AMST 192: Work and Daily Life in Global Capitalism

Professor: Michael Denning

TA: Hong Liang

By submitting this essay, I attest that it is my own work, completed in accordance with

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The Numerous Faces of South Korea's Burgeoning Medical Tourism Industry

by Lisa Wang

In today's technologically sophisticated society, the possibility of achieving the model body and the perfect face is only a nip and a tuck away. Around the world, plastic surgery is increasingly seen as not just an indulgence reserved for the wealthy, but as a quick and easy way to amend any undesirable physical flaws. Everything from liposuction, to breast enhancement, to Botox injections are quickly becoming the norm as opposed to the exception. In Asia, South Korea specifically has emerged as a hub for cosmetic surgery with an estimated 30 percent of Korean women aged 20 to 50, or some 2.4 million women, who have reported having undergone some kind of cosmetic procedure. Yet while demand for South Korean cosmetic services has traditionally come from its domestic markets, economic shifts and an increasingly transnational focus have resulted in an enormous push to expand across international borders.

In the past few decades, South Koreans' desire to compete in a rapidly modernizing job market has fueled the demand for cosmetic surgery, pushing it to become one the nation's leading industries; however, the decision to develop its medical tourism industry has catapulted South Korea to global ranks, resulting in critical socioeconomic implications for Korean citizens, for medical tourists, and for the cosmetic surgery industry as a whole. Medical tourism, a term for traveling across international borders to obtain healthcare services and surgeries, has grown

<sup>1</sup> "South Korean Cosmetic Plastic Surgery." *Asian Plastic Surgery Guide*. http://www.asianplasticsurgeryguide.com/korea/a\_korean.html (accessed April 14, 2010).

rapidly in the past decade, especially in developing Asian countries. High costs and long waiting lists at home, alongside new technology and reduced transportation costs in Asian countries, have all factored into the rise of this industry. Using transcribed interviews, statistics, polls, newspapers, and other primary and secondary resources, the first half of this paper seeks to illuminate how South Korea became a hub of plastic surgery in the first place; specifically, I analyze how an increasingly competitive job market created a unique demand for "employment cosmetics" within South Korea's cosmetic surgery industry. Next, I briefly examine how economic shifts and international demand have pushed the Korean government to vigorously target the medical tourism industry. For all parties involved, the implications of this burgeoning industry are immense. As such, the second half of the paper will focus on answering the most important questions concerning how medical tourism has impacted the reciprocal relationship between the industry's clientele and its suppliers, as well as how South Korea is dealing with these consequences.

Among South Koreans, medical tourism is quickly becoming part of everyday discourse as increasing numbers of foreigners from overseas visit the nation for both tourism and medical treatment. For destination countries, medical tourists are highly desired customers not only because they bring in money for recession-affected hospitals, but also because they stay to shop and sightsee after their procedures are over.<sup>3</sup> After seeing the positive economic impact of medical tourism in neighboring countries such as Thailand, Singapore, and India,<sup>4</sup> the South Korean government turned to its strengths in cosmetic surgery, and began an active campaign to attract its own medical tourists.

<sup>&</sup>lt;sup>2</sup> Milica Z. Bookman and Karla R. Bookman. *Medical Tourism in Developing Countries*.

<sup>&</sup>lt;sup>3</sup> Sang-hun Choe. "South Korea Joins Lucrative Practice of Inviting Medical Tourists to Its Hospitals." *The New York Times*. November 16, 2008. http://www.nytimes.com/ (accessed April 15, 2010).

<sup>&</sup>lt;sup>4</sup> Sang-hun Choe. "South Korea Joins Lucrative Practice of Inviting Medical Tourists to Its Hospitals." November 16, 2008.

In order to understand why the South Korean government began targeting the cosmetic surgery industry as its primary medical tourism service, it is first necessary to understand how South Korea became a hub for cosmetic surgery in the first place. Since its recovery from the 1997 Asian economic crisis, South Korea's improved economic climate, alongside its rapid advancement of medical technology, resulted in an enormous surge in the domestic demand for cosmetic surgery. Middle-class Koreans who were previously unable to even contemplate expensive cosmetic procedures suddenly had the economic stability to afford attractiveness. Achieving beauty is often cited as the main reason why women undergo cosmetic surgery, but for Koreans, underlying motivations as to why an increasing number of people are altering their appearances vary widely. For some people, it is self-confidence; for others it is youth; still others undergo surgery in hopes of finding an attractive spouse. But within the progressive Asian market, a strong desire to compete in a rapidly modernizing job market has stood out as a unique trend fueling South Korea's domestic demand for cosmetic surgery.

# **Employment Cosmetics**

Since the mid 1990's, "employment cosmetics," surgical procedures designed to improve a job seeker's chance of being hired, has been cited as one of the fastest growing reasons motivating both women and men to undergo cosmetic surgery in South Korea. In fact, for Koreans entering an increasingly competitive job market, appearance has become one of the most important factors in getting, and keeping a job. When applying for jobs, many Korean companies require applicants to attach a headshot of themselves on their resumes. Some companies take on even more extreme measures, and report hiring physiognomists to sit in on

<sup>&</sup>lt;sup>5</sup> "The IMF's Response to the Asian Crisis." *International Monetary Fund*. January, 1999/ http://www.imf.org/. (accessed April 26, 2010).

<sup>&</sup>lt;sup>6</sup> Daniel Jefferys. "Koreans go under knife in cut-throat race for jobs." *The Independent*. April 28, 2007, http://www.independent.co.uk. (accessed April 19, 2010).

recruiting interviews in an attempt to judge an applicant's character through specific features.<sup>7</sup> Clearly, recruitment executives are transparent in their emphasis on external appearances. According to survey of 761 recruitment executives, more than 80 percent reported that they considered appearance as a very significant factor in making hiring decisions.<sup>8</sup> For Koreans, "judging by appearance" is obviously not a phrase taken lightly.

With so much emphasis placed on the rising trend of "employment cosmetics," it is unsurprising that this cultural phenomenon has even begun to reach down generational ladders. In fact, plastic surgery appointments have been cited as one of the most popular gifts for high school and university graduates. In 2007, Dr. Kim Sung-Min, the chief surgeon at Imi Plastic Surgery in Seoul, said that nearly 30 percent of his patients wanted to alter their appearance for job interviews, with many coming during their last year of university, "because [they] have realized that appearance will make a big difference." As evidence of this popular perception, 73.4 percent of young jobseekers have said that they have considered plastic surgery in order to improve their employment chances; moreover, 27.4 percent of Korean college graduate job seekers genuinely believed that they did not fare well in an interview because of their less-than-perfect looks. Finally, one Korean mother summed up the essence of this popular trend by concluding, "Good looks can make my girls more competitive, cosmetic surgery was meant to give them something extra to make their life more pleasant. –Pretty and smart girls can get far in today's world."

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<sup>&</sup>lt;sup>7</sup> Joohee Cho, "Why Tourists Flock to Seoul for a New Face." *ABC News*. April 14, 2008. http://abcnews.go.com/. (Accessed April 14, 2010).

<sup>&</sup>lt;sup>8</sup> Ibid.

<sup>&</sup>lt;sup>9</sup> Jung Lee, "Trying to lure more international patients." *Institute for International Journalism*. March 6, 2009. http://scrippsiij.blogspot.com/2009/03/korean-plastic-surgery-clinics-trying.html. (accessed April 18, 2010). <sup>10</sup> Jefferys, "Koreans go under knife in cut-throat race for jobs." April 28, 2007.

<sup>&</sup>lt;sup>11</sup> Cho, "Why Tourists Flock to Seoul for a New Face." April 14, 2008.

<sup>&</sup>lt;sup>12</sup> Mrs. Kim. Interview by J. Park, Audio, UCLA Library, Los Angeles, May 26, 2004.

While women and young job seekers are predictable targets for cosmetic surgery, the fact that Korean men are also being drawn by the allure of "employment cosmetics" is a new phenomenon. Although men were initially frowned upon for getting "feminine procedures" done, in a nation where 80 percent of males are the head of their households, altering one's appearance in order to gain an advantage over one's competitors is a small sacrifice to make. 13 With more men owning up to their surgeries, especially male celebrities, public opinion has gradually started easing up on its judgments. In fact, "employment cosmetics" has become the number one reason why Korean men are undertaking cosmetic surgery. According to Mr. Hong Jeong Geun, spokesman for the Korean Association of Clinical Plastic Surgeons, men now account for 15 percent of Korea's nip-and-tuck procedures, compared to 10 percent in 2006, an increase that can be largely attributed to "employment cosmetics." <sup>14</sup> In one survey, it was found that 28.5 percent of job seekers had already undergone plastic surgery or planned to have plastic surgery in order to perform better in the job market. 15 As a result of this exponential rise, the cosmetic surgery market now sees men as the next big demographics to target. Thus, regardless of gender, it is clear that in a cutthroat race to attain the best job, "employment cosmetics" already has, and will continue to play an increasingly large role in South Korean demand for cosmetic surgery.

While it is important to focus on how Korean clients have created an increased demand, it is also crucial to analyze how cosmetic surgeons themselves are creating trends. In order to increase demand for their products, cosmetic surgeons have taken the rising cosmetic surgery trend into their own hands and have started to alter specific marketing techniques. For example,

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<sup>&</sup>lt;sup>13</sup> Bloomberg, "Korean Men Going Under the Knife," *The Straits Times*, April 13, 2009. http://www.straitstimes.com. (accessed April 20, 2010).

<sup>&</sup>lt;sup>14</sup> Bloomberg, "Korean Men Going Under the Knife." April 13, 2009.

<sup>&</sup>lt;sup>15</sup> Cho, "Why Tourists Flock to Seoul for a New Face." April 14, 2008.

The Hyun Plastic Surgery Clinic in Seoul has utilized the development of "employment cosmetics" to its advantage as it advertises, "physiognomy cosmetic surgery tailored to secure a better job." With over thirty percent of Korean jobseekers willing to undergo plastic surgery for a job, the company's marketing campaign has been a success, boosting its clientele by nearly 40 percent. Not only does the Hyun Clinic's promotion illuminate just how far Korean jobseekers will go to secure a coveted job, it also illustrates how the Korean plastic surgery industry is tailoring its advertising techniques for the benefit of the market itself. More significantly, it is a prime example of the Korean cosmetic industry's fluctuating reciprocal relationship between producers and customers. As one surgeon mused, "Cosmetic surgery is so popular in Korea because there are so many doctors offering it. Usually demand governs supply; I believe in the case of cosmetic surgery, it is the supply that drives the demand."

#### **An Economic Shift**

It is now clear how and why Korea's cosmetic surgery industry burgeoned into such a prominent national force; nevertheless, even as one of the nation's leading industries, it was not immune to the turmoil that coursed through the financial world in 2008. With the 2008 economic crisis, many South Koreans, especially middle-class citizens, were hit hard. The economic downturn drove down the stock market, and depreciated the Korean currency down by more than a third in 2008. The resulting economic anxiety required numerous South Koreans to change their lavish habits. With clients no longer able to afford many of their previous expensive luxuries, cosmetic surgery clinics were immediately affected; moreover, because of the severe depreciation of the Korean currency, Korean cosmetic procedures became one of the cheapest

<sup>&</sup>lt;sup>16</sup> Jefferys, "Koreans go under knife in cut-throat race for jobs." April 28, 2007.

<sup>&</sup>lt;sup>17</sup> "Plastic Fantastic?! The Cosmetic Surgery Phenomenon in Korea." *Seoul Style*, http://www.seoulstyle.com/. (accessed April 19, 2010).

<sup>&</sup>lt;sup>18</sup> Martin Fackler, "Economy blunts South Korea's Appetite for Plastic Surgery." *The New York Times*, January 1, 2009. http://www.nytimes.com. (accessed April 15, 2010).

among all Asian countries.<sup>19</sup> With so many people losing jobs, and so many clinics going out of business, both the South Korean cosmetic industry and the economy as a whole seemed hopeless; however, in the midst of the crisis, the South Korean government began to realize that a gold mine of potential lay in the international expansion of its once strong cosmetic surgery industry. In order to improve its economy and simultaneously save its highly elastic cosmetic surgery industry, the Korean government began take on a transnational approach and set its sights on the lucrative medical tourism industry.

#### **Medical Tourism**

Upon venturing into the novel field of medical tourism, the South Korean cosmetic industry began to spread its influence by first targeting familiar territory: its Asian neighbors. With the economic downturn resulting in fewer Korean clients, the Korean government initially pushed for a transnational focus on the larger Asian market for two main reasons. The first and most obvious was that it was geographically convenient. For example, because of proximity, Korean cosmetic practitioners were often able to travel to countries like China, Hong Kong, and Singapore to attract new patients through methods such as direct consultation seminars; some even went as far as to set up sub-clinics in these neighboring countries. <sup>20</sup> This has led to growing numbers of Japanese and Chinese coming to Seoul for relatively inexpensive cosmetic procedures.

The second reason was the rise in Korean popular culture among other Asian countries. Specifically, the increasing popularity of Korean plastic surgeons among Asian women can be attributed to the so-called "Korean Wave." Within the last decade, the popularity of Korean TV dramas, movies, and music has spread immensely across the Asian continent, and along with it,

<sup>&</sup>lt;sup>19</sup> Ibid.

<sup>&</sup>lt;sup>20</sup> Cho, "Why Tourists Flock to Seoul for a New Face," April 14, 2008.

an infatuation to look just like Korean celebrities. <sup>21</sup> As a result, plastic surgery clinics began to ride this wave of popularity, offering services to fulfill the desires of women who dreamt of working in the Asian entertainment industry. Specifically, Korean clinics have cited China as a market with vast potential. With its own economy rapidly rising, the Chinese are more willing than ever to travel for the best cosmetic services. Korean doctors report that Chinese patients often insist on treatment in Korea even though Korean clinics can charge two to three times more than hospitals in China. <sup>22</sup> Already, the Chinese have provided so much business to the South Korean medical tourism industry that many clinics have even decided to set aside a separate floor for Chinese customers. <sup>23</sup> The popularity of the Korean brand of beauty has evidently grown into a source of power for Korea's international competitiveness. Once again, by recognizing their clientele's underlying motivations, cosmetic surgeons were able to reform their own tactics to create an even greater demand for their services.

While Korea's initial journey into the larger Asian market was a clear success, the United States, by far, offered the largest potential market. One of the main reasons for the rise in medical tourists from the Western hemisphere has been the cheap price tag. Plastic surgery in South Korea had already been competitively priced, and with their currency's recent depreciation, the cost has become even more attractive for people from other countries.<sup>24</sup> Expensive medical procedures— everything ranging from cosmetic surgery to heart bypass surgery—that can cost tens of thousand of dollars in the United States, can be done in Asia for as low as one-tenth of the cost.<sup>25</sup> In fact, it has been said that the motto that drives most medical

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<sup>&</sup>lt;sup>21</sup> Chul-joong Kim, "Beauty Industry Could Create Next Korean Wave." *The Chosun Ilbo*. October 15, 2009. http://english.chosun.com/. (accessed April 12, 2010).

<sup>&</sup>lt;sup>22</sup> Chul-joong Kim, "Beauty Industry Could Create Next Korean Wave." October 15, 2009.

<sup>&</sup>lt;sup>23</sup> Hyun-Deok Shin, "Samsung Line Leads Medical Tourism in Seoul." *The Seoul Times*. August 28, 2009.

<sup>&</sup>lt;sup>24</sup> Cho, "Why Tourists Flock to Seoul for a New Face," April 14, 2008.

<sup>&</sup>lt;sup>25</sup> Bookman, 54.

tourists to go abroad is: "first world treatment at third world prices," <sup>26</sup> and according to the numbers, this seems to be the case. A study by the Deloitte Center for Health Solutions reported that in 2007, 750,000 Americans travelled abroad to obtain cheaper medical treatment abroad with this figure projected to reach 6 million by the end of 2010. <sup>27</sup> Another reason that medical tourists are motivated to travel abroad to Asia is the reduced waiting time. According to one medical tourist, Gregory Kellstrom, who needed medical treatment for back and hip problems, "it [would] probably take easily six months [in the United States] just to get the treatment I [could get] here in one day." <sup>28</sup>

In a larger context, the medical tourism phenomenon can be greatly attributed to the rise of the service industry as a whole. In the last two decades of the twentieth centuries, the service industry has emerged as the largest and most rapidly growing sector in the word, responsible for more than 60% of the world's output, and an even greater percentage of global employment.<sup>29</sup> Both medicine and tourism are two service industries that face high-income elasticity of demand such that both are extremely labor intensive and require mass communication to extend its reach. Both industries have been rapidly expanding with tourism accounting for nearly \$4.4 trillion of global economic activity, and medical technology advancing at an unprecedented rate.<sup>30</sup> As such, when combined into a single force, medical tourism has an exceptional potential for growth; evidently, as the numbers have shown, it is indeed rapidly living up to its potential.

# **Implications**

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<sup>&</sup>lt;sup>26</sup> Bookman, 2.

<sup>&</sup>lt;sup>27</sup> Choe, "South Korea Joins Lucrative Practice of Inviting Medical Tourists to Its Hospitals," November 16, 2008.

<sup>&</sup>lt;sup>28</sup> Ibid.

<sup>&</sup>lt;sup>29</sup> Bookman, 34.

<sup>30</sup> Ibid.

The medical tourism phenomenon has had important implications in terms of how Korea is reorganizing its policies and infrastructure. In order to continue attracting medical tourists at unprecedented rates, South Korea's capital city of Seoul has officially listed tourism as one of its top priority tasks for 2010.<sup>31</sup> Intent on becoming a truly global hub of cosmetic surgery, the South Korean government is setting a goal to attract 100,000 medical tourists by 2012. 32 The actions taken by the state have shown that this is truly becoming a national effort. Recently, the Korean government lifted a ban against advertisements for medical services and instead began staffing new medical information centers for tourists around all its busiest metropolitan areas.<sup>33</sup> Moreover, the government has gone so far as to even revise immigration regulations in order to allow foreign patients and their families to obtain long-term medical visas, and in some cases, they have even altered laws to permit local hospitals to form joint ventures with foreign hospitals.<sup>34</sup> To up the ante of the actual tourism aspect, The Council for Korea Medicine Overseas Promotion has developed specialized medical tour packages for foreign visitors that emphasize the vacation aspect more than the medical service itself.<sup>35</sup> In the private sector, hospitals and clinics have begun vigorously recruiting patients via special pricing packages, better translation services, links with local hotels, and even airport pick-up and delivery. Overall,

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<sup>&</sup>lt;sup>31</sup> "Seoul plans to dominate South Korean medical tourism." *International Medical Travel Journal*. January, 20, 2010. http://www.imtjonline.com/. (accessed, April 19, 2010).

<sup>&</sup>lt;sup>32</sup> "Aiming for higher medical travel figures." *International Medical Travel Journal*. October 9, 2008. http://www.medicaltourskorea.com/MTK-News/korea-aiming-for-higher-medical-travel-figures.html. (accessed April 13, 2010).

<sup>&</sup>lt;sup>33</sup> "Publicity essential for medical tourism to Korea." *International Medical Travel Journal*. December 12, 2008, http://www.koreatimes.co.kr/www/news/nation/2010/04/117\_34759.html. (accessed April 21, 2010).

<sup>&</sup>lt;sup>34</sup> Choe, "South Korea Joins Lucrative Practice of Inviting Medical Tourists to Its Hospitals." November 16, 2008.

<sup>&</sup>lt;sup>35</sup> "Koreans ease regulations," *International Medical Travel Journal*. September 5, 2008. http://www.koreahealthtour.co.kr/eng/pages/notice/press-release-view.jsp. (accessed April 15, 2010).

these efforts have shown clear results as government data found that in 2009, 60,000 medical tourists traveled to South Korea, a figure that more than doubled from 2008.<sup>36</sup>

While Korea's cosmetic surgery and medical tourism industries are clearly beneficial to Korea's national economy, there are numerous socio-cultural implications that have caused anxiety among Korean locals. One key consequence of this transnational industry is its effect on Korean perceptions of beauty. With the ever increasing exposure and popularity of Western perceptions of beauty, many young Korean women are adhering to the idea that "The more Western you look, the better." But within a country that, until recently, was still taught to take extreme pride in a tradition of "ethnic homogeneity," some Koreans in less metropolitan areas are still hesitant to embrace the influx of foreign patients. In less than a decade, the number of foreign residents has doubled to 1.2 million, with medical tourism bringing in even more. With more than 42 percent of native South Koreans reporting to have never spoken with a foreigner, the flood of Westerners has been an especially uneasy adjustment for nationalistic Korean natives. See the second of the content of the second of t

For some Koreans, the foreign intrusion of medical tourists has even created a surprising re-assertion of the importance of "naturalness." Mrs. Kim, a Korean-American mother claimed that, "naturalness is still preferred over artificiality no matter how common or prevalent it is." In response to the popular perception that Korean's desire to look more Western, one Korean doctor noted that Asians still "prefer Asian doctors because what they want is different from

<sup>&</sup>lt;sup>36</sup> Ji-yoon Lee, "Number of medical tourists doubles in '09," *Korea Herald, April 28, 2010*, http://www.koreahealthtour.co.kr/eng/pages/notice/press-release-view.jsp (accessed April 29, 2010).

<sup>&</sup>lt;sup>37</sup> Laura Gannarelli, "Exploring Race: Beauty through the Eyes of an Asian Adoptee," *Chicago Tribune*, August 13, 2008. http://newsblogs.chicagotribune.com/. (accessed April 15, 2010).

<sup>&</sup>lt;sup>38</sup> Sang-Hun Choe, "South Koreans Struggle With Race." *The New York Times*, November 1, 2009. http://www.nytimes.com/. (accessed April 16, 2010).

<sup>&</sup>lt;sup>39</sup> Mrs. Kim. Interview by J. Park, Audio, UCLA Library, Los Angeles, May 26, 2004.

Caucasians."40 It seems that underneath Korea's desire to assert itself in an increasingly competitive world, within a nation still governed by traditional Korean cultural influences there is still a double standard to appear Korean no matter how much surgery one has had.

Nevertheless, intrinsic traditional motivations to remain "natural" are quickly being overridden by a more prevailing urgency to compete in a rapidly westernizing society. As Mrs. Kim pointed out, natural-looking surgery is important to her, not because of a desire to look more Korean, but rather, because it is an indicator of one's social and economic status. "If your surgery doesn't turn out natural looking then others will assume that you went to a cheap surgeon. Going to a cheap surgeon implies that you are economically insufficient."<sup>41</sup> With the influx of so many medical tourists, the desire to maintain Korean "naturalness" and the need to compete in the job market will become increasingly complicated.

One further fear among Koreans is that social inequality will increase if medical resources and skilled workers are migrating from public healthcare to higher-paying jobs that cater to foreigners. In fact, plastic surgery conflicts among Koreans have increased from 1,430 in 2003 to 2,016 in 2009. 42 The reasons for such conflicts range from dissatisfaction about their procedure, to accusations of bad medical practice, to false advertising. Yet some businesses counter these charges claiming that, due to the cutthroat nature of their particular industry, exaggerated advertising and increased attention to foreign prospects are the only ways to stay competitive. 43 Clearly, South Korea has already seen numerous internal implications from the simultaneous rise in its cosmetic surgery and medical tourism industries; while the future

http://us.asiancorrespondent.com/korea-beat/. (accessed April 13, 2010).

<sup>43</sup> Ibid.

<sup>&</sup>lt;sup>40</sup> Cho, "Why Tourists Flock to Seoul for a New Face." April 14, 2008.

<sup>&</sup>lt;sup>41</sup> Mrs. Kim. Interview by J. Park, Audio, UCLA Library, Los Angeles, May 26, 2004

<sup>&</sup>lt;sup>42</sup> "After Plastic Surgery still afraid to go outside." *Korea Beat.* January 29, 2010,

remains to be seen, there is no doubt that these industries will play an extremely important role in shaping the entire economy and culture of South Korea.

We have seen the impacts of the medical tourism industry from the Korean perspective, but from the foreign perspective, there are also key implications and dilemmas that continue to cause anxiety among medical tourists. The overarching problem is that there is no government database to keep track of the nation's practicing surgeons. For example, currently, there are an estimated 1,500 plastic surgeons registered with local medical authorities; however, there may still potentially be hundreds more surgeons who have never registered. So long as some sort of medical license can be presented, surgeons are still technically allowed to perform cosmetic surgery. <sup>44</sup> Currently, the underground black market is several times larger than the pool of practitioners approved by the government. <sup>45</sup> The fact that there is no regulatory system in place to prevent un-licensed practitioners from operating presents all sorts of risks; as such, one major problem confronting all potential medical tourists is trying able to pick out a properly certified surgeon out of a long list of unknown, often unlicensed names.

Furthermore, there are no official government efforts to prevent the treatment of uninsured patients. According to the government-financed Korea Health Industry Development Institute, a survey of 29 hospitals revealed that 38,822 uninsured foreign patients had been treated between January and August of 2008, compared with 15,680 in 2007. <sup>46</sup> Even though the government has attempted to intervene by strictly controlling medical fees as part of a national health insurance program, clinics can still figure out ways to negotiate fees with uninsured foreign patients without interference from insurance authorities. <sup>47</sup> While this lack of

<sup>&</sup>lt;sup>44</sup> Shin. "Samsung Line Leads Medical Tourism in Seoul." August 28, 2009.

<sup>45</sup> Ibid.

<sup>&</sup>lt;sup>46</sup> Choe, "South Korea Joins Lucrative Practice of Inviting Medical Tourists to Its Hospitals." November 16, 2008.

<sup>&</sup>lt;sup>47</sup> Ibid.

governmental control may give foreigners a greater deal of flexibility, it also presents enormous risks if a medical procedure were to go wrong.

Additionally, the issue of discriminatory pricing policy has also recently come to light as a problem that may increasingly affect medical tourists. After the devaluation of the Korean currency, U.S. medical tourists have been eager to take advantage of costs that have been advertised to be nearly half of what is charged in the United States; however, countless Korean hospitals have adopted a discriminatory pricing policy, charging foreigners two to three times more than the full fee for locals. By utilizing secretive or ambiguous pricing policies clinics can create a hidden upside that reduces the final discount to only about 20-30 percent below American fees. Moreover, in conjunction with the lack of government control, the price disparities in medical fees for foreign patients are extremely high, with the difference between the lowest and highest fees for certain cosmetic procedures exceeding more than ten times on average. As

From the opposite end, the robust demand for cosmetic surgery procedures has also had important implications for the cosmetic surgeons themselves. One of the main reasons why so many doctors have been drawn into the rapidly growing field of plastic surgery is because payment for their medical services falls outside the tight controls of Korea's national health care system and medical insurance companies. As a result of the opportunities for surgeons to practice without government scrutiny, the barriers of entry for cosmetic surgery professionals have been lowered significantly. To get a gauge of this trend, South Korea's cosmetic surgery market is annually worth about 600 billion won; <sup>50</sup> however, factoring in unlicensed procedures,

<sup>&</sup>lt;sup>48</sup> Tae-hoon Lee, "Foreigners Victims of Inflated Medical Fees." *The Korea Times*. February 18, 2010. http://www.koreatimes.co.kr/. (accessed April 18, 2010).

<sup>49</sup> Ibid.

 $<sup>^{\</sup>rm 50}$  There are approximately 1116 won in 1 dollar. See Google Currency Converter

the figure is closer to 3 trillion won.<sup>51</sup> Some clients worry that these low barriers of entry may lure in unqualified medical practitioners who are simply exploiting a burgeoning field; on the flip side, however, there is a potential that an increased foreign demand may also inspire local clinics to upgrade the quality of their services in order to meet the needs and expectations of their clients. Already, larger surgery clinics are increasingly employing service workers and surgeons who have some English-speaking abilities to attract more American customers. Cleaner, larger rooms, personalized consultations, warranty packages are all being introduced for the benefit of foreign and local clients alike.<sup>52</sup> Clearly, many cosmetic surgery clinics are beginning to realize that in order to compete within this growing field, especially one targeted toward highly expectant Western tourists, the only way to stay on the front line is to establish a trusted, respectable reputation.

#### The Future of Medical Tourism in South Korea

Even though it is clear that many troubling issues still exist, it is safe to say that both the cosmetic surgery and medical tourism industries in South Korea are here to stay. Seoul, South Korea's capital, has one of the world's most technologically advanced infrastructures, and already possesses more than half of South Korea's cosmetic surgery clinics. <sup>53</sup> This metropolitan city is in its prime state; as the hub of cosmetic surgery, Seoul is gearing up to cater to medical tourists' increasingly lofty expectations.

In particular, one district has stood out as the "Mecca" of cosmetic surgery in Korea;

Apgujeong-dong district, appropriately dubbed "plastic surgery street" is a section of Seoul with

<sup>&</sup>lt;sup>51</sup> Bloomberg, "Korean Men Going Under the Knife." April 13, 2009.

<sup>&</sup>lt;sup>52</sup> Shin, "Samsung Line Leads Medical Tourism in Seoul." August 28, 2009.

<sup>&</sup>lt;sup>53</sup> "Seoul plans to dominate South Korean medical tourism." January, 20, 2010.

over 400 plastic surgery clinics within its sweeping radius.<sup>54</sup> In fact, of South Korea's entire database of 627 registered cosmetic surgery clinics, more than half reside in Apgujeong-dong.<sup>55</sup> A district, once known as a "money magnet" attracting only the wealthiest customers, the region now offers more nail salons, hair salons, and cosmetic surgery clinics per square meter than any other neighboring district. Apgujeong-dong is continually expanding, adding additional clinics every couple of months, and offering services that cater to an increasingly international client base. This district is the epitome of how the South Korean cosmetic industry is utilizing a rising trend to draw in more clients and continually increase demand for it services.

Within this hub, surgery clinics are already competing to become the next vanguard. One clinic that has been cited as a leading model of Korea's emerging medical tourism market is the Samsung Line Plastic Surgery Clinic. <sup>56</sup> Unlike smaller cosmetic surgery clinics, Samsung Line occupies its own five-story building consisting of countless consulting rooms, operating rooms, and recovery rooms for their customers. Samsung Line's manager and head surgeon, Dr. Shin Hyun-Deok, says that the company not only prides itself on its "highly-trained medical and consulting staff and state-of-the-art medical facilities," but it also strives to create the ideal environment for medical tourists such that it can be seen as a destination that is "refreshing as a park." What South Korean clinics like Samsung truly understand is that service must be constantly refined in order to be an effective contender in a the booming medical tourism industry.

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<sup>57</sup> Ibid.

<sup>&</sup>lt;sup>54</sup> Lisa K. Cullen, "Changing Faces." *TIME*, Asia edition, 2006.

http://www.time.com/time/asia/covers/1101020805/story4.html. (assessed April 12, 2010).

<sup>&</sup>lt;sup>55</sup> Gregory Curley, "Apgujeong: Seoul's Magnet for Stars." *The Korea Times*. July 19, 2007, http://www.koreatimes.co.kr/. (accessed April 19, 2010).

<sup>&</sup>lt;sup>56</sup> Shin, "Samsung Line Leads Medical Tourism in Seoul." August 28, 2009.

Thus, listed on CNN as one of the "hot destinations," for medical tourists, <sup>58</sup> it is clear that South Korea is successfully establishing itself as a frontrunner in the field of medical tourism. While numerous reasons have contributed to the rise of Korea's cosmetic surgery industry, the internal drive for "employment cosmetics" across all demographics pushed it to become one of South Korea's leading national industries. The decision to develop its medical tourism industry, however, is what truly transformed South Korea into a global hub for cosmetic surgery and medical tourism. It is now clear that with the rise of any prominent industry, labor relations will alter greatly, and socioeconomic fluctuations will abound. For South Korea's cosmetic medical tourism industry however, it is evident that the country is ready to deal with implications of any magnitude. With a rising reputation as the leader in the cutting edge of cosmetic surgery, South Korea has no intention of slowing down.

<sup>&</sup>lt;sup>58</sup> "Hot Destinations for Medical Tourism." CNN, March 26, 2009. http://www.cnn.com/. (accessed April 13, 2010).

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