industry. In particular, only 17 per cent of OMUs had acquired or were in the process of acquiring Caribbean Accreditation Authority for Education in Medicine and other Health Professions (CAAM-HP) accreditation. This finding prompted suggestions for a more harmonized approach to achieving accreditation among Caribbean OMUs. Such an approach has the potential to increase the currently low rate of accreditation across the region. The efforts of the government of Grenada to address this issue were noted, however, ECLAC acknowledged their intention to advocate for a more harmonized approach to accreditation across the Caribbean OMU subgroup.

28. One major challenge noted by participants was the limited opportunities for MDs to specialize in the region. In the case of Grenada, although St. Georges University contributed to about 19 per cent of Grenada's growth domestic product, the underdeveloped healthcare sector in

¹ Data from the World Bank data base indicated that Colombia had a population of 48.32 million persons.

² Data from the World Bank data base indicated that Colombia had a population of 41.45 million persons.

Grenada limited opportunities for students to acquire clinical practice. Further, much of the scholarships are offered for primary healthcare studies. As a result, students must migrate to acquire specializations in the field of medicine. This results in a major brain drain of specialists from Grenada and the wider Caribbean region.

29. A number of recommendations were suggested with a view to improving the OMU subsector. One recommendation involved promoting research across OMUs in order to enhance the medical benefit to the region and improve worldwide standing. Another focused on harmonization of taxes given the varying student and institution taxes across the region. In each of these cases, ECLAC agreed to conduct further research and incorporate into the final study.

30. In an effort to expand the locations where Caribbean students can practice, it was also suggested that the regional accreditation authority link with the United States of America and the CAAM-HP to broaden areas students are able to practice upon completion of their program. ECLAC agreed to incorporate this suggestion into the study. Alternatively, mobility is much less of an issue for American students. Currently, Caribbean OMUs pay foreign universities to accept their students to do clinical rotations and practice in the United States of America once they pass each step of the US-MLE exams. However, the ECFMG will implement more stringent certification requirements by 2023 whereby they only accept students from accredited universities.

31. Other recommendations included the need to address challenges local medical boards pose to students, particularly from Cuba, attempting to practice across the region. It was suggested that one solution would be to allow students to take a regional/local exam to ensure high medical standards are maintained.

32. Participants also provided a number of suggestions to strengthen and develop this important study. Specifically, it was proposed that given the high demand for nursing, the study should give some focus to nursing education. ECLAC agreed with this suggestion but noted that the rate of migration among nurses was far less an issue compared to migration of trained doctors.

33. It was also suggested that the global value chain analysis could be deepened by exploring the contribution of OMUs in terms of GDP to each host country. ECLAC highlighted its efforts to explore such an approach but was hindered by data limitations. Data restrictions also largely influenced the study's primary focus on the United States of America to Caribbean market. As a result, it was suggested that the title of the study be renamed to reflect this narrower focus.

4. Closing remarks

34. Closing remarks were made by the Coordinator of the EDU, who thanked participants for their tremendous input in strengthening this important study. He assured participants that ideas, suggestions and recommendations advanced during the meeting, including but not limited to addressing challenges and harmonization of taxes, will be meaningfully incorporated in the revised study.

35. Participants expressed their gratitude for the opportunity to contribute to the work of ECLAC and also commended the contributors to the study for their work on OMUs.

Annex I**LIST OF PARTICIPANTS**

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