**CORRUPTION AND COST OF GOVERNANCE IN HEALTH SECTOR, A PAPER PRESENTED BY ENE OBI, COUNTRY DIRECTOR, ACTIONAID NIGERIA, DURING THE 3RD NATIONAL SUMMIT ON DIMINISHING CORRUPTION IN THE PUBLIC SECTOR, NOVEMBER 30, 2021 AT THE STATE HOUSE, ABUJA**

**All Protocols duly observed**

Background:

Nigeria is tagged with some of the worst health care statistics in the world. This makes the country one of the least in virtually all development index. Ironically, Nigeria has not suffered any major natural or man made disaster like the countries who ranked higher. The World Health Organisation currently positions Nigerian health system at the 197th place out of 200 WHO countries evaluated. According to UNDP, life expectancy in Nigeria has declined from 47 to 43 years. Nigeria accounts for 10% of the world’s maternal mortality whereas it constitutes only 2% of world’s population (WHO, 2015). One in every five Nigeria children die before their 5th birthday while over a million children die from preventable diseases yearly. The immunization records of Nigeria also show that only 18% of Nigerian children receive full immunization by their first birthday (WHO, 2015). Malaria also kills the Nigerian child more than any other disease. Despite all the poor health services in the country, the Nigerian Government at all levels budget less than 5% on health despite its signatory to Abuja Declaration of 2000 to increase health budget by 15%. Corruption has therefore, placed the Nigerian primary care centres in a state of total breakdown; adorned with expired drugs and cob webs (Hadi, 2015).

Evidence from an International Monetary Fund (IMF) reports show that corruption has a devastating negative effect on health indicators like infant and child mortality, female education, health budget and spending. Corruption therefore, lowers the immunization rate of children as stated above and also thwarts the delivery of essential treatment, especially for the poor; as well dampens the use of public health facilities (Dike, 2005). It is noteworthy that corruption has great effects on the health of status of the majority of poor in Nigeria by denying them access to quality health services thereby endangering their health.

**Effects of Corruption in the Health Sector:** Corruption in health services has major economic impacts,**raising the cost of healthcare for individuals, healthcare institutions and society in general**. Corruption also increases the cost of providing healthcare to citizens on an aggregate scale, as poor healthcare provision may result in incorrect diagnosis or inefficient treatments, which may evolve into other, more costly health conditions. Similarly, as low-quality prevention systems within healthcare lead to more serious disease outbreaks, corruption at the level of primary health care provision can generate additional strains on public health systems. Corruption in healthcare also has significant effects on the persistence of poverty in developing countries. As they are more reliant on public services to access healthcare, the poor are disproportionally affected by the impact of corruption in the health sector. In addition, corruption in healthcare can have negative effects on productivity and working hours, undermining people’s livelihood as well as economic development and growth prospects.

Addressing corruption in the health sector is fundamental to people’s well-being and quality of life and an essential condition to inclusive human and economic development. As part of the 2030 Agenda for Sustainable Development, leaders from the world have committed to “ensure healthy lives and promote well-being for all at all ages” (SDG 3). Corruption in the health sector is a major impediment to these commitments. Empirical evidence shows that corruption reduces immunisation rates, delays the vaccination of new-borns, discourages the use of public health clinics, reduces satisfaction of households with public health services and increases waiting time at health clinics.

Corruption reduces public resources available for medical equipment, drugs, and salaries, thereby undermining the quantity and quality of health services and of patient care. It increases the risks of malpractice and hospital infections. It distorts health policies, denies citizens access to hospitals, medicines, and qualified staff, and undermines efforts to combat major health challenges, such as malaria and HIV/AIDS. This in turn has a direct negative effect on mortality rates and child mortality rates and life expectancies including higher incidences of epidemics and disease.

Addressing corruption in the health sector is a matter of life and death. Corruption in health services also has major economic impacts, raising the cost of healthcare for individuals, healthcare institutions and society in general. Corruption also increases the cost of providing healthcare to citizens on an aggregate scale, as poor healthcare provision may result in incorrect diagnosis or inefficient treatments, which may evolve into other, more costly health conditions. Similarly, as low-quality prevention systems within healthcare lead to more serious disease outbreaks, corruption at the level of primary care provision can generate additional strains on public health systems.

**Forms of corruption in healthcare**

All major forms of corruption are present in the health sector, ranging from petty bribery and nepotism to informal payments and mismanagement of resources, absenteeism, and state capture. Health services are also affected by various forms of clientelism as personal relationships between patients, doctors or even key bureaucrats help people gain access to healthcare programmes in form of patron-client relationships. Corruption can affect every stage of the health service delivery chain, including policy formulation, management of organisational resources and procurement of medical supplies, as well as bribery and extortion at the point of service delivery. Areas that are particularly vulnerable to corruption include:

1. provision of services by medical personnel

2. human resources management

3. drug selection and use

4. procurement of drugs and medical equipment

5. distribution and storage of drugs

6. regulatory systems

7. budgeting and pricing

8. health insurance schemes

As part of general healthcare reforms, other areas of vulnerability include the construction and equipping of new healthcare centres as public-private partnership projects, with specific corruption risks associated with such partnerships. Often, these centres may become hotbeds of corruption when considering the types of machineries being purchased and used. Mostly, special healthcare programmes are not available to all, particularly the low-income and vulnerable indigenous populations.

When bribery takes place to influence procurement process including tender specifications; collusion with contractors; kickbacks, complicity, and political considerations to influence the specifications of bids and the tender process; buy off, extortion, collusion in monitoring and auditing the procurement process and delivery of drugs etc. result in poor health services with its lethal outcomes.

**Challenges of Corruption in the Health Sector: Challenges for addressing corruption in healthcare provision is extremely complex**, with an intermingling of private and public actors, different government levels involved, weak and under-resourced regulatory systems, complicated health insurance systems, opaque relations between medical suppliers, healthcare providers and policy makers. Regulators, payers, healthcare providers, suppliers and consumers face a complex mix of incentives that pose major challenges for anti-corruption measures. In addition, health markets are often extremely volatile, leading to fluctuations in prices for pharmaceuticals and equipment which can make overpricing and accounting fraud easy to commit and difficult to detect.

This exacerbates the challenge of generating and analysing information, and distinguishing between corruption, inefficiency, and honest mistakes. The fact that healthcare needs and outbreaks of diseases can be difficult to anticipate also makes it challenging for policy makers to effectively plan, manage resources and design robust health insurance schemes. The risk of corruption is even higher in emergency situations such as humanitarian crises, when medical care is needed urgently, and oversight mechanisms are often bypassed. Similarly, at the level of individual patients, combatting corruption in healthcare is problematic due to the emergency nature of many healthcare interventions: in life-or-death situations, corruption may be the only option, and critically ill patients are rarely able to make formal complaints. Another challenge is related to the asymmetry of information between doctors and patients who know more about ailments. Particularly in public-private partnerships where private providers are contracted by the state to offer healthcare, this can leave patients vulnerable to over-diagnosis and maltreatment in facilities which may be unaccountable and poorly regulated. Likewise, pharmaceutical companies know more about their products than public officials responsible for purchasing them. Knowledge in these cases gives enormous power to medical professionals and pharmaceutical companies who can misuse their power and information for private gain.

As healthcare provision is easily associated with issues of interpersonal trust, favouritism, and patronage in the relationships between healthcare service providers and seekers, there may be many societal and cultural conditions under which transparency and corruption are not opposite poles. Where face-to face and informal relations are the norm, it may be less important to promote anti-bribery and gift policies than to grant efficient and fair access to services among the population. Finally, the health sector is understaffed and under-resourced. Doctors and healthcare professionals operate under poor and stressful working conditions and, in many cases, deal with delayed pay, no vacation days or long working hours. In many situations, corruption is a coping strategy for health professionals (by way of indulging in private practice) to supplement their meagre income or repay costly medical school bills.

**Approaches to address corruption in health sector**

* **Budget transparency and oversight:**

These can limit opportunities for the budget to be misused to serve vested interests. Governments and health authorities need to publish regularly updated information on health budgets and performance at the national and local levels and ideally by individual clinics. The information needs to be published in easy-to-understand formats and in plain language to enhance transparency and possibilities for public scrutiny. Participatory budgeting has also been used as a tool to enhance transparency and accountability by providing citizens with an opportunity to participate in the budget from the formulation stage. Government departments, hospitals, health insurance entities and other agencies handling health resources also need to be subject to robust oversight mechanisms. Regular external and internal audits can help ensure budgets are allocated and spent appropriately.

* **Code of conduct and prevention of conflicts of interest:**

Codes of conduct for physicians date back as far as the Hippocratic Oath. Raising ethical standards among health professionals, including regulators, medical practitioners, pharmacists, and health administrators can be done through the promotion of codes of conduct combined with ethical training across the health system. These codes can be developed by professional bodies, such as doctors’ associations, or published by health ministries. They should cover the prevention of conflicts of interest, provide for effective and dissuasive sanctions for breaches of the code and include enforcement mechanisms overseen by an independent body.

* **Proactive transparency: price indexes and citizens rights:**

Transparency can go a long way to help prevent corruption at all stages of the health delivery chain. At the procurement stage, public disclosure of medical goods’ supply prices can help prevent collusion. Government ministries can cooperate with private companies to update and publish market prices related to medical equipment and pharmaceutical supplies to keep hospitals and other healthcare facilities from being overcharged. This includes establishing lists of reliable and well performing suppliers as well as making price information widely available and providing information on the availability of less expensive drugs by smaller pharma companies.

* **Health information management systems:**

Transparency in the health sector can be supported by information management systems and access to information mechanisms for both regulatory agencies as well as by the public. Integrated management systems aim to store a wide range of health-related data within a centralised and coordinated system of data management. This can include data related to beneficiary, health facilities and practitioners, the flow and management of funds, the financial status of the different entities of the system, the costs and quality of health services delivered, contract management with health insurers and health providers, and the prices and quality control of drugs. Integrated management systems allow oversight and regulatory institutions to analyse large quantities of data to assess the effectiveness of doctors and services, the prescription rates of certain medicines, and the effectiveness of procured drugs and equipment, among others.

* **Complaint mechanisms and whistle-blower protection:**

These are also important accountability mechanisms that can be instrumental to detect instances of fraud and corruption. They can provide useful insights for auditing and quality control processes undertaken by government authorities. Governments also need to introduce effective reporting channels and whistle-blower protection for individuals working in procurement bodies, health authorities, health service providers and suppliers of medicines and equipment

* **Management of Human Resources:**

As with other public services, HR management provides many entry points to raise the ethical standards of health professionals. Expectations for ethical behaviours are typically communicated to staff via codes of conduct and training programmes. But ethical behaviour can also be influenced by mainstreaming ethical values in HR processes. This can include transparent and merit-based recruitment that screens candidates for ethical behaviour, adequate and fair compensation systems, performance appraisals that consider not only technical and team factors but also ethical standards, on-going personnel development, and career management that rewards ethics, restrictions to external activities and outside interests of staff to prevent conflicts of interests and effective disciplinary policies in the event of wrongdoing.

* **Patriotism and Quality of Citizenship**

Value re-orientation is critical in the fight against corruption in every sector and in all aspects of the life of a Nigerian at all levels. We need the commitment of every citizen including the leaders and politicians to the National Anthem and the National Pledge! We must walk the talk, young and old, male and female, we need new commitment to Nigeria. We must believe in Nigeria. The Government must play their role but citizens have a duty and obligation to play their part.

* **Civic Education** need to return to our schools, our streets, homes and villages to drive patriotism and quality of lives.

**Conclusion**

Corruption costs different constituencies billions of naira a year, undermining economic, political, and social stability, worsening inequality, and limiting development. We have a greater knowledge and better understanding of what causes corruption, the costs associated with it, what reduces corruption, and the imperative for reducing corruption. Corruption is not good; it is bad for two fundamental reasons – it diminishes efficiency and creates equity problems. A country’s health sector is denigrated by corruption. Several types of corrupt activities thrive in the health sector: embezzlement and theft, corruption in procurement, corruption in payment systems, corruption in the pharmaceutical supply chain, and corruption at the point of health and service delivery. Counterfeit medication has been linked to many avoidable deaths over the years. Corruption costs people in many ways, but particularly in health. Corruption has caused many loss of lives. Corruption in health affects the poor and the disadvantaged people by preventing them from getting the proper health services they need and deserve.

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