

The Role of Medical Doctors in the fight against Corruption in the Health Sector in Nigeria

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Section 1 – Background

By the topic, we mean to say, what part the medical doctors should play in the fight against corruption in the health sector. Before we get to draw the part, it will good to know the health sector and how the medical are located in the sector. You can only play a part in a process where you are a stakeholder. What stakes therefore do the medical doctors have in the health sector?

The topic also connotes the fact that, yes, there is corruption identified in the health sector. What do we know about corruption here? Are practitioners in the health sector desirous to be corrupt or is the sector itself vulnerable to corruption?

I will try to decompose this bundled topic assigned to me to speak on and will at the end effectively achieve the aim and purpose the organizers of this event that invited me to speak see reason to why an economist should speak in the gathering of medical doctors. One similar relationship between economists and medical doctors is that we are licensed to prolong life. While the medical doctor is trained to prolong and sustain lives of human beings, the economist is trained to prolong and sustain lives of nations. So when a medical doctor makes a mistake, he kills one human being but if an economist makes a mistake, he kills a nation. Therefore, if the professional who will kill only one if he makes a mistake will be as serious as looking for measures, even outside his core field, to eradicate mistake, an action the one that terminates nations daily, do not consider any important, I must applaud your resolve.

The paper is broken into sections thus:

Section 1: Background

Section 2: Understanding corruption

Section 3: Eclectic Review of corruption in Nigeria

Section 4: Theoretical Framework: The motivation for Corruption

Section 5: The Nigeria's Health Sector

Section 6: Why the Health Sector is prone to corruption

Section 7: Typologies of corruption in the Health Sector

Section 8. Manifestation of corruption in the Health Sector

Section 9: How Medical Doctors can help fight Corruption: The Role of Medical Doctors

Section 10: Conclusion

Section 2: Understanding Corruption

Transparency International in their 2014 report ranks Nigeria as the 136th most corrupt country in the world out of 175 countries with a score of 27%. Interestingly, this has been the most favorable ranking Nigeria has attained since 2011 when the country was ranked 143 of 175

countries. In 2012, Nigeria's ranking improved to 139. It took another leap in 2013 to 144, until the recent 'improved performance'.

The deep corruption trough in Nigeria as indicated in the ranking of Transparency Initiative is confirmed in a report published in 2012 that Nigeria is estimated to have lost \$400 billion to corruption since independence (<http://dailypost.ng/2012/31/nigeria-lost-400bn-oil-revenue-corruption-since-independence-ezekwesili/>).

As early as 1947, when Nigeria was not an independent State, the colonial government, in a report issued that year described corruption thus in Nigeria: "The African background and outlook on public morality is very different from the present day Briton. The African in the public service seeks to further his own financial interest." (Harsch: 1993). Notice that even at the time, corruption was perceived more in the economic terms of seeking private gains from public service. Thus, since corruption is hydra-headed it is important to define corruption from a particular standpoint in order to be able to adequately address its outcomes.

Several definitions had been proffered for corruption. In some cases the meanings ascribed confuses the description of the term. In 2015, President Jonathan of Nigeria had argued that stealing is not corruption. He was emphatic on this assertion. Many experts and commentators on corruption argued then that the President might not have been too right in making the assertion.

Drawing from the above, this paper, before attempting to either adopt, adapt, or invent its definition or an understanding of the term corruption, seeks first to describe corruption. The definition of corruption had been the most contentious issues in recent history. Many had tried to skew their definitions to reflect particular climes, regions, countries, and situations. A better understanding of the activities and content of the word 'corruption' will make room for a more meaningful discourse on how to tackle it. This paper perceives corruption as a universal set, with many elements acting within the universal set as subsets to realize the Universal set, corruption. This paper considers elements like embezzlement, stealing, converting public wealth to private interest, immoral life, favoritism, social vices, advanced fee fraud, among others, as subsets in the universal corruption set or rather tools in the corruption box. A clear understanding of the concept, as this will make it easy for the paper to align to a consensual body of definition of corruption that will best explain the objectives of the paper, is required.

Conceptually, this could be represented thus:

$$C = \{ S_p, F, S_h, I_m, A_f, e \}$$

C = Corruption

S_p = Stealing from public funds

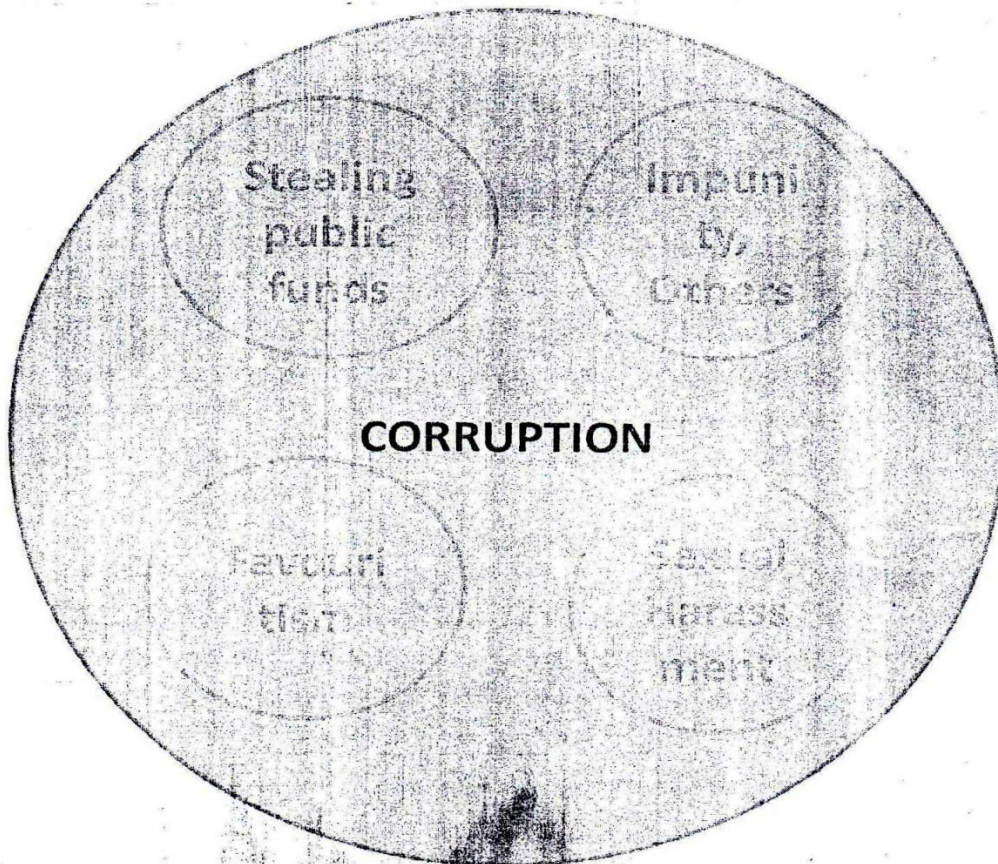
S_h = Sexual harassment

I_m = Impunity

e = other elements in the universal set

This relationship indicates that corruption is set C containing several sub sets like stealing from public funds, sexual harassment, impunity, advanced fee fraud, and others as represented in Figure 1 below.

Fig 1 – A Set showing Corruption and its constituents



The Nigeria's anti-corruption Act No. 6 of 2003 defines corruption as the use of one's office for pecuniary advantage, gratification, influence peddling, insincerity in advice, with the aim of gaining the advantage less than a full day's pay tardiness of slovenliness.

The World Bank (1992) defines corruption as the abuse of public power, for private benefit.

Khan (1996) defines corruption as a behaviour that deviates from the formal rules of conduct governing the actions of someone in a position of public authority because of private-regarding motives such as wealth, power, or status.

In his work, Harsch (1993), while studying corruption in Africa, described Africans as people who see corruption as a practical problem involving the outright theft, embezzlement of funds or other appropriation of State property, nepotism, and the granting of favours to personal acquaintances and the abuse of public authority and position to exact payments and privileges

From the definitions of corruption reported above and the current trend in worry against corruption in Nigeria, which is more skewed to conversion of public interest for private benefit, than other elements in the corruption universal set, this paper therefore decides to rely on the World Bank's definition of corruption as earlier indicated, "the abuse of power for private benefit".

Section 3: Eclectic Review of the Evolution of Corruption in Nigeria

The insensitive and unabated corruption in Nigeria had been described by many scholars and writers of corruption as a scenario that started from the Independence of the country: when the colonialists handed over power to Nigerians in 1960. This paper, after a thorough review of corruption literature in Nigeria sees the start of corruption in Nigeria from a very different perspective. The paper's evolutionary perspective derives from the way, manner, and purpose that Nigeria was created. Prior to 1900, the Royal Niger Company (RNC) was empowered by the British government to administer the segments and protectorates of Nigeria. The main purpose of the Company was to trade. They were protected by the British government for this purpose. Even when the British government took over from RNC and amalgamated the various protectorates, the Presidents of the RNC were deployed as Governors. The engagement of Nigerians from the different segments (protectorates and regions) was therefore a derivative of market and not that of nationalism. Received theory confirms that the goal of market is profit maximization. Therefore, coming from ethnic nationalities to a center organized and arranged by trade and profit motive, whatever any actor took home, notwithstanding the means was seen as heroic acquisition of the whole nationality (segment, region, protectorate) – even when the player was the only beneficiary of the acquisition. The pride then was that somebody from their ethnicity was able to muscle through to partake in the capture of benefits from the market center. Nigeria was seen as a market where agents were to compete to take the lion share home (worldstatesmen.org).

In 1914, what was seen as a mere collection of territories for trading was upgraded by the official amalgamation of these lucrative economic blocks under the colonial administration of the British government to engender continuous and controlled benefit by the British government. To be able to control and enforce their will on the confined ethnicities, the colonial governments created pockets of 'benefit captors' who were allowed to corruptly enrich themselves while making sure that they made everything possible for the colonial authorities to smash any voice of dissent against their rule and command. Local Chiefs were allowed and empowered to corruptly enrich selves if only they could deliver in their services to the colonial government. Those who dared to

ask questions or challenge the local chiefs and authorities were immediately recommended for or directly sold out as slaves. This acted as a great deterrence against agitations and advocacy against corruption. Maybe the effect is what we are experiencing till recently, now that our level and sophistication in corruption trade is detrimental to the existence of those who started and encouraged its fruition.

In 1947, the colonial government in Nigeria started setting up commissions of inquiry to investigate cases of corruption. The purpose of the inquiries was to expose wrong doing and to punish the culprits.

In 1955, just 17 months after the inception of Igbo-Etiti District Council in 1954, the colonial government held an inquiry into the affairs of the council. The inquiry judged that the "conduct of the Council's affairs had become a public scandal." The colonial officer who conducted the inquiry, F. P. Cobb, noted thus: "public indignation was widespread and strong." The public was outraged at the corrupt behavior of their representatives.

The report on Igbo-Etiti District Council revealed that there was 'systematic corruption' in the appointment and promotion of staff and in the awarding of contracts. Bribes of £80 to £100 were demanded for unnecessary appointments. The brother of the Secretary to the District Council was hired above a more qualified applicant. In one case, a man paid a £400 bribe to secure a post and was never refunded his money when he did not get the job.

Contractors routinely paid 10% of the value of the contract as bribe. The contract were not awarded to the lowest bidder or to the most experienced or competent persons. At the end of its first seventeen months of its existence, the Igbo-Etiti District Council was £6000 in debt, and there was great wasting of public money due to "gross dishonesty in handling council affairs."

In 1956, the Foster-Sutton Tribunal investigated the Premier of the Eastern region, Nnamdi Azikiwe for his involvement in the affairs of African Continental Bank (ACB). Under the code of conduct for ministers a government officer was required to relinquish his holdings in private business when he assumed public office. The Foster-Sutton Tribunal felt that Azikiwe did not sever his connections to the bank when he became a Minister. The Tribunal believed that Azikiwe continued to use his influence to further the interests of ACB.

Azikiwe, his family, and Zik Group of Companies were the principal shareholders of the ACB. ACB loaned over £163,000 to the Zik Group of Companies at low interest. The Zik Group did not have to repay the loans until 1971. ACB was a distressed bank. The new registrar of banks in 1952 refused to grant ACB a license. Attempts to find partners for the bank in Britain failed because of the insolvency of the bank.

The Governor of the Eastern Region Sir Clement Pleass observed that "The exercise of public power for private profit is established in the East. A number of sensible people realized that Zik

had done harm in the East in the last two years but the mass of the people, ignorant and uneducated voted him back to power”.

Obafemi Awolowo, the first premier of Western Region, was found guilty of corruption by the Coker Commission in 1962. In 1954, the Western Region Marketing Board had £6.2m. By May 1962, it had to exist on overdrafts amounting to over £2.5m. A loan of £6.7m was made to the National Investment and Properties Co. Ltd. for building projects out of which only £500,000 was ever repaid. The Western Region Finance Corporation and the West Nigeria Development Corporation also received loans of millions of pounds, which were never repaid. The Western Region Finance Corporation and the West Nigeria Development Corporation also received loans of millions of pounds, which were never repaid. The Coker Commission found Awolowo responsible for the ills of Western Region Marketing Board, and Awolowo “without a doubt has failed to adhere to the standards of conduct which are required for persons holding such a post.

In the Northern region, against the backdrop of corruption allegations leveled against some native authority officials of Bornu, the Northern government enacted the Customary Presents Order to forestall any further breach of regulation. Later on it was the British administration that was accused of corrupt practices in the results of elections which enthroned a Fulani political leadership in Kano. Post electoral reports that linked the British Colonial authorities to the electoral irregularities in the north were later discovered, Robert L. Tignor (1993).

The First Republic with Nnamdi Azikiwe as President was marked by widespread corruption. Government officials looted public funds with impunity. For instance, the Minister of Aviation, K. O. Mbadiwe flaunted his wealth by building a palace in his hometown. When asked where he got the money to build such a mansion, KO replied, “From sources known and unknown,” Minister of Finance Chief FS Okotie-Eboh responded to charges of accumulation of wealth by government officers by quoting from the Bible, “To those that have, more shall be given. From those that do not have, shall be taken even the little they have”.

With the reported level of impunity exhibited by earlier leaders of the country who have been recently so honoured and respected the inertia to do better than them in corrupt practices became the order of the day.

The Second Republic saw corruption with increased tempo. Looting of public property was so intense that Nigerians called on the military to sack the Shehu Shagari government and come back to take power. The military take-over saw several politicians being imprisoned for cases of corruption. Among the very celebrated was the Umaru Dikko extradition scandal. The government of Nigeria had attempted to kidnap the former Minister from London and bring him to Nigeria to stand serious corruption trial.

The military governments that came after the collapse of the second republic (second attempt at civilian government) did not do better. The 1990 Iraq war oil earnings windfall had been one of the greatest scandals that the Ibrahim Babangida administration will have to contend with for the

rest of their lives on earth. Many reports have accused the Babangida administration as the one that introduced massive corruption into the public sector. The Abacha administration that took over from Babangida was very pervasive in amassing wealth through the diversion of public funds. Gen. Abacha himself and his family were noted to be so corrupt such that till date, long after his demise in 1998, countries who kept his and his family's stolen money from Nigeria are still returning such.

The Gen. Abdulsalmi Abubakar regime that took over after Abacha's death was said to be ruthless in corrupt activities. In his testimony at the Oputa Panel on Reconciliation, the CSO of Gen. Abacha, Major Al Mustapha, made damning revelations of corruption against Gen. Abubakar to the tune of \$1trillion.

Ensuing governments in Nigeria after the second republic saw improvements in strategies for looting and laundering of public funds. In the fourth Republic, much respected individuals were accused of corruption. Sitting governors (DSP Alameighsia and Joshua Dariye) were arrested and detained for questioning and further arraignment in UK courts. They however, jumped bail. But James Ibori (former governor of Delta State) was not as lucky as he is still serving jail term with the wife and other relatives today in London.

Senator Iyabo Obasanjo, was again involved in another financial scandal of mismanagement of funds in the Ministry of Health. It was this scandal that led to the resignation of Mrs. Adenike Grainge and her Deputy, Architect Gabriel Aduku. Iyabo Obasanjo was later arraigned in court over N300 million unspent budget scam (Thisday, August, 6, 2008:9).

The 2008 Corruption Perception Index (CPI) released by the Transparency International revealed that the country was rated 121 out of 180 countries surveyed. On the scale of 10.0, Nigeria scored 1.6 in 1999; 1.2 in 2000; 1.0 in 2001; 1.6 in 2002; 1.4 in 2003; 1.6 in 2004; 1.9 in 2005; 2.2 in 2006; 2.2 in 2007; and 2.7 in 2008 (TI, 2008). This of course became a source of embarrassment to Nigerian officials travelling abroad and Nigerian nationals all over the world.

Recently, the immediate past Minister of Petroleum in Nigeria, Diezani Allison-Madueke with the mother and many others have been arrested in London by the Metropolitan Police on cases of corruption in Nigeria.

Yet again is the reported diversion of funds meant to be used for arms purchase to combat the Boko Haram terrorists for private interests?

Section 4: The Theoretical Motivation for this Paper

Every deep thinking and research that seeks to predict, either adopting normative or positive analytical procedures, mostly derives its foundation from existing theoretical conceptions. This

study will therefore seek to anchor on existing theories to lead its own foray into the murky trenches of corruption adapting theories that will help us explain the behavioural character of corruption.

4.1 The Marginal Benefit and Marginal Cost of Corruption

From a pure economic sense, and deriving from literature on corruption, the current corruption situation in Nigeria cannot be said to without some real economic benefit. Even though considered very heinous, some activities that come with corruption is seen by economists as economic activity. Economists classify economic activities into legal and illegal. That people decide to go into illegal activity, like corruption, because of the benefit they derive therefrom.

Economists do not view criminals as deviants nor do they suggest that the physiology is different from that of the model citizens (Edwards, 2007). To an economist, crime is a question of labor supply. People choose to work in legal or illegal occupations. Following Becker's (1968) rational choice theory as recorded in Edward (2007), individuals choose crime if the marginal benefit of committing crime is greater than the marginal cost. People become criminals not because their basic motivation is different, but because their benefits and cost differ. Individuals allocate time to work, crime, and leisure to maximize their utilities. Benefit from criminal behavior is the same as those behind every day legitimate activities: the pursuit of pleasure, profit, gain, status, power and for same satisfaction of rebelling against authority.

The marginal benefit curve for crime slopes downward: indicating that the criminal maximizes the net benefits from non-violent crimes at each period.

The marginal cost curves slopes upwards because a person who commits more crime has to devote more resources to do so. Stealing people's purses or cigarettes from shops does not require as many resources as creating and organizing an international gang of shoplifters, for instance. The cost of criminal activities also results from internal and external deterrents. Internal deterrent signify the self-restraint of the person. For most people, internal deterrent are sufficient to make crime a passing temptation. External deterrents are calculated by estimating the probabilities of getting caught, convicted or sentenced (Edwards, 2007).

It is also important to note that corruption, as defined, is an economic phenomenon as demand for corruption is undertaken by the market agents. Individuals involve in corruption in order to maximize utility while the firms do so to maximize profits and earnings. Therefore, apart from theorizing the compelling conditions for corruption based on marginal benefits and marginal costs, the author considers it important and necessary to investigate the arena and confines of demand and supply to see if it can truly explain the scenario in the corruption market in Nigeria.

4.2 The demand and supply of corruption

The simple demand and supply model is adopted here to analyze the corruption market in Nigeria. Corruption here is considered as a commodity which is demanded and supplied into the corruption market.

The paper conceptualizes that the driving force for corruption is anchored on the demand and supply of corruption. That is,

$$QD_c = f(p_c, Y_c) \dots\dots\dots (i)$$

Where p_c = price of the corruption commodity; and Y_c = available income to fund corruption process; QD_c = quantity demanded of corruption

Quantity demanded of corruption (QD_c) is here dependent on the on the price of the corruption commodity, and the available income to fund corruption proces, all things being equal.

Similarly, the supply of corruption is dependent on the market relationships and responsiveness of market variables to dependent changes. Thus, the supply of corruption fund is dependent on the price of the corruption commodity itself as well as the income available to fund the corruption process

$$QS_c = f(p_c, Y_c) \dots\dots\dots (ii)$$

Where QS_c = quantity of corruption fund supplied to the market; p_c = price of the corruption commodity; and Y_c = income available for corruption process

The indication from the theorizing above is that if price of the corruption commodity is increased, quantity demanded of corruption will fall. If the price fall is below the equilibrium price level, it will create excess supply of corruption in the market. This will weaken the suppliers of corruption, forcing them to reduce the supply of corruption commodity into the market, as they will be acquiring increasing costs to keep non-demanded corruption commodity, arising from excess supply.

Section 5: The Nigeria's Health Sector

In this section we shall review the Nigeria's Health sector in order to identify its stakeholders and complexity.

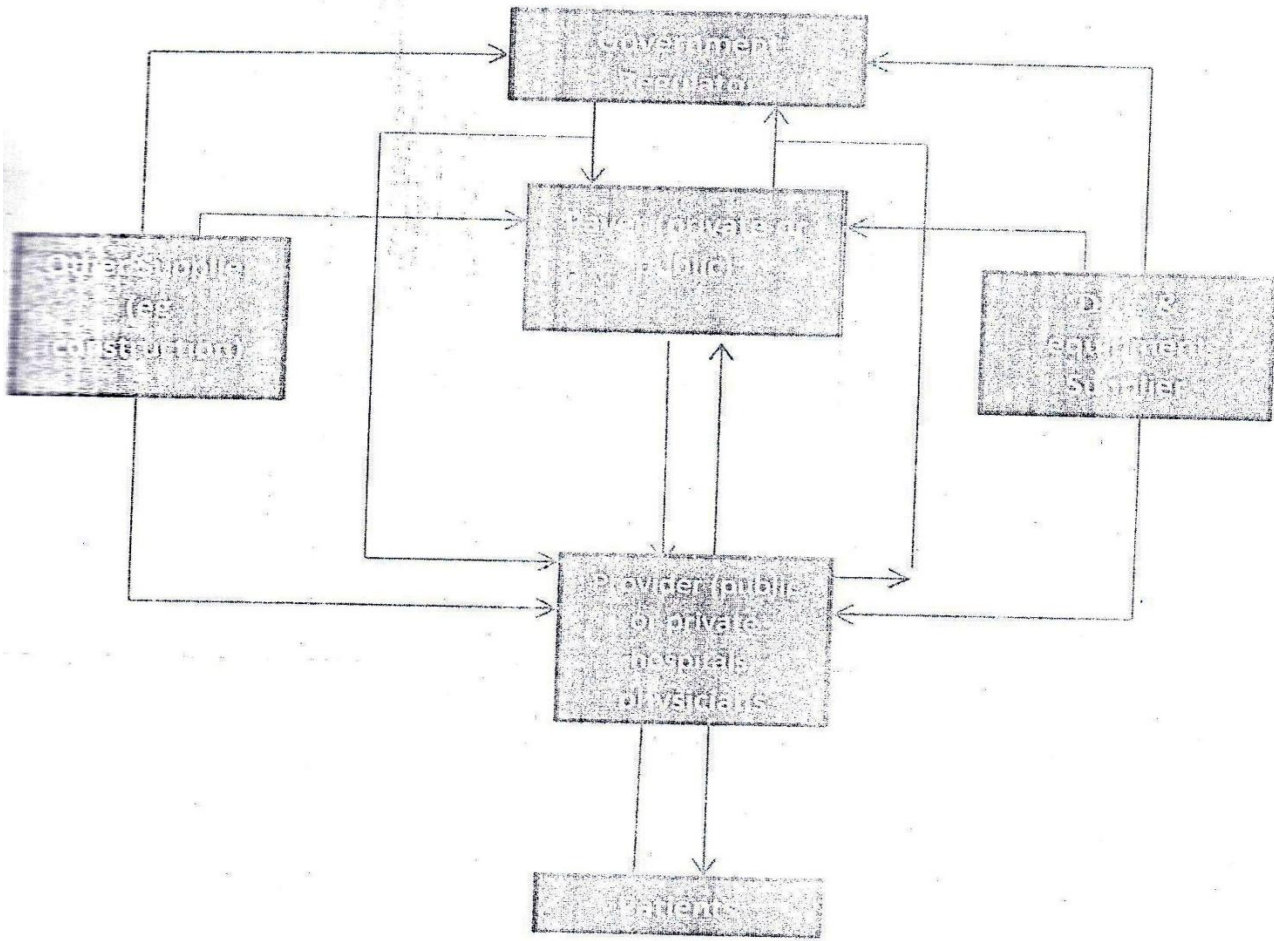
Figure 2 shows the complexity in the health sector in Nigeria. The figure shows the plurality of actors involved in the Nigerian health sector and the complexity of their interactions. We classify these actors into five main groupings:

- (i) government regulators (health ministries, parliaments, specialized commissions);
- (ii) payers (NHIS, government office, private payments, private insurance);
- (iii) providers (hospitals, doctors, pharmacists, laboratory technicians)
- (iv) consumers (patients)
- (v) suppliers (medical equipment and pharmaceutical companies)

The presence of so many actors intensifies the difficulties of generating and analyzing information, promoting transparency and even identifying corruption when it occurs. It increases the number of opportunities for corruption; for example, funds can be diverted or misallocated at a Ministry, State Hospital Board or local clinic by individuals working as managers, procurement officers, health professionals, dispensers, clerks or patients. And the involvement of so many actors multiplies the number and kinds of interests that might encourage corrupt behavior.

Actors may be tempted to abuse their positions for direct financial gain, to increase their prestige, political influence and power, or to expand their market share. When corruption is detected, it may be difficult to attribute it to a particular individual, or to distinguish corruption from a misjudgment or error.

Figure 1 - The Nigerian Health Sector



Section 6: Typologies of Corruption in the Nigerian Health Sector

The wide-ranging corruption in the global Nigeria has been reported to have seriously crept into the health sector, just as it has almost overtaken other sectors of the Nigerian economy. Corruption had been the order of the day in Nigeria. I will in this section take an in-depth analysis into the typologies, causes, as well as the manifestations of corruption in the health sector of Nigeria.

6.1: Typologies of Corruption in Nigeria's Health Sector

Fig 2: Major Types of corruption in hospital administration

S/N	Category	Type	Description	Possible Personnel Type Involved
1	Procurement	Overpayment for goods and services	Engaging in collusion, bribes and kickbacks in procurement processes, resulting in overpayment for goods and contracted services; not enforcing contractual standards for quality	Medical Doctors/Pharmacists/Admin
2	Embezzlement and Theft	Embezzlement Theft	Diverting budget or user-fee revenue for personal advantage Stealing medicines and medical supplies or equipment for personal use, use in private practice or re-sale.	Medical Doctor/Pharmacist/Admin/Lab Technicians
3	Personnel	Absenteeism	Not showing up for work or working fewer hours than required, while being paid as if full time	Medical Doctor/Pharmacist/Admin/Lab Technicians
		Informal Payments	Extorting or accepting under-the-table payments for services that are supposed to be provided free of charge; soliciting payments in exchange for special privileges or treatment	Medical Doctor/Pharmacist/Admin/Lab Technicians
		Abuse of hospital resources	Using hospital equipment, space, vehicles or budget for private business, friends or personal advantage.	Medical Doctor/Pharmacist/Admin/Lab Technicians
		Favouritism in billing, spending	Waiving fees or falsifying insurance documents for particular people; using hospital budget to benefit particular favoured	Medical Doctor/Pharmacist/Admin/Lab Technicians

			individuals.	
		Sale of positions and accreditation	Extorting or accepting bribes to influence hiring decisions and decisions on licensing, accreditation or certification of facilities	Medical Doctor/Pharmacist/Admin/Lab Technicians
	Payment systems	Insurance fraud and unauthorized patient billing	Illegally billing NHIS (National Health Insurance Scheme), government or patients for uncovered services or services that were not actually provided, in order to maximize revenue. May involve falsification of invoice records, receipt books or utilization records, and/or creation of ghost patients	Medical Doctor/Pharmacist/Admin/Lab Technicians
		Illegal referral arrangements	Buying business from physicians by creating financial incentives or offering kickbacks for referrals; physicians improperly referring public hospital patients to their private practice	Medical Doctor
		Inducement of unnecessary medical procedure	Performing unnecessary medical interventions in order to maximize fee revenue	Medical Doctor
		Informal payments	Payments to all kinds of health workers, from guards and cleaners, to mortuary attendants and lab technicians, to the doctors and nurses involved in diagnosis and treatment.	Medical Doctor/Pharmacist/Admin/Lab Technicians

Section 7: Why Nigeria's Health Sector is prone to Corruption?

Western styled economists are of the view that privatization, even of the health sector, will breed greater efficiency and reduce corruption; that government has no business in business. They encourage privatization of public utilities, including health services. This opinion has been variously countered by some development economists, especially of developing world and eastern bloc that some sectors, like health, are too sensitive to be left for market forces as represented in the private sector environment. An analysis of the two health models: private and public in Venezuela and Colombia showed that very

different manifestations of corruption emerged as the two countries' health care models diverged. So, if there is corruption, no matter the system a country opts for, and how well it is funded, health spending may not lead to commensurate health outcomes (William Savedoff and Karen Hussmann: xxxx).

Corruption in the health system occurs whether they are predominantly private or public, well-funded or poorly funded, and technically simple or sophisticated.

This paper employs the following reasons to explain why the Nigerian Health Sector is prone to corruption

- (i) Corruption in Nigeria's health sector is a reflection of the society. The Nigerian society is very corrupt. People see corruption as a way of life. The societal corruption influence bears enormous pressure on the health sector.
- (ii) Health system corruption is less likely in societies where there is broad adherence to the rule of law, transparency and trust, and where the public sector is ruled by effective civil service codes and strong accountability mechanisms. In Nigeria there is total lack of the rule of law, with increasing level of impunity. For instance, it will be very difficult if not impossible to discipline a corrupt staff who has 'godfathers' and a strong union backing them up.
- (iii) Since the health sector has a specific mix of uncertainty, asymmetric information and large numbers of dispersed actors, it is easily susceptible to corruption and controlling it requires policies that address the sector as a whole. For instance, only Medical Doctors cannot stop corruption in the health sector as inferred from Table 1 on typologies of corruption in the health sector.
- (iv) The scope of corruption in the health sector may be wider than in other sectors because society frequently entrusts private actors in health with important public roles. There is so much trust in health care providers by the public such that the public may not when the health care providers are cheating them because of the absolute trust in their provision and since they cannot immediately verify. For instance, how can dying patients who are getting revived get to verify and argue providers' bill?
- (v) The health sector is an attractive target for corruption because so much public money is involved. The world spends more than US \$3.1 trillion on health each year, most of it financed by governments (Savedoff:2004); Savedoff and Kareen (xxxxx). Nigeria spends an average of Nxxx billion yearly.
- (vi) Uncertainty breeds corruption in the health sector. No other sector of society has the specific mix of uncertainty, asymmetric information and large numbers of dispersed actors that characterize the health sector. These features combine in ways that systematically create opportunities for corrupt behavior, while making it difficult to ensure the transparency and accountability that would inhibit this. Arrow (1963) showed that uncertainty regarding who will fall ill, when illness will occur, what kinds of illnesses people get and how efficacious treatments are make the market for health care services very different from other markets in terms of the scope for market failure. Due to uncertainty, medical care service markets and health insurance are both likely to be inefficient.

Uncertainty pervades the health care sector. People may not even know that they are ill or that they could benefit from health care services – as frequently happens to people with high blood pressure, anaemia or the early stages of diabetes. When people fall ill and seek medical care, they cannot judge whether the prescribed treatment is appropriate. If they get better, they may not know whether the treatment was necessary for their recovery. E.g. people with viral infections are often prescribed antibiotics that are useless against viruses.

This uncertainty makes it difficult for those demanding medical care – patients or their families – to discipline suppliers of medical care, as occurs in other markets. Patients cannot shop around for the best price and quality when they are ignorant of the costs, alternative and precise nature of their needs. In such situations, consumer choices do not reflect price and quantity in the normal fashion, and other mechanisms – such as the licensing of professionals and facilities or even direct public provision – are introduced to allocate resources and determine what kinds of care are provided.

Also, the poor functioning of markets creates opportunities for corruption, and the uncertainty inherent in selecting, monitoring, measuring and delivering health care services makes it difficult to detect and assign responsibility for abuses.

The uncertainty surrounding health care leads people to insure themselves against illness. But the functioning of voluntary insurance markets leaves too many people without insurance and encouraged the provision of too much health care for those who have it.

(vii) **Asymmetric Information** – Information is not shared equally among health sector actors and this has significant implications for a health system's efficiency and its vulnerability to corruption. Health care providers are better informed of the technical features of diagnosis and treatment than patients; pharmaceutical companies know more about their products than the doctors who prescribe them; individuals have certain kind of information about their health that are not available to medical care providers or insurers; and providers and insurers may have better information about the health risks faced by certain categories of individuals than the individuals themselves.

When combined with differing interest among health sector actors, asymmetric information leads to a series of problems that are usefully analyzed within the framework of principal-agent relationships. In such a framework, the 'principal' hires an 'agent' to perform some function. When the agent has interests that differ from those of the principal, and when the principal cannot get complete information about the agent's output, it is difficult to find contracts that optimal. These two characteristics – diverging interests and incomplete information – are inherent and widespread in the health sector. E.g. doctors have an interest in improving the health of their patients, but their choices of treatment and medications also may affect their income, professional status and working conditions. Whether doctors are hired by patients in the private sector or by public health services, they are entrusted with making decisions in the best interest of the patient, but may be tempted to provide substandard services or prescribe

expensive treatments. Doctors are not the only agents in the health system. Those who manage health facilities, pharmaceutical companies, or equipment suppliers face complex incentives that may encourage them to reduce the quality of care, or promote the use of unnecessary diagnostics or treatments. When political interests are involved, any of these agents may be pressured to take actions that undermine health care or increase its costs.

(viii) The difficulty of fully monitoring the actions of doctors, hospitals, pharmaceutical companies and regulators makes it hard to hold them accountable for the results of their actions. Eg, patients usually lack information to monitor decisions made on their behalf, or judge whether they have been appropriately billed; insurance auditors have a hard time assessing whether billing is accurate and whether services rendered were necessary; regulatory agencies are hard-pressed to assure the quality of drugs and medical equipment, and the accuracy of labels and expiration dates. All of this establishes a system that is prone to corruption, and in which identifying and punishing corrupt practices is inherently difficult.

Section 8: How corruption manifests in the health sector?

This Paper after driving home the major reasons why the health sector is prone to corruption seeks to go further to douse every intentional and non-intentional doubt concerning corruption in the sector by practically bringing to the fore how corruption manifests in the sector. The manifestation is here considered from the major sectorial standpoint earlier in our discussion.

(i) Regulators – The existence of regulations opens avenues for corrupt activities. Pharmaceutical companies can skew research studies, influence review boards or simply bribe regulators to approve or speed up the processing of their applications. Health care providers and facilities may be tempted to pay a regulator to overlook lapses in licensing requirements. Also, government inspectors can be tempted to abuse their position to extract bribes even when the providers are in compliance.

(ii) Payers – when public sector provides service directly, like Nigeria's states government payment for citizen's health care, it generally allocates resources through the normal public budgetary process. This creates opportunity for political interests to contravene decisions that are in best interest of patients. For example, decisions may be made to favour regions governed by political allies, rather than following the criteria of equity and efficiency.

(iii) Health care Providers – They have a wide range of opportunities to engage in corruption: they have strong influence over medical decisions, including prescribing medication; determining the length of a hospital stay; ordering tests and referring patients for additional consultations or services. In making these decisions, health care providers may act in ways that are not in their patient's interests, either motivated by direct financial gain, increased prestige, greater power or improved working conditions.

(iv) Patients – Patients in many cases try to get free or subsidized care by underreporting their personal or family income. Paying bribes to get privileged access to public care is also common form of corruption

(v) Suppliers - Suppliers can withhold on the quality of equipment or repackage expired medications. They can shortchange deliveries and bribe procurement officers to authorize higher prices. They can induce providers to use their products at inflated prices, even when cheaper, equally effective alternatives are available

Section 9: How Medical Doctors can help fight corruption

- (i) In the Nigerian health sector, medical doctors are officers in charge. If they stamp their foot and order for a change in attitude of the complex staff, the march would have commenced
- (ii) Not converting public property like hospital equipment and facilities given to the medical doctor for private use will breed integrity and respect from peers and other workers thus respect for anti-corruption message of the head will be heeded.
- (iii) Bring up punishments that makes benefits from corruption less than the costs of corruption
- (iv) Increase the price of corruption product to reduce supply and increase the demand price of corruption to reduce the demand for corruption

Section 10: Conclusion

Given the number of actors and complexity in the health sector in Nigeria, medical doctors may only contribute their quota to the overall fight and extermination of corruption in the sector as earlier suggested in Section 8 of the paper. A comprehensive fight against corruption in the sector must be multi-disciplinary. All the actors in the sector must work with one purpose. The regulators must bring up policies that make the marginal benefit from corruption to be less than the marginal cost, as well as making the price of procuring corruption to be very high to discourage demand for corruption.

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