Is there a "pig cycle" in the health care market? A case-study of medical doctors

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Today, several OECD countries face shortages of physicians in remote areas. Policymakers try to tackle this issue by creating a sufficient number of physicians through training system into medical schools and by recruiting internationally. This paper investigates which strategies OECD governments adopt and when these policies are really effective to address the medical shortages. We argue that due to the duration of training in medicine, the effectiveness of the medical school policy should be longer compared to the recruitment of foreign physicians. We built a dataset that comprises information about medical shortage, the number of medical graduates and the number of foreign trained physicians by using the A. Bhargava et al. (2011) dataset for 17 OECD countries between 1991 and 2004. Our empirical results confirm our theoretical assumption. We found that OECD governments after a period of medical shortages create a higher number of medical graduates and in the same time hire much more from abroad. In terms of policy time delay, medical education policy takes at least five years whereas the recruitment from abroad only takes one year to address the shortage issue. Finally, we found that foreign physicians over-respond to the shortage of physicians in OECD countries.

Biography

Yasser Moullan has a PhD in Economics from the University of Paris 1 Panthéon Sorbonne. He has specialized in the linkages between migration and health. His main research concerns the determinants, the consequences and the policy implications of medical brain drain for origin developing countries. As an Associate Researcher at IRDES, he has analyzed the socio-economic determinants of health immigrants in Europe. He is a Research Officer at the International Migration Institute at the University of Oxford where he has been awarded from the John Fell Foundation for a new research project in 2015-2016 about “The international migration of medical doctors: Trends, drivers and policies”.

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