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A RATIFICATION ESSAY FOR HEALTHCARE ACCESSIBILITY

By: Richan C. Jumadla

Healthcare accessibility in the ASEAN region especially for the marginalized groups is equally worth our attention as with other issues, i.e. narcotics, in the region. The health of the people equates to national productivity. Likewise, it can also cause the nation to lag towards prosperity; hence, this issue should never be ignored. After all, as with Philippines and other states, the welfare of the people is of paramount importance.

In addressing this issue, the Committee on Healthcare Accessibility of the S Rajaratnam Endowment – Youth Model ASEAN Conference recognized the following points in its draft declaration namely: (1) foreign direct investment and; (2) healthcare awareness in the region. The aforesaid points are the subjects of the following arguments.

In the declaration, the rationale of foreign direct investment is to provide additional resources and funding for healthcare amenities such as infrastructure and medical equipments. This is agreeable! Foreign Direct Investment can bring about myriad of benefits to one's state. For instance, foreign firms bring in superior scientific and managerial technology. They provide technological assistance to their local suppliers or customers and train workers who may subsequently move to local firms.[1] This will really gear one's state towards technological advancement in the medical field. More efficient and effective prevention, diagnosis and treatment of diseases will be achieved; hence, we can envisage a healthy nation. But not that fast!

There are a lot of things to consider. Questions like: 'would it be affordable and accessible to the marginalized groups?' are likely to surface. It should be noted that when there will be investment, of course, there will be expectation of returns. This, if not monitored by the government, would result in too much profit orientation. The investors might look at it more from a business, if not economic, perspective. Why would I invest? What benefit could I get if I invest in the Philippines? These are some of the possible questions in the mind of the investors. They have vested interest; that is why they are investing, right? This is so obvious. Foreseeable indeed! Thus, the Philippine government enacted laws in this regard. For instance, Republic Act No. 5455 – Foreign Business Regulation Act was enacted in 1968. This regulated the entry of foreign investments in the Philippines. Under the said law, a non-Philippine national is allowed to invest provided that such equity participation does not exceed 30% of the outstanding capital stock of the enterprise and must be registered with Business Process Outsourcing (BPO). Otherwise, the enterprise must secure a written certificate from the Board of Investments.[2] However, this did not seem to attract foreign investors. The rigid and tedious investment process drove away potential investors.

Now, how do we attract foreign investors? Well, first things first. The status quo in the different aspects is imperative. Foreign investors look at the potentials of a state. Level of competitiveness, taxation and fiscal incentives are some of the factors affecting foreign investment. In the Philippines, the major setbacks in the country's attractiveness are: (1) inadequate infrastructure; (2) corruption; (3) inefficient government bureaucracy; and (4) crime and theft.[3] The government is doing its best to address these problems. This might also be true to other countries in the ASEAN region. Clearly, the importance of the[se] status quo cannot be gainsaid in attracting foreign investment. The Philippines has done reforms to liberalize, if not deregulate, its foreign investment laws. Republic Act No. 7042 or the Foreign Investment Act was enacted in 1991. It paved the way for the liberalization of previous investment regulations and allowed foreign equity participation up to 100% in all areas not specified in the Foreign Investment Negative List. It was further liberalized by Republic Act No. 8179 on 1996 and Executive Order No. 184 in 2015.[4]

The Philippine government in its aim to attract foreign investment is really doing its best. Also, the Philippine government offered various fiscal incentives to foreign investors in pioneer areas such as accelerated depreciation, net operating loss carry-over, tax exemption and imported capital equipment, tax credit on domestic capital equipment, tax credit for withholding tax on interest, and exemption from all revenue taxes except income tax. This is under Republic Act No. 5186 in 1967.[5] These are the efforts of the Philippine government to attract foreign investors. However, its international image seemed to be tarnished because of the spate of extrajudicial killings. This gives the Philippines a negative impression before the international community. Therefore, the Philippine government must consider this issue in order to project a good international image for foreign investment.

On the declaration, there is a provision for mutual consensus and collaboration between government and investors. This can be done. The government should determine its potential to attract prospective investors. However, it is not that easy. There is a competition out there. Countries in ASEAN region are competing with one another for foreign direct investment. In 2005-2013, Singapore has the highest share of Foreign Direct Investment amounting to US$ 369.14 billion or 50.4% of the total shares of FDI in ASEAN. Other countries were too far removed from Singapore. The Philippines only has 2.85 % of the total or US$ 20.85 billion.[6] This proves true that when it comes to Foreign Direct Investment, in ASEAN alone, the Philippines still needs to strive hard. It cannot ignore Foreign Direct Investment. Its benefits are something each state cannot afford to lose. The declaration should likewise include in it a provision for collaboration with other states in ASEAN with regards to each state’s potential for the flow of foreign investment so that no one will be left behind. They will be helping one another in any way possible so long as it does not interfere with the operations of one state. They shall ponder on what they have, i.e. resources, as one. They can likewise make a comprehensive SWOT analysis for the whole of ASEAN. Unity in diversity indeed! The government leaders should agree on this. If not, the same scenario will happen. Some countries will be left behind simply because investors would have more benefits if they invest in developed countries. Healthcare accessibility for the marginalized groups would therefore be a great leap.

Moving forward, the ASEAN member states likewise recognized the importance of healthcare awareness. As a common adage: prevention is better than cure! This is an absolute truth. The issue on healthcare is a shared responsibility. There is not much argument on this matter. All ASEAN member states are agreeable to this. The Philippines has several laws enacted to promote the importance of healthcare. For instance, Republic Act No. 8423 (Dec. 9, 1997) creates the Philippine Institute of Traditional and Alternative Health Care (PITAHC) to accelerate the development of traditional and alternative healthcare in the Philippines, while Republic Act No. 8503 (Feb. 13, 1998) provides for the promotion of Health Research and Development establishing for the purpose the National Institutes of Health (NIH), and defining its objectives, powers and functions. Executive Order No. 470 (Feb. 24, 1998) creates the Philippine Council for Mental Health with the function among others, to formulate policies and guidelines on mental health issues and concerns and develop a comprehensive and integrated national plan on mental health.[7] The provisions in the declaration regarding health promotion are not hard to ratify. It is consistent with the 1987 Constitution. Section 11 of Article 13 of the same reads: The State shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost. There shall be priority for the needs of the underprivileged sick, elderly, disabled, women, and children.

The State shall endeavor to provide free medical care to paupers. The Philippine government is really looking after the welfare if its people as enshrined in the Constitution. In addition, just recently, the present administration is very vocal in its stance against smoking. This and other issues that would seem to be detrimental to the health of the people are being monitored by the government through the Department of Health. The government is ready to extend a hand for ASEAN. It is open to all means possible in addressing the different issues of the region particularly on the aforesaid solutions for healthcare accessibility. The same as previously adverted to is consistent with its vision for the people. It is likewise in line with the fundamental law of the land – the 1987 Constitution. Hence, it could be ratified by the sovereign Philippine government.

[1] L. K. Vong, "Foreign Direct Investment: Concepts and Relevance to Macao", Monetary Authority of Macao.

[2] Eva Marie T. Nejar. “Review of Foreign Direct Investment Flows and Tax Incentives in the Philippines and in the ASEAN Region" *NTRC Tax Research Journal*, 27.4 (July - August 2015), p. 20.

[3] Nejar, pp. 10-13.

[4] Nejar, pp. 21-23.

[5] Nejar, p. 20.

[6] Nejar, p. 8.

[7] Hector S. De Leon. *Textbook on the Philippine Constitution* (Manila, Philippines: Rex Bookstore Inc., 2005), p. 418