



Transparency International India

Registered under the Societies Registration Act 1860, Delhi

the coalition against corruption

Global Corruption Report :Theft, Bribery and Extortion rob millions of proper healthcare

Counterfeit drugs kill thousands each year & accelerate spread of drug-resistant diseases

According to Transparency International's *Global Corruption Report 2006*, released on Feb. 1, 2006, "Corruption in health care costs more than money, it is paid in human sufferings." It deprives those, who are in need of essential medical care and helps spawn drug-resistant strains of deadly diseases. It also deals on the state of corruption and governance in 45 countries around the world, including troubling evidence of financial irregularities in post-tsunami relief operations. The Report exposes a maze of complex and opaque systems that are a fertile field for corruption in health sector. There is evidence of bribery and fraud across the breadth of health services, from petty thievery and extortion to massive distortions of health policy and funding fed by payoffs to officials.

- Public health budgets become subverted by unethical officials for private use.
- Hospitals function as self-service stores for illicit enrichment, with unclear procurement of equipment and supplies and ghost employees on the payroll.
- Health workers demand fees for services that should be free.
- Corruption has hampered the success of global efforts to reign in the HIV/AIDS pandemic.
- Corruption can contribute directly to infection when relatively low-cost measures, such as sterile needles and screening of blood donations, cannot be carried out because a corrupt procurement or distribution process holds up supplies.

Market distortions and counterfeit drugs

Aggressive marketing techniques buy physicians' support for specific drugs, leading to a high rate of prescriptions, which are not always based on patient need. With individual "blockbuster" drugs pulling in tens of billions of dollars each year for pharmaceutical companies, ballooning marketing and lobbying budgets have outpaced the research and development outlays necessary to create new and critical medicines that could save lives in low-income countries.

Millennium Development Goals under threat

Corruption is undermining progress towards the United Nations' Millennium Development Goals, in particular the three related directly to health: reduced child mortality; improved maternal health; and the fight against HIV/AIDS, malaria and other diseases. With the target date for achieving the goals just nine years away, the global community is already off target to meet them – and corruption is one of the primary causes. -----contd. P2.



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Situation in India

According to a TI India recent study, total monetary value of petty corruption in Government hospitals in the country is estimated to be Rs. 2,017 crore per annum. The average outflow per household is estimated at Rs 663 per year. These primarily relate to counterfeit drugs, non-availability of medicines & doctors, prescribing diagnostic tests which may not be necessary, doctors asking patients to go to a particular Diagnostic Centre, over-prescription of drugs, etc., where the monetary value of corruption can not be directly ascertained.

Transparency International recommendations

- Donor and recipient governments should grant easy access to information on key aspects of health-related projects, budgets and policies.
- Adopt and enforce codes of conduct for health workers and private sector companies and provide ongoing anti-corruption training.
- Public health policies and projects should be independently monitored, both at the national and international levels, and their reports should be available for public scrutiny.
- Procurement processes should be competitive, open and transparent, and comply with Transparency International's Minimum Standards for Transparency and Public Contracting.
- Rules on conflicts of interest must be enforced and companies that engage in corruption debarred from future bidding. No-bribe pledges such as TI's Integrity Pact should be adopted to level the playing field for all bidders.
- Rigorous prosecution will send the message that corruption in health care will not be tolerated. To facilitate this, there must be robust whistleblower protection for both government employees and private sector health, pharmaceutical and biotech employees.

According to TI's Chief Executive David Nussbaum, "Corruption eats away at the public's trust in the medical community. People have a right to expect that the drugs they depend on are real. They have a right to think that doctors place a patient's interests above profits. And most of all, they have a right to believe that the health care industry is there to cure, not to kill."

For further details, please see: www.transparency.org/news_room/in_focus/gcr_2006

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