

## Preface

*David Nussbaum, Chief Executive, Transparency International*

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‘When my wife went to the hospital they examined her and prescribed some pills. They said that none were available there, but if we paid 20 or 30 dirhams, someone could provide the “free medication”. The problem is we can’t afford the drugs.’

These are the words of a man in Casablanca interviewed by Transparency International Morocco, but they could have been uttered by any number of people in any number of countries. This simple example illustrates the serious consequences of corruption in the health sector. Corruption might mean the difference between life and death for those in need of urgent care. It is invariably the poor in society who are affected most by corruption because they often cannot afford bribes or private health care. But corruption in the richest parts of the world also has its costs. Hundreds of millions of dollars are lost each year to insurance fraud and corruption in rich countries, including the United States and the United Kingdom.

Fighting corruption in the health sector is a complex challenge. At one end of the scale are doctors and nurses who charge small informal payments to patients to supplement inadequate incomes. At the other end, and far more pernicious, are the corrupt suppliers who offer bribes, and the health ministers and hospital administrators who accept bribes, or siphon millions of dollars from health budgets, skewing health policy and depleting funds that should be spent building hospitals, buying medicines or employing staff.

Three of the UN’s eight Millennium Development Goals – intended to halve poverty by 2015 – relate directly to health: reducing child mortality, improving maternal health and combating HIV/AIDS, malaria and other diseases. Transparency International’s *Global Corruption Report 2006* demonstrates that fulfilment of these goals by the target date is severely hampered by the pervasiveness of corruption in the health care system.

Transparency International’s work around the world includes analysing and reducing corruption in the health sector, principally by redressing the information imbalance between governments and service providers on the one hand, and patients on the other. TI’s national chapters in Argentina, Germany, Niger and Senegal, to name a few, have done pioneering work in this field. As highlighted in this volume, dedicated journalists and representatives of watchdog bodies are other inspirational figures: they dared to confront powerful government and industry figures, often at great personal risk.

In addition to exploring the health sector, the *Global Corruption Report* in its annual country overviews, takes stock of corruption-related developments. One especially

encouraging recent development is the entry into force of the UN Convention against Corruption, which provides a common framework for all countries in tackling corruption. Particularly noteworthy are its provisions on cross-border cooperation, reflecting the increasingly international nature of corruption and the movement of its illicit gains.

A pervasive challenge is to ensure that lessons on how to fight corruption are adopted with rigour and commitment by the people entrusted with power around the world. Too often anti-corruption rhetoric is not followed up with action. The *Global Corruption Report 2006* charts the corruption-driven collapse of a number of regimes that rose to power promising moral integrity and fiscal probity. It also shows how institutions, laws and mechanisms, ostensibly aimed at fighting corruption, can be rendered toothless if they are not granted the resources and independence necessary to perform.

Another challenge is to build stronger ties between the anti-corruption movement and movements concerned with other aspects of good governance. This report shows that, although money lost directly to corruption is the most obvious and immediate cost, the negative effects of corruption in terms of quality of government and the well-being of a population are much longer term. The potential gains from fighting corruption – such as more and better health care, stronger judiciaries and legitimate politics – are immense.

The challenges facing the anti-corruption movement have changed markedly over the last decade. When Transparency International was formed in 1993, national and international leaders wilfully ignored calls to tackle corruption; it was a challenge even to be heard. Now the body of evidence is too large, and the pervasive impact of corruption recognised as too great, to ignore. In countries rich and poor around the world, corruption ruins lives.

Corruption is a powerful force, but it is not inevitable or unavoidable. Diminishing its impact restores diverted resources to their intended purpose, bringing better health, nutrition and education to victims of corruption around the world, and with them, opportunity and hope.