



Medical Tourism
Research Group

Medical Tourism in Barbados: Negotiating inherent tensions

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This chapter examines the planning for medical tourism taking place in Barbados, a small island state in the Anglophone Caribbean. In addition to a comprehensive overview of medical tourism in Barbados, the chapter highlights the inherent tensions in developing a locally-beneficial medical tourism industry. By identifying competing visions put forth by various stakeholders in the Barbadian medical tourism sector, including staffing and ownership formats, regulation and investment incentives, and differing ideas of appropriate developmental scale and scope of services we provide insights into the important considerations this small island state is facing when seeking to develop this much hyped but poorly understood sector. This chapter draws on our long term-research program examining medical tourism in Barbados and the wider Anglophone Caribbean. Since 2011 we have undertaken 69 semi-structured interviews and three focus groups with a wide range of health system and tourism sector stakeholders in Barbados, compiled a comprehensive collection of state and media reports discussing medical tourism, and collectively spent over a year conducting on-site ethnographic fieldwork that has included many informal conversations with users of the Barbadian health system from a wide range of backgrounds. Together, these datasets and experiences provide a rich understanding of the potential considerations and hopes arising from the ongoing discussion about medical tourism development in a small island setting. Exploring these considerations and hopes suggests ways in which Barbados and other small island states seeking to develop their medical tourism sectors can negotiate a structure for medical tourism that can best meet their development goals.

Introducing medical tourism

The term ‘medical tourism’ refers to the practice of patients moving across national borders with the intention to access medical care, typically paid for out of pocket (Snyder et al. 2013). Patients have long traveled across borders in pursuit of medical treatments, particularly from low income countries with poor quality or limited range of healthcare services to better-equipped health systems in higher income countries. However, recent years have seen the emergence of many new flows of patients, particularly of patients from high income nations traveling to low and middle income countries who are looking to access less costly, faster, alternative or unproven treatments that are unavailable in their home jurisdictions. Medical facilities seek medical tourists in order to generate income, while governments are interested in developing the sector in order to generate employment, improve health infrastructure, and increase their reserves of foreign exchange (Connell 2013; Lunt et al. 2014).

Development of a medical tourism sector is presented as an economic development strategy, particularly for tourism-dependent countries seeking diversification of their tourism product (Smith 2012). Groups such as the Medical Tourism Association, an American-based group, and the reports of consultancies such as McKinsey and Deloitte, have predominantly informed the existing medical tourism discourse (Labonte 2013). Media sources reinforce the depiction of the sector as a driver of economic development, highlighting the profitability of medical tourism ventures in places such as Thailand and India (Eden 2012; Collinder 2013). This dominant discourse provides a primarily positive frame for the sector, which is in sharp contrast to the ethical concerns about the potential harmful impacts of the practice that are rarely mentioned outside of academic literature (Mainil 2011). Commonly cited ethical concerns about medical tourism include issues of individual patient safety as well as concerns for equitable distribution of health resources (Turner 2007; Snyder et al. 2013). These latter concerns have primarily framed medical tourism as both a symptom of and driver of health system inequity, chiefly in its potential to draw public resources towards private medical facilities catering to (relatively) few wealthy locals and foreign tourists (Smith 2012). As

medical tourism centres on private, curative services, it is argued that it serves as a diversion of attention and resources away from primary health care and more generally, services that are most relevant to the public health burden (Snyder et al. 2013). While these concerns are supported by examples of supportive public policies and government involvement to develop medical tourism sectors in established destinations such as India, Thailand, and Malaysia, they often do not concede the constructive intentions that governments have for the medical tourism industry in resource-constrained contexts, both with regard to economic development and health system improvement (Ormond 2011).

As a high-value service industry, medical tourism may be particularly attractive for governments in small island states seeking to diversify their economies (Campling & Rosalie 2006; Connell, 2013b). The size and geographic characteristics of small island states inform their economic, environmental, and social vulnerability. With a small domestic market, small island states have limited ability to exploit economies of scale. Furthermore, they typically have a limited resource base, including raw materials and manpower to provide services and expertise. As a result, small island states regularly rely on foreign investment and imported goods, resulting in precarious work options for the populations and limited social and economic security. Finally, environmental problems are particularly intense for small islands with relatively large coastlines and fragile ecosystems (Briguglio, 2003). This vulnerability poses significant restrictions upon the economic diversification options of small island states (Campling & Rosalie 2006).

Many small island states, including those in the Caribbean region, have well-established tourism industries, facilitating the development of industries that utilize this infrastructure and reputation as tourism destinations (Zappino 2005). Connell (2013b) notes that the Bahamas, Barbados and Cayman Islands have all indicated interest in developing medical tourism in order to generate employment and investment, as well as to improve provision of care locally. Furthermore, Connell (2013b) highlights the influx of foreign patients to Cuba for medical tourism as providing evidence that islands in this region could attract foreign patients. As a form of tourism diversification, medical tourism may be a particularly appealing export industry for small island states due to their existing familiarity with tourism exports, as well as the attractiveness of using medical tourism activities to improve the quality of and access to health care on the islands (Connell, 2013b). By increasing demand for health care services through an influx of international patients, medical tourism discourse suggests that this could enable health care providers that otherwise lack adequate demand for their services to successfully operate on the island and/or prompt foreign physicians to work on the island, potentially providing otherwise unavailable care to local patients (Horowitz, Rosensweig & Jones 2007; Turner 2007). However, as described by Connell (2013b), medical tourism projects in the Caribbean are driven by business rather than healthcare rationales, and are associated with potential ethical issues. As will be described in more detail later in this chapter, the realization of the touted benefits may only be realized within certain contexts, including the right regulatory framework and .

The remainder of this chapter discusses existing medical tourism activities and planning for medical tourism in Barbados to provide a nuanced exploration of medical tourism's potential impacts in small island contexts.

Barbados' economic context

At 430 km² and a population under 300,000, Barbados is a densely populated small island state. The most easterly country in the Caribbean archipelago, Barbados shares many elements of its colonial history and economic development with neighbouring islands. This small country has faced the challenge of developing its economy with limited natural resources and a limited opportunity to generate economies of scale at the time of independence, especially due to the sharp decline in the profitability of the sugar industry that served as the foundation of its economy since colonial times (Worrell et al. 2011). In 1966, Barbados emerged as an independent state while facing an uncertain economic future stemming from its small size and relatively isolated location. The degradation of its agricultural land from long and intensive sugar production and reliance on existing preferential trade agreements remaining from its Commonwealth ties put the country in a weak competitive position in the global market for its established export sectors (Bishop 2010).

Throughout the 1950's and 1960's, the government of Barbados sought new economic development opportunities that would no longer rely on the declining sugar industry. With a small economy and limited resources, Barbados was particularly focused on development activities related to service export (Downes 2001). The development of service industries was attractive due to limited export restrictions, opportunities to attract large amounts of foreign investment quickly, and the suitability of Barbados for tourism activities given its warm climate and attractive landscape (Bishop 2010). Throughout the 1960's and 70's, investment in the service sector, particularly tourism, resulted in rapid economic development (Downes 2001). By the late 1970's, tourism contributed to national GDP a share equivalent to the manufacturing sector or the sugar industry (Worrell et al. 2001). In the 1980's, following the international debt crisis, the remaining manufacturing sector collapsed and the sugar industry continued to decline. As a result, investment in the service sector, and especially service export activities like tourism, was encouraged via loan and debt relief stipulations (Downes 2001). By the mid 1980's, Barbados' service industries were contributing 73% of total GDP, with tourism contributing between 15 to 18% of service sector GDP during this decade (Clarkson and Craigwell 1997).

The birth of the international business and financial sector in the late 1970's provided a new opportunity for Barbados to expand its service exports (Worrell et al. 2001). While in 2000 tourism accounted for two-thirds of all foreign exchange earnings (Erikson and Lawrence 2008), the international financial sector continues to provide a significant contribution to total GDP. Estimates of the percentage of GDP contribution from the financial export sector are not readily available, likely because offshore activities are excluded from national GDP estimates (Clarkson and Craigwell 1997). The exclusion of data on offshore activities, including offshore banking, corporate registries, and offshore medical schools, challenges attempts to better understand the contribution this sector makes to the Barbadian economy. However, reports on this sector indicate that Barbados has successfully attracted business from various companies as a result of the country's political stability, confidentiality practices, and low tax rates (Erikson and Lawrence 2008). However, this sector is increasingly challenged by global demands for reform, including increased oversight and regulation of subsidiary activities. Pressures to respond to these reformatory demands may be particularly influential for countries like Barbados given the importance of reputation for the success of the tourism sector (Ogawa et al. 2013). These reforms may encourage offshore entities to shop around for a more desirable regulatory environment, limiting the growth of this sector in countries that undergo these reforms (Erikson and Lawrence 2008).

Overall, the history of Barbados' economic activity from the 1950's to the present day demonstrates that the country has always maintained a relatively liberal economy and that the scope and form of economic activities have responded to global macroeconomic trends, including globalization and neoliberalism (ECLAC 2000). While these economic approaches have sustained Barbados' impressive economic development over the past sixty years, concerns about the long term-sustainability of these economic development strategies have long been raised.

The work of economists such as St. Lucia's Sir Arthur Lewis (1915-1991) highlights concerns about economic development strategies in the Caribbean that are echoed in current issues arising around planning for medical tourism. Lewis' work presents the idea that export-oriented development in the Caribbean should follow a model of 'industrialization by invitation'. This strategy sought to recognize and respond to the challenges faced by newly independent small island states like those in the Caribbean, particularly their high levels of unemployment, limited natural resources, small domestic supply of capital, and narrow economic diversification, by pragmatically calling for national governments like Barbados' to open their economies to private foreign investment in manufacturing and services. However, it balanced this call for foreign investment against an expectation that national governments would be careful in only accepting competitive offers that would advance, and not exploit, countries' current economic positions in viable niches and not liberalize their economies wholesale (Downes 2004). The long-term goal of Lewis' strategy was to establish and integrate a diverse range of industries in the Caribbean. This was done with the intent of increasing local manufacture of value-added goods for both export and import substitution, simultaneously increasing employment and reducing the Caribbean's deep reliance on expensive imports that had been developed and sustained over centuries of colonial administration (Farrell 1980). Furthermore, given the small size of each Caribbean country, Lewis envisioned regional economic and institutional cooperation as key components in achieving the largest possible share of these benefits (Downes 2004).

The development path envisaged by Lewis and other proponents of "industrialization by invitation" has not been realized in Caribbean countries like Barbados that, despite great strides in economic development since the 1960s, continue to be deeply dependent on imported goods and foreign investment, thus maintaining a high level of vulnerability to global economic volatility (Andrian et al. 2013). The sociopolitical and geographical context of Barbados has made the pursuit of the service export industry particularly appealing; however, this pursuit has posed certain challenges to economic development in the global economic climate, as discussed in Lewis' work (Erikson and Lawrence 2008). In 2008, tourism accounted for 14% of Barbadian national GDP (Worrell et al. 2001). The large contribution that tourism and other service exports makes to national GDP informs the necessity of Barbados' competitiveness in exporting its services. While regional commitments to the Caribbean Single Market Economy and Caribbean Community Secretariat facilitate sharing of resources between member states and enhanced bargaining power when negotiating access to the regional market, members like Barbados have also agreed to increasingly liberalise their services (ECLAC 2012). This has further enhanced competition within the region as many members export the same types of services and seek out investment from the same pool of investors (ECLAC 2012). Along with challenges to regional coordination, concerns regarding scarce local sources of investment and challenges to import substitution, as discussed by Lewis, continue to be relevant today for countries like Barbados pursuing economic development – such as via a medical tourism sector – in the context of its service-based economy.

Barbados' dependence on international trade activities can be exploited by outside actors such as foreign investors, enabling them to overwhelmingly benefit from these relations while placing the burdens of these activities (including environmental degradation) on the small island state (ECLAC 2000). As Lewis pointed out in the "industrialization by invitation" model, involvement by outside actors is not necessarily problematic and in fact is likely necessary to some degree in small island states like Barbados with limited supplies of capital for expanding industry (Downes 2004). However, Caribbean countries must carefully consider their policy structure and regulatory environment to find the right balance between enticing foreign investment and maximizing benefits to local economic development (Griffith, Waithe and Craigwell 2008). Striking this balance may prove to be especially challenging given the vulnerability of Caribbean countries like Barbados as a result of their dependence on economic activities that are easily disrupted by global macroeconomic policies and structural reforms (ECLAC 2000). As a result, many of the economic development strategies presently pursued by Caribbean countries focus on diversifying their expansive, if volatile, service export industries through such means as offshore medical schools, offshore banking, heritage, sports, and medical tourism (Worrell et al. 2001).

This chapter now focuses on the development of the medical tourism sector in Barbados and provides an overview of the challenges and opportunities Barbados faces in trying to find the right balance in protecting local interests while growing this new industry.

Medical Tourism in Barbados

Barbados' small size, both with regard to population and economy, restricts the ability to provide comprehensive curative health care for all citizens due to limited health human resources, training opportunities, and insufficient demand for specialists (Campbell, B.J. et al. 2008). Thus, the Barbadian context demonstrates the potential for medical tourism to expand health care resources on the island to cater also for domestic demand (Gonzales et al. 2001). This context, particularly in terms of Barbados' service-based economy and limited health care resources, has influenced the particular strand of pro-medical tourism discourse by various stakeholders on the island, including the Barbadian government, health care workers, tourism operators, and other individuals and groups positioned to benefit from medical tourism activities. It is thought that these benefits can outweigh concerns cited in the medical tourism literature if properly regulated. However, the existing literature on tourism development demonstrates a need for contextual analyses to understand how these benefits might be realized, who stands to gain from the industry, and who may be unfairly burdened by the industry (Ormond 2011). Without such considerations there is concern that, at best, medical tourism destinations like Barbados may simply serve as hosts to an industry with limited domestic benefits or at worst, medical tourism will disrupt long-term development and equity-enhancing processes (Johnston et al. 2013).

The medical tourism sector in Barbados is currently very small, consisting of one fertility clinic that has had success recruiting foreign patients. This facility, the Barbados Fertility Centre (BFC), has been accredited by the most recognizable international hospital accreditation organization, Joint Commission International, and draws the majority of its patients from the United States, the United Kingdom, and Canada. While this facility is the only existing example of medical tourism in Barbados, the success of this steadily growing business demonstrates the potential for other similar types of medical tourism ventures (Connell 2013b). Dr. Juliet Skinner, the principal physician at the BFC, founded the clinic in

2002 with co-owner and head nurse, Anna Hosford. The clinic was developed soon after Dr. Skinner, a Barbadian, returned to Barbados after completing her medical training in Ireland (Barbados Fertility Centre 2014). Due to its small population size, Barbados had no fertility specialists practicing on the island prior to the development of the BFC. Recognizing this, the BFC was created with the regional and international market in mind, as they would provide the number of cases necessary for the facility to be feasible in a small-island setting (Johnston et al. 2013). Barbados' setting has been leveraged by the clinic in its international marketing, its relaxing, tropical atmosphere represented as an asset for those looking to conceive (Connell 2013b). Along with regional patients visiting the BFC, Barbados also serves as a medical hub for the Eastern Caribbean, providing care to regional patients both through formal cross-border care referrals and informal, patient-initiated travels to the island (Snyder et al. 2012). This latter flow of regional patients has not been readily framed as medical tourism, which is more closely associated with utilization of medical services by non-Caribbean patients (Fieldnotes).

Barbados has expressed strong interest in significantly expanding its existing medical tourism sector. In the mid-2000s, the concept of medical tourism emerged in media reports and government press releases as an increasingly viable strategy for simultaneously diversifying Barbados' tourism product and increasing access to high-tech and sophisticated medical treatment. In this period, the Barbadian government initiated a concerted effort to expand the country's medical tourism sector. This effort was spurred in part by a series of regional and local conferences on the topic of health tourism and ongoing planning for the construction of a new private hospital by a group of foreign investors. Interest among public sector administrators and members of government resulted in the development of an inter-ministerial Health and Wellness Tourism Task Force to oversee the expansion of the sector. This task force oversaw an extension of the existing incentive framework for investment in recreational tourism to include medical tourism facilities and a call for bids to see a long-defunct hospital located on public land get developed privately as a new facility oriented to the international patient market (Johnston et al. 2013).

In 2011, The Barbadian government accepted a bid tendered by the company American World Clinics that would see the defunct St. Joseph hospital site re-developed into a new 85-bed multi-specialty hospital staffed on a time-share basis (Johnston et al 2013; Nussbaum 2011). This staffing format would provide hospital space for a rotating roster of foreign (primarily American) specialists visiting for a period of time each year as well as local physicians willing to pay the annual membership fee. In order for the project to be financially and clinically feasible, the majority of patients would need to be medical tourists (Johnston et al. 2013). This project model was reported to be most acceptable to government stakeholders as it was perceived to pose limited impacts to the existing Barbadian health system, to offer employment for Barbadians as nurses, lab technicians, and other skilled professionals, and to potentially retain local privately-paying patients who would otherwise travel internationally for specialized care. While AWC's Barbadian hospital was originally projected to be operational by 2014, construction of the facility has still not begun and no other projects on a similar scale have been initiated. The long-term lack of action suggests that, for the time being, large-scale medical tourism to Barbados will continue to be an idea rather than a reality.

While Barbados' medical tourism sector remains small, ongoing discussions in the media and by various local and industry stakeholders indicate continued interest in its expansion (Kirton 2013). As we have set out above, key questions around health equity and local economic benefits remain unanswered in current discussions of medical tourism

development in Barbados. These questions are linked to the scale and style of medical tourism to be developed, particularly as numerous other Caribbean islands have described similar plans for developing their own medical tourism sectors, which could result in regional oversaturation of the industry. Current medical tourism discourse in Barbados is informed by the perceived success of the offshore model in other service sectors, including offshore medical schools and finance centres, and the existing transnational mobility of patients and providers throughout the region (Connell 2013a). Complex questions of scale and ownership related to medical tourism emerge from this narrative. These are further explored below in the Barbadian context by discussing major tensions facing policymakers planning for and developing a medical tourism sector that could help Barbados realize its long-term development goals.

Competing visions of medical tourism sector development in Barbados

Attempts to develop a Barbadian medical tourism sector have been characterized by at least four overlapping, multiple tensions in its planning and visioning: large versus small scale developments, offshore versus local ownership, staffing by local versus foreign doctors, and appropriate regulation versus onerous red tape. Despite these tensions, which are reviewed below, medical tourism is widely perceived by many local stakeholders as having potential for innovative development of a new tourism market in the Caribbean. In the sections that follow we address the tensions at play in the development of medical tourism and how they might influence the shape of this sector's development in Barbados.

Health services export in a small island setting: a question of scale

The popularization of medical tourism, both as an identifiable practice and an economic development policy, has been deeply informed by the success of a limited number of large, full-scale hospitals in exporting their services internationally. The experiences of private hospitals in Asia that offer a comprehensive range of services, particularly Bumrungrad in Thailand, Raffles in Singapore and the Apollo chain in India, have been closely associated with contemporary discussions of medical tourism (Chee 2007). The successes of these hospitals highlight the novelty of health service export from the Global South and have been used to advance the idea of medical tourism as an economic and health system development strategy elsewhere (Ormond 2011). Large projects such as the Cayman Islands' Health City are arguably emblematic of the contemporary visions associated with the sector's development (Connell 2013a). However, the dominant focus on large, capital-intensive hospital projects and the export of a comprehensive range of medical services neglects to engage with smaller-scale instances of medical tourism. Barbados' experience to date with medical tourism raises important considerations of the role that facility scale plays in shaping considerations of both the health equity and economic impacts of the sector.

The private hospital being developed by AWC is only the latest instance of medical tourism planning in Barbados. Perhaps not coincidentally, the government administrators of the original St. Joseph Hospital that previously occupied the AWC site had hoped to export services to the American market in the 1980s, having explored the feasibility of tapping into internationally-portable private insurance to help sustain the facility. Likewise, Project Care, a private hospital project on Barbados' west coast that was advanced in the mid-2000s, incorporated medical tourism in its plans from the outset in order for the facility's intended range of services to be possible. For these latter two projects, medical tourism was needed to support the original goal of a full-service tertiary hospital located in a small-island setting. Conversely, it has been reported that one contributing factor to the delay of the AWC project

are changes to its original patient composition projection, one that now plans for a larger share of local patients than the island's population can provide (Fieldnotes). Taken together, these examples indicate that medical tourism projects in low-population, small island settings have difficulties not found in more populated locales. Indeed, the international medical tourism development narrative commonly fails to clearly articulate the relatively peripheral role of medical tourism for the vast majority of medical facilities hosting international patients, where the local population provides the clinical and financial foundation for operations and medical tourists are a minor source of additional income.

The rapid growth of the BFC sits in sharp contrast to the consistent delays and shortfalls seen in larger medical tourism projects in Barbados. The clinic's success bears out Connell's (2013b) observation that medical tourism in the Caribbean is likely best suited to niche elective treatments. While Connell (2013b) outlines the many formidable barriers to the development of medical tourism among the small-island states in the Caribbean, including the high rates of health worker emigration, reliance on foreign private investment, and the propriety of structuring medical facilities to be dependent on the inherently volatile tourism market, we believe that many of these challenges can be most concisely addressed through the question of appropriate developmental scale.

When the impacts of medical tourism development are examined at a smaller scale, both the sector's rewards and risks shrink correspondingly. While the offshore model of medical tourism being advocated for in Barbados seeks to side-step many ethical concerns of medical tourism by limiting the resources shared between medical tourism facilities and the domestic health system, it is not clear how successful it will be in doing so given the inevitable overlaps that can emerge in the form of shared personnel, medical emergencies, and follow up treatment. Even if the offshore approach to medical tourism successfully limits the health equity risks, it will also significantly limit the economic benefits accruing to host countries. In contrast, replicating the BFC's approach by developing small outpatient clinics specializing in exporting elective treatments would not significantly impact the day-to-day operations of the existing health system and could widen the range of specialties (albeit, non-critical ones) available in small island states like Barbados. Lastly, in terms of regulation, a small-scale approach would also pose far less of a regulatory burden for small island countries. While private third-party accreditation organizations such as Joint Commission International have been advanced as the regulatory cornerstone of medical tourism, professional associations and Ministries of Health ultimately bear the responsibility for a jurisdiction's standards of care. Large, hospital-scale medical tourism projects would impose significant burdens on the modest regulatory resources of small island states that smaller projects would not.

Offshore versus local developments

The ownership and financing of medical tourism facilities is another key consideration for small island states due to the impact that facilities controlled by external interests can have on such small places. A variety of styles of ownership of medical tourism facilities exist, ranging between foreign-run privately-owned hospitals, small private facilities drawing on both local and medical tourist markets, public facilities offering some medical tourism services, and hybrid versions incorporating elements of several approaches. Here, the 'local versus foreign' debate parallels the 'small versus large scale' debate. In order for the industry to develop at a larger scale, there must almost certainly be a reliance on foreign investment and capital. Public discussion around these different types of development, discussed in

greater detail in the following section, illustrates the continued debate as to what degree of foreign ownership and control is desirable for a prospective medical tourism industry in Barbados.

The foreign-owned, privately-run model of medical tourism, exemplified in Barbados by the AWC project, has faced opposition from local health care providers and owners of local private health care clinics who have pushed back against foreign hospitals as a threat to the sustainability of their practices. These same providers and private clinic owners may favour a small scale, local model of medical tourism sector development whereby local businesses provide some services to both locals and medical tourists, as does the BFC. Our work in Barbados has shown that networks of local professionals are key stakeholders that have strong opinions about the benefits and drawbacks of local versus foreign ownership. Some of these opinions may be legitimately focused on unintended impacts on local health systems, while others may be more focused on an aversion to competition and protection of vested interests.

Another key question pertaining to sector development centers on whether new Barbadian medical tourism facilities will hire foreign or local workers. While medical tourism facilities can offer local employment, which governments often tout as a (if not *the*) benefit of sector development, the drawing off of local professionals into the private medical tourism sector may negatively impact the public sector. Conversely, if foreign doctors and health care professionals are brought into Barbados to practice on international patients, unresolved questions around licensing and even immigration law arise. It remains to be seen whether these impacts on the labour supply would negatively impact local public care in a country like Barbados, if they will ultimately provide access to much-needed specialized care for local residents, or both in some combination.

An over-arching concern in the development of medical tourism in Barbados and elsewhere relates to the conflict between what is perceived as rigorous regulation that demonstrates best practice and instils confidence in investors and consumers versus ‘red tape’ regulation that hinders progress in expanding medical tourism sector activities. Negotiations between various industry stakeholders and the Barbadian government in relation to regulation and policy has been perceived as a barrier to investment in cases such as the AWC development and as necessary to protect from the loss of resources used to support ultimately failed projects such as the Four Seasons hotel, a project that was halted due to insufficient financing after the government had already invested resources into the project (Fieldnotes). The Four Season’s project demonstrates potential risks governments face in facilitating foreign investment if the project does not go through as planned and the government is left with wasted resources and unusable land where construction began, an especially relevant concern in small island states with limited land for development (Fieldnotes). The challenge of balancing regulation with incentives in seeking foreign investment is an omnipresent challenge, particularly for small island states that may be in competition with each other in attracting the same pool of foreign investors, as in the case of medical tourism in the Caribbean. However, well-designed regulation can also build trust and confidence in the Barbados brand, appealing to foreign investors. Well-designed regulation for new medical tourism developments must take into consideration whether they occur under foreign or local ownership. Current regulatory infrastructure in Barbados is more suited to local ownership, although if a significant increase in medical tourism occurs, revisions will be needed.

Discussion

The case of medical tourism sector development in Barbados serves to highlight the tensions inherent in small island state development. Contradictions between the need for foreign involvement while pursuing self-sufficiency have challenged small island state development planning, as tensions emerge between promoting local entrepreneurship and industry diversification and relying on foreign investment that limits local control. The pursuit of medical tourism in the Caribbean demonstrates how small island states navigate these tensions. In this section, the inherent tensions in Barbados' medical tourism planning as informed by Lewis' development model are considered in relation to regional competition, scarcity of local capital, and import substitution.

Regional competition

While the economic strategy of “industrialization by invitation” detailed by Lewis emphasized the development of comprehensive and complementary economic sectors across the Caribbean as a whole, states in the region are wary of cooperation that may infringe on their self-determination and abilities to protect their own national interests (Downes 2004). While newly developed regional bodies intend to enhance the competitiveness of the region in the global market and increase trade between countries to achieve economies of scale, regional trade and integration is limited by the presence of overlapping service-based industries. To optimize their economic development, nations such as Barbados must navigate tensions between prioritizing regional integration and fostering or maintaining a competitive edge, including in the medical tourism sector, over neighboring countries with similar exports (ECLAC 2012).

The foreign-local, large-small binaries outlined in the previous section are relevant to navigating the challenges that Caribbean nations like Barbados face in balancing regional integration with regional competition. The countries of the Caribbean Basin already have a nascent regional healthcare system, with patients seeking care in neighbouring islands, Cuba, and Miami through private payment (effectively medical tourism) and cross-border care arrangements. Were the governments and/or care providers of the region to coordinate their planning, new health infrastructure in the Caribbean could be of a larger scale that can support a wide range of specialties. At this regional scale, the patient catchment would permit an approach to medical tourism as is found in Thailand and Malaysia, serving as a small additional stream of patients rather than as an unpredictable cornerstone (Ormond 2011). More importantly, such regionally-integrated multi-specialty facilities would more closely reflect the health needs of the local population and thereby be more likely to meet the health infrastructure development promises advanced by medical tourism proponents (ECLAC 2012).

If individual Caribbean countries are drawn to foreign investment offers like the AWC project in Barbados, opportunities for regional health system coordination may be compromised or overlooked in light of the presence of opportunities for new industry development ‘knocking at their door’. In fact, foreign investors in medical tourism projects may actually be shopping around the different countries in the Caribbean to find their ideal regulatory environment, potentially creating a race-to-the bottom environment that increases the pressure for islands to change their regulatory environment to appease foreign investors (Snyder et al. 2013). As a result, Caribbean countries such as Barbados that are seeking to expand their medical tourism sectors may be challenged to develop rigorous regulation in the

context of regional competition, despite the fact that regulation is necessary to protect the very brand necessary to appeal to investors and consumers, as described previously.

Local capital

The different approaches to developing medical tourism in a small island setting illustrate the core challenges regarding asymmetric resource capacity that spurred Lewis' thinking around industrialization by invitation. Given the large cost of establishing new hospitals, large medical tourism projects in countries like Barbados will, as a matter of necessity, be dependent on private foreign investment. This poses a significant challenge to small island states seeking to achieve the larger goal of building economic capacity in their health services sector while not allowing their inherent vulnerability to be exploited. Given the considerable risks associated with large scale projects, especially in what is a new and untested sector, the Barbadian government's conservative approach to scaling up their medical tourism sector in pursuit of foreign investment in this sector thus far is consistent with the ethos of industrialization by invitation. However, while the Barbadian government shows interest in scaling up the medical tourism industry on the island, development efforts focusing on the creation or renovation of small local clinics using local resources has been demonstrated to be the most feasible in the case of the BFC (Connell, 2013b). Given the significant risks large scale medical tourism poses to health system functioning, the challenge of balancing incentives to attract international investment with ensuring benefits for the local population, and the long-term economic advantages of local participation and control, small island states might most productively focus their efforts on existing, excess local capacity in the private health sector wherever possible rather than compete among themselves for foreign investment in an unproven domain.

Import substitution

Considerations for developing medical tourism in order to diversify and expand local health services in Barbados may recognize the sector's potential to serve as a form of import substitution. Increased options for medical care on the island would provide a source of economic activity, with patients able to pay out-of-pocket locally for services they currently must access outside Barbados (ECLAC 2012). With a small local population to provide the number of cases necessary to provide full-time employment of certain medical specialists and maintain their skill set, medical tourism may help build adequate demand to justify the local supply of new medical specialties.

The benefits of import substitution in Barbados and elsewhere in the Caribbean can only be realized if local citizens have access to the medical resources made possible by medical tourism. Medical tourism projects, almost exclusively found in the private healthcare sector, may serve to realize the health equity concerns raised by medical tourism if their growth is not accompanied by initiatives to improve the health status of the local population and / or their access to clinically equivalent health services locally (Hopkins et al. 2010). Overall, the considerations of import substitution that have been raised in Barbados contribute an additional economic goal that demonstrates the unique contexts in which small island states are considering developing their medical tourism sectors.

Conclusion

In this chapter, we have drawn on our ongoing research in Barbados to provide an overview of the core tensions that emerge in developing a medical tourism industry that is beneficial to the country. Tensions between developing a sector that is foreign versus locally operated and characterized by small versus large scale operations are informed by contextually-relevant economic development considerations that are faced by small island states, namely: regional competition, sources of capital investment, and import substitution.

Barbados' existing tourism infrastructure and strong reputation for lawfulness, safety, and professional medical practice arguably make it well-positioned to diversify its tourism product using medical tourism activities (Worrell et al. 2011). However, its development could mirror the race-to-the-bottom regulatory environment in the Caribbean where many proximate small island states jockey for foreign investment in emerging sectors. This type of race-to-the-bottom competition for investment in the medical tourism industry could mitigate the realization of hoped-for benefits from industry development. However, with a relatively narrow scope of options for economic diversification, navigating the tensions that emerge in medical tourism policy-making may prove worthwhile for small island states in terms of their economic development and health service improvement if the implementation of the sector is carefully implemented and regulated, particularly by critically assessing existing estimates of the global patient market and its composition... Industry scale and foreign involvement are central tensions yet to be negotiated in the process of developing a robust, beneficial – and arguably equitable– Barbadian medical tourism sector.

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