CORRUPTION IN THE PHARMACEUTICALS & HEALTHCARE SECTOR

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THE PROBLEM OF CORRUPTION IN THE PHARMACEUTICALS & HEALTHCARE SECTOR

• $7 trillion annual global spend (WHO, 2012)

• 17% of people worldwide stated they had paid a bribe when dealing with the medical sector (Global Corruption Barometer, 2013)

• Estimated 10-25% public procurement spending is lost to corruption (WHO, 2009)
IMPACT OF CORRUPTION IN THE HEALTH SECTOR

1. **Economic impact** – when large amounts of public funds are wasted;

2. **Health impact** – the waste of public resources reduces the government’s capacity to provide good quality services and products; patients may turn to unsafe medical products available on the market instead of seeking health services, leading to poor health outcomes for the population;

3. **Government trust impact** – inefficiency and lack of transparency reduces public institutions’ credibility. This not only erodes the trust of citizens but can also decreases foreign investment in the health sector and levels of health aid.
CHALLENGES TO

• Low knowledge of corruption in the health sector

• A weak legislative and regulatory framework

• Ineffective global governance

• Weak leadership.
LOW KNOWLEDGE LEVELS OF CORRUPTION

• Inherent intangibility and invisibility

• Sector is complex and technical

• Cultural tolerance to corruption

• Silo effect of vertical programming
WEAK LEGISLATIVE AND REGULATORY FRAMEWORK

• International frameworks are not fit for purpose

• Poor levels of enforcement

• Sector specific regulation fails to capture corruption risks

• Danger of regulatory capture
INEFFECTIVE GOVERNANCE

• Many key decision points lack strong governance

• Extensive lobbying

• Commercialisation of physicians’ prescribing habits

• Governance structures not designed to cover corruption risks

• Sector growth has outstripped governance frameworks
WEAK LEADERSHIP

- At the national level there is often little political commitment or desire to change a beneficial status quo

- Genuine commitment to anti-corruption lacking from national policy makers and regulatory agencies

- Self interested actors co-opting international organisations
QUESTIONS?

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