

## CORUPTION RISKS IN CONTEXT OF COVID – 19<sup>1</sup>

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### Abstract

Healthcare systems are highly vulnerable to exposure to corruption risk, as this is being observed especially in times when high pressure is being applied on the healthcare sector. In times of emergency situations such as involving high public health risks, the healthcare systems are functioning under conditions requiring the involvement of protective mechanisms against bribery in medical related services, public procurement and fraud. Corruption risks in the healthcare sector could apply to national, central or local levels as such risks could involve different types of medical facilities, hospitals or medicalized structures. They could directly involve or be related to access to healthcare and treatment or access to specific medical product or vaccine. Many national legislations have adopted regulations for facilitating national procurement laws allowing public buyers to purchase medical and personal protective equipment faster and easier avoiding heavy administrative procedures. Policymakers developing regulation in procurement system must balance a number of goals. Measures to restrict negative results from corruption practices or even to eliminate corruption activities could involve corruption risk assessment, identifying and protecting vulnerable individuals and communities, as well as introducing transparent and accountable public procurement processes

**Key Words:** Corruption, healthcare, pandemic, measures, prevention.

### INTRODUCTION

World pandemic crises caused by the novel coronavirus (COVID-19) has resulted to transformation of healthcare services distribution mechanisms, medical supply chain pathways, regulatory framework governance and decision-making processes. Governments had to establish flexible mechanisms and solution in order to deal with competition practices, regarding healthcare services delivery, medical supplies delivery, access to medical treatment and directly involving patients/clients - doctor/provider (supplier) relationship. Medicines, medical equipment and medical supplies, especially in times of pandemics, are essential for guarantee high level of functioning of healthcare systems. Unfortunately, in difficult and challenging times when facing threats for human lives and when social and healthcare systems worldwide are functioning under enormous pressure, corruption risks come forward as cases of illegal and informal payments in healthcare sector and negative practices in healthcare supply procurement and distribution have been noticed in some countries.

Corruption undermines good governance, weakens health systems, and violates human rights. Corruption is not limited to a particular type of health system structure. It is present in systems that are public or private, well or poorly funded, and technically simple or complex. (Savedoff WD, Hussmann K., 2006). Even though corruption is a real danger to achieving goals such as better access to healthcare services, or even access of the population to medicines, given its complexity, we still not always obvious what interventions can be most effective in reducing the risk of corruption practices. Practices defined as corruption may vary depending on country and context. A common challenge for many countries is implementing mechanisms to reduce the risk of corruption in the procurement procedures in general and especially in the healthcare sector.

Corruption in procurement is not limited to one location or type of procurement system. It can occur at national or local level, as well as in centralized and decentralized procurement systems. The nature of corruption varies widely between countries. It is important to understand how corruption manifests generally in a specific country

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and then look into the specific sector. In order to address corruption in the health sector effectively, it is crucial to identify and understand the problem within the countrywide context and to design appropriate counter measures. (European Research Centre for Anti-Corruption and State-Building at the Hertie School of Governance, 2013).

Public procurement refers to the acquisition by a government department or any government-owned institution of goods or services. (Transparency International, 2014). Public procurement is the most vulnerable government activity comparing to other services provided by governments. Complex administrative servicing is aimed at facilitating the access to administrative services, reducing costs and deadlines for administrative servicing, assuring its orientation to the needs of citizens and organizations, as well as reducing administrative burdens. (Neykova M., 2017). Corruption and lack of transparency and accountability undermine health by limiting equitable access to health services and financial protection. Corruption practices could increase during COVID-19 crisis based on the fact that legislative norms have been changed to allow flexibility and less complexity when it comes to access to healthcare services, overcoming drug shortage, facilitate medical equipment supply. Corruption can be initiated by the private sector (either directly or through agents) – the supply side – or by a government official – the demand side. More subtle forms of corruption occur when bribes are used to manipulate budget allocations and project selection, even before the contracting process begins, through the manipulation of eligibility criteria in the tender documents, or having technical specifications that are biased and without merit (Transparency International, 2014).

Good procurement should meet public needs, secure value for money for the people and be fair to bidders. Often public procurement procedures are complex and in many countries the transparency of the process has been ensured by legal regulatory framework, as various reform initiatives could integrate competition and transparency within the procurement phases. Many national legislations have adopted regulations for facilitating national procurement laws allowing public buyers to purchase medical and personal protective equipment faster and easier avoiding heavy administrative procedures. Policymakers developing regulation in procurement system must balance a number of goals. Of those goals, experience has shown that competition, transparency and integrity are probably the most important. If a government's procurement system reflects all three elements, the system is much more likely to achieve best value in procurement and to maintain political legitimacy. (United Nations Offices on Drugs and Crime, 2013).

## **PROCUREMENT OF MEDICAL EQUIPMENT**

Procurement in healthcare involves the purchase of products, supplies, equipment and related services. Markets for medical devices and pharmaceuticals have some special characteristics that influence the functioning of these markets and have an impact on the risks for corruption, such as: patented products, close relationship between industry and providers in the development of new goods, as the high stakes involve taking into account the Research and Development (R&D) intensive nature of the industry.

Corruption can occur at all stages of the public procurement process: in the pre-tendering phase, (during the process of assessment and tender design); in the tendering phase (as part of the bidding and awards process); and in the post award phase (during implementation and monitoring). Procurement cycle includes different phases among which: procurement planning, procurement invitation process, as well as contract award and performance. The phase of procurement planning is where procurement entities determine their needs in terms of goods and services, as requirements have to be set during this phase of the process. Tender invitations process regarding some characteristics could be determined as especially vulnerable to corruption activities as at this phase is where products or service specifications and criteria for evaluation could be related to favour a particular supplier or service provider. At this phase it is also possible specific elements to be drafted in order to emphasize weaknesses of a particular competitor.

Corruption and lack of transparency and accountability undermine health by limiting equitable access to health services and financial protection. Health crisis and emergencies have required swift action as in times of global pandemic corruption impedes life-saving resources from reaching people in need. Corruption risks can be a major concern for hospitals and other medical or healthcare structures struggling to cope with COVID-19, since they face shortages in staff and equipment. To facilitate the timely availability of the medical supplies, required to respond to the coronavirus emergency, the European Commission has created a platform for member states

to share information and support dialogue for building capacity and obtaining co-operation in overcoming shortage of medical supplies and equipment. In order to minimize main factors leading towards corruption causing negative effect on public procurement procedures, the European union has introduced public procurement framework applicable especially in cases of urgency and extreme urgency. The European public procurement framework provides all necessary flexibility to public buyers to purchase goods directly linked to the COVID-19 crisis. Corruption is a risk factor not only in times of emergency situations related to public health and in the context of pandemics, but it is also a major concern for hospitals and medical facilities as well as for structures providing healthcare services. Corruption puts in danger the exercise of fundamental human rights and the equal access to health care, as the access to care is a key aspect of the right to health. Respecting principles of integrity, transparency, accountability, fairness, efficiency and professionalism throughout the procurement process will minimize corruption risks and maximize the chance that the economic, social, environmental and political benefits of public procurement. These principles underpin and provide guidance on the essential standards to be met and elements needed to help ensure procurement systems are corruption free.

### **DRUGS AND VACCINES SUPPLY**

Scientists and researchers are developing drugs and vaccines to prevent the spread of the coronavirus but also to limit the negative effects, circumstances and results from COVID-19. Vaccine development is a complex and lengthy process, which normally takes several years. Regarding the enormous pressure under which healthcare systems around the world are functioning during the pandemic, at European level a regulatory mechanism has been introduced related to the development of more efficient, safe and effective vaccine against COVID-19. An EU Vaccine Strategy has been implemented for achieving acceleration in the development, manufacturing and distribution of vaccines against the novel coronavirus. The European union strategy for COVID-19 vaccines introduces mechanism where the European Commission itself enters into agreements with individual vaccine producers on behalf of Member States.

To overcome difficulties and challenges faced in times of public health crisis, it would be necessary to increase the capacity, authority and public accountability of State institutions entrusted with regulatory and control functions in relation to the management of public resources. The World health organization has established a global strategy and preparedness plan to allow fast activation of research and development activities during epidemics. It aims to accelerate diagnostics, vaccines and therapeutics for COVID - 19 by improving coordination between scientists and global health professionals, accelerating the research and vaccination development process, and establishing new norms and standards to learn from and improve upon the global response.

The urgent demand for a vaccine may create opportunities for corruption that are likely to impede public health efforts. This risk is particularly pronounced when supplies are limited, and demand is high, as it is the case during a pandemic. In public health crisis, corruption risks in procurement are amplified by the urgency of needs, required flexibility and requested speed. The demand for a particular medical product (drug or vaccine) or healthcare service could increase the corruption risk through the entire procurement cycle, creating negative spot in all phases of the procurement procedure. During the pre-bidding phase the corruption risks could mainly be related to tender documentation or actions towards favor a particular bidder, while in the bidding phase itself – risks could be emphasized as receiving bribes. During the post bidding phase usually the risk factors involve fulfilling contract agreements, invoicing or even the delivery process itself. The adoption and implementation of special anti-corruption measures could provide the necessary integrity, transparency and accountability which could lead to minimizing and preventing corruption risks during public health emergency situations. The creation of a specialized body with a strong anti-corruption mandate to oversee the prioritization, distribution and monitoring of vaccine programs, as well as related public policy, can act as a critical oversight body during a public health emergency.

### **MEASURES TO REDUCE CORRUPTION RISKS**

Eliminating competition in government purchases, and focusing on the tools which can help maintaining open and fair competition might result to positive impact on corruption risk minimization. Regulative measures and legal actions on implementing additional internal legislative norms could further facilitate the limitation and reduction of corruption risk, in addition to the fact that a significant number of legal acts have been adopted that govern different aspects of the provision of administrative services (Neykova M., 2018). A key assessment tool

for measuring vulnerability to corruption is a control system review or risk assessment. Control systems are the internal operational processes by which an organization makes decisions and uses resources to perform its mission. A control system review can help measure discretion, accountability, transparency and enforcement. Corruption in the health sector and especially in relation to public procurement activities could have severe consequences on the access to, quality, equity and effectiveness of health care services. That is the reason why adequate measures and mechanism for detection limitation and prevention of corruption risk and corruption practices have to be placed in the focus of attention.

Possible measures and actions which could result to providing positive impact may include:

- 1- Introducing appropriate legislative measures especially designed to minimize and prevent corruption risk in healthcare sector during public health emergency situations could have positive impact on reducing corruption risks. Strengthening anti-corruption laws and policies could provide long-term effective results in detection and prevention risks in health emergency situations.
- 2- Development and enforcement of educational programmes dedicated to successful anti-corruption teaching and training of administrative personnel, government members, public servants, members of legislative bodies, personnel providing services to national and regional level and stakeholders directly involved in procurement procedures in healthcare sector could lead to prevention of corruption activities and capability of distinguish and properly acting toward corruption activities.
- 3- Enforcement of effective Corruption Risk Assessment mechanism, guidelines and tools for detection, prevention and combating corruption risk factors and practices in healthcare sector could lead to reduce the negative public view of healthcare services environment caused by currently existing social imbalances related to access to healthcare services.
- 4- Transparent and accountable public procurement processes during pandemic could ensure minimization of corruption risk, for benefit and protection of public health values and preventing main factors leading to disproportions and inequalities.
- 5- Introduce training policies and programmes for health professionals could result to high quality of healthcare services provided by professionals working in corruption-free environment.
- 6- Simplifying the administrative procedures required for the public to be able to receive health care services, diagnostic screening, preventive actions and treatment services, could act as healthcare system strengthening factor for obtaining efficacy and safety for obtaining better healthcare services providing environment.

## CONCLUSION

Corruption lowers public sector efficiency and effectiveness. Corruption is a complex phenomenon and it might be caused by weak governance system performance and management. Preventing corruption requires a systemic approach based on both rules and values with a comprehensive strategy. Corruption prevention and control require strong and authentic political commitment, sufficient knowledge of the health sector, and resources to implement strategies and interventions (Holmberg S, Rothstein B., 2011). Strengthening the capacity of public officials and institutions to promote integrity and transparency is of significant importance. Regarding the corruption risks in the context of COVID-19 the Group of States against Corruption (GRECO) has consistently recommended specific anti-corruption and governance tools focusing on transparency and accountability. The Council of Europe Civil Law Convention on Corruption requires States Parties to provide for effective remedies for persons, both natural and legal persons, who have suffered damage as a result of acts of corruption, to enable them to defend their rights and interests, including the possibility of obtaining compensation for damage.

Corruption in healthcare may be provoked by weaknesses in the healthcare system (low salaries, relatively low levels of healthcare spending or research budgets, close ties between the industry and healthcare providers) or flaws and loopholes in healthcare supervision, anti-corruption legislation or judicial effectiveness. Integrity violations and misuse of rights and opportunities depend on personal motivations, norms and values. In regards to public procurement in healthcare there are various ways to implement anti-corruption measures as mandatory or as discretionary. Corruption control can also be included as a goal of procurement regulation. Administrative measures are measures which may not be specifically required by legislation, but which are permitted under the exercise of executive discretion may be of positive impact on fight against corruption. Regulatory tools are the obligatory measures, which must be imposed where corrupt activity is found to have

occurred, administrative methods for combating corruption may be more effective, as healthcare should be driven by a constant focus on delivering outcomes that truly matter to patients. The starting point for achieving value is to measure outcomes. The measures to address corruption range from national laws and guidelines to international and multilateral binding instruments.

Improving the legislation in the field of control and sanctioning activity of the administration with a view to limiting the possibilities for corruption practices, as well as creating model formats for public interaction between policy and business at the local level, aiming at the establishment of impartial rules for economic activity, may result to ensuring healthy and fair competition. A useful tool to decrease, reduce and even prevent corruption is without any doubt an investment in people's education, training and development, focusing on forming an impact on the way people think, act and respond to corruption activities. An introduction of behavioral approach with an emphasis of cultivating a cultural integrity is a main approach of successful anti-corruption educational activities. Achievements resulting to prevention of corruption influenced by behavioral factors, could be supported by proper ethics management. When focusing on limitation or prevention of corruption in public services, some of the main ethical standards and guidelines could be introduced into the training process. Ethical standards have to be clear and practical as they have to be applied as public service guide.

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