

X-RAY



THE CRITICAL STATE

+ F THE HEALTH

SECTOR IN SA



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INTRODUCTION

When discussing corruption, we may think the situation is exaggerated, that the gravity and seriousness of our moral, legal, political and social problem is overstated. If only this were true – but corruption is a disease that seeps through every major artery of our society. In its wake, it leaves lives in tatters.

The devastation caused by corruption is tragically illustrated by the current global health crisis sweeping South Africa and the rest of the world. The outbreak of the novel coronavirus disease (Covid-19) has affected tens of thousands of South African residents and considering that these are still early days, this number is projected to increase drastically. The country's health sector is confronting a mammoth challenge. Health officials are having to respond to questions of whether or not the country has enough hospitals, medical equipment, beds, or staff.

In these uncertain and trying times it is appropriate to raise again the topic of corruption for, as we have shown in our legal strides, research endeavours, media exposés and engagements with multiple stakeholders, corruption is rife in our society. If it is left unattended, we will continue to be hamstrung and operating in the dark, especially during times of crises. Hence, we thought it prudent to reflect on the corruption affecting South Africa's health sector in this second edition of the sectoral report.

On these pages we highlight almost 700 whistle-blower accounts received since our launch in early 2012 until the end of 2019. In those eight years, ordinary people from all over the country approached us to raise deep concerns about a number of issues relating to their use of hospitals and clinics. The cases are troubling considering that our most vulnerable – the elderly, women and children – are the ones feeling the brunt of a shortage of medication, malfunctioning equipment, or the pressure to exchange undisclosed amounts of cash for goods or services.

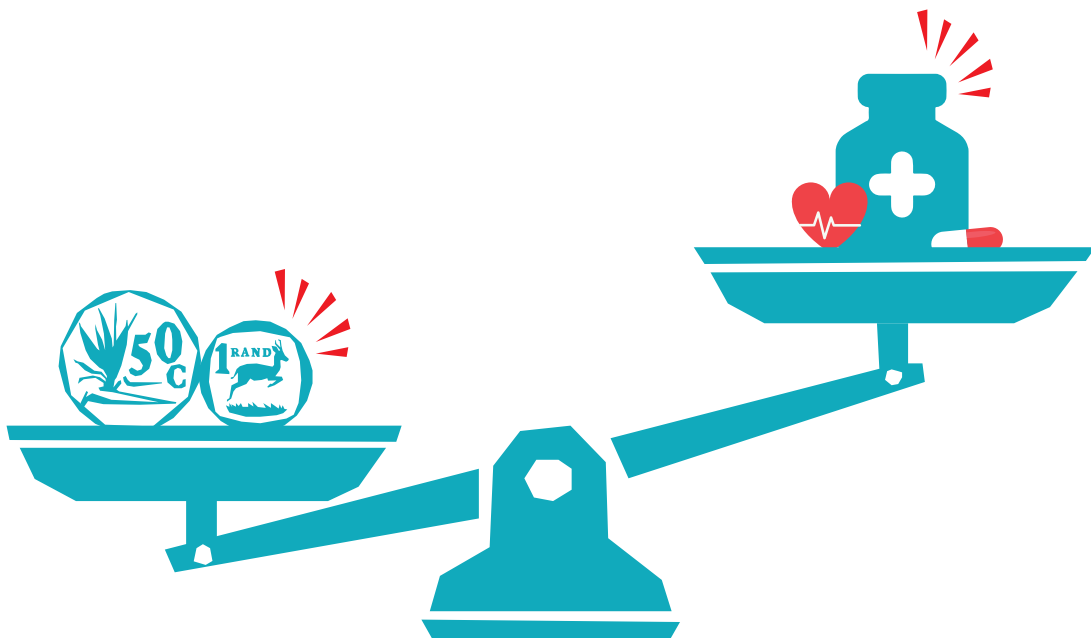
This report is a voice for these reporters and we hope that the snapshot presented herein will lead to a change for the over 80% of people relying on some 4 300 public health facilities nationwide.

THE MOST AFFECTED AREAS

Corruption Watch reaches out to all corners of the country, seeking to bring awareness, to advocate for change in behaviour, and to hold those in power to account. As a result, we receive reports of corruption from the nine provinces of the republic on a number of platforms which include social media, telephone calls, emails and face-to-face interactions.

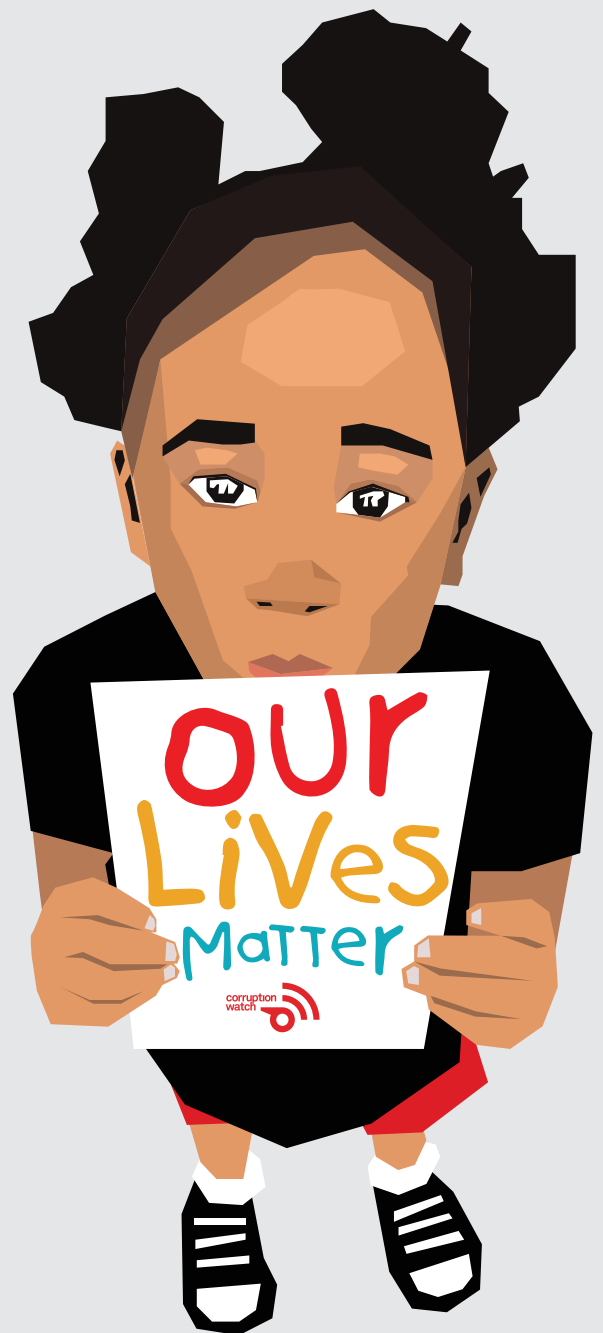
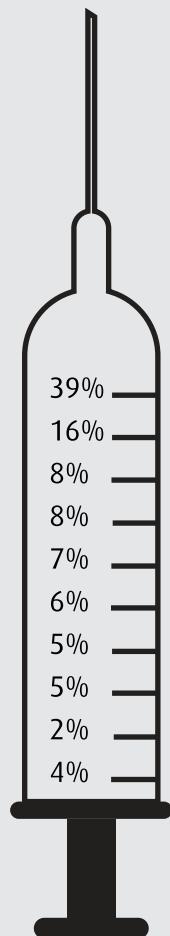
To date, well over 28 000 whistle-blowers have lodged complaints with Corruption Watch and in the eight-year period under review, almost 3% of that number pertain to health matters. In terms of yearly trends, around 14.7% of corruption cases were gathered in 2012 with a peak of 17.7% in 2017, and a marginal decrease to 15.9% in the following year.

Nationally, in the 670 cases of corruption in the health sector, about 52% point a finger at provincial governments, while about 40% level allegations at national government. In the breakdown of provinces, Gauteng leads with 39% of corruption cases and this may be due to Corruption Watch's strong presence in the province as well as the fact that it is the most densely populated region in the country.¹ The second highest percentage comes from KwaZulu-Natal at 16%, and joint third are Eastern Cape and Mpumalanga at 8% respectively.



YEAR	NO. OF REPORTS
2012	99
2013	56
2014	59
2015	60
2016	78
2017	119
2018	107
2019	92
TOTAL	670

Gauteng
KwaZulu-Natal
Eastern Cape
Mpumalanga
North West
Limpopo
Free State
Western Cape
Northern Cape
Unspecified



¹ Mid-year population estimates 2019, http://www.statssa.gov.za/?page_id=1854&PPN=P0302&SCH=7668

THE CORRUPTION TRENDS

Our working definition of corruption is the abuse of entrusted power for personal or private gain. And it is through this lens that we view the manifestation of graft in the health sector. Corruption, and other types of abuses can take a variety of forms. Within the health sector, different systems of financing allow for the prevalence of different forms of corruption. However, there are certain types of corruption that are prevalent in all systems. These are:

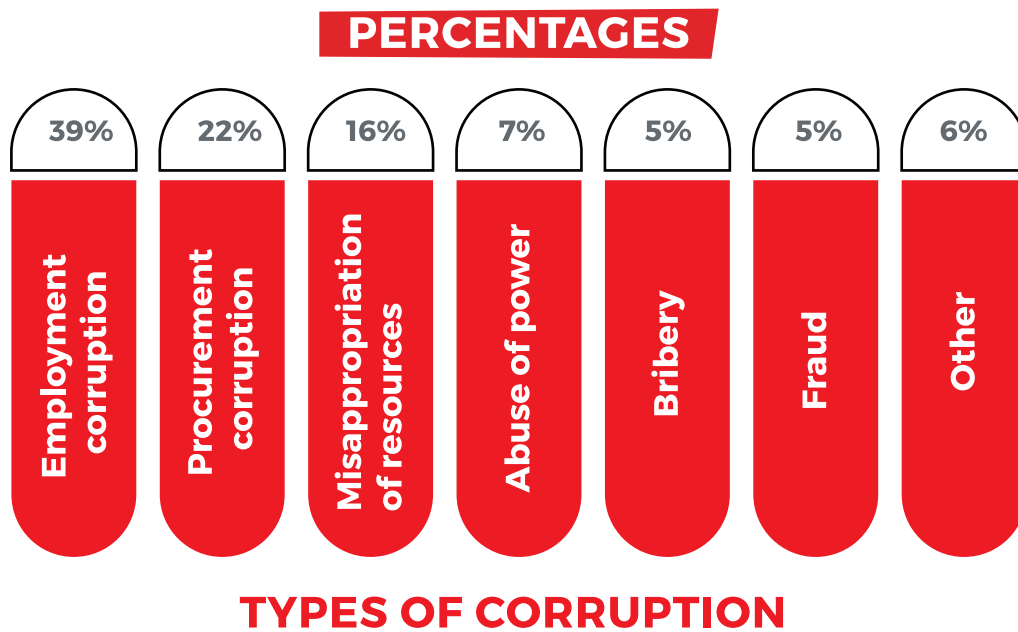
- ⊕ Embezzlement of funds, especially when funds are transferred from national to regional entities;
- ⊕ Procurement of medical supplies and pharmaceuticals, including fraudulent and counterfeit equipment and drugs²; and
- ⊕ Nepotism and other forms of favouritism in hiring and promotion of staff.

The players most commonly implicated in corrupt acts are:

- ⊕ High ranking public officials who occupy managerial posts;
- ⊕ Administrators and medical professionals (doctors and nurses); and
- ⊕ Companies that are either bidding to do business with the state or that are already providing services and/or products for the state.

Countrywide, the most prevalent forms of corruption are employment corruption (39%), procurement corruption (22%), and the misappropriation of resources (16%). This happens to be the general picture in individual provinces too, though the numbers in each province are to be read in proportion to the number of corruption cases received for every region.



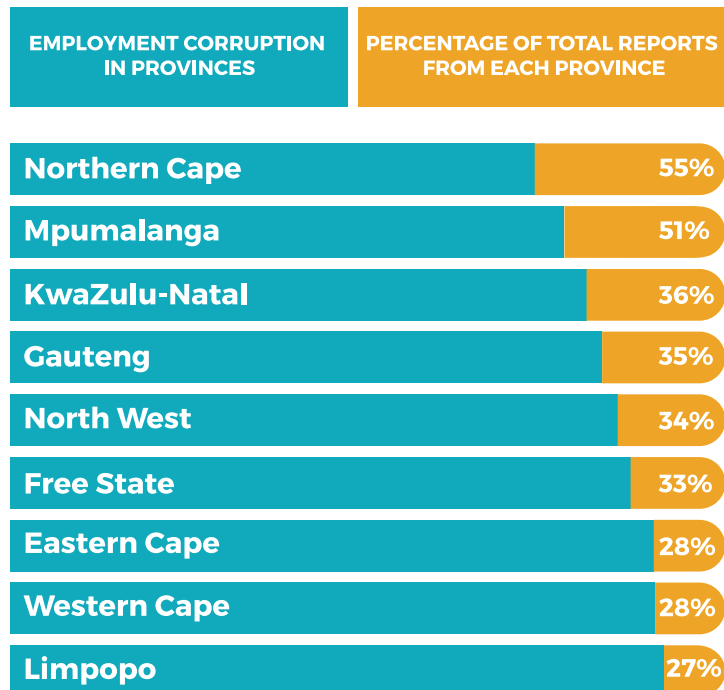


In relation to employment corruption, the issues range from employees and officials claiming time for work not done i.e. absenteeism, to allegations of nepotism and favouritism. With regards to nepotistic appointments and decisions assumed to be made based on favouritism, the trend suggests that those who have the authority to design the criteria for vacant posts and who will eventually have an input on the persons to be employed, are the instigators of the problems experienced. What comes to light are allegations of:

- ⊕ Unilateral decisions being implemented where there is supposed to be engagement with multiple persons (these are decisions pertaining to who must be employed to fulfil what role);
- ⊕ Where there is presumed consultation, relevant staff members are coerced into opting for the unlikeliest of candidates that do not meet set standards;
- ⊕ In other instances, bribes are paid to officials for recruitments; and
- ⊕ There is no accountability for decisions taken when questions are asked.

As a result of such discrepancies, unqualified persons are appointed to fulfil positions that are too demanding, and more importantly, work is often neglected or tasks are not completed, which is one of the contributing factors for poor service delivery.

² Savedoff and Hussman, "Why are health systems prone to corruption?" in Global Corruption Report, 13.



Trailing the number of corruption reports highlighting employment irregularities, are reports of impropriety in procurement-another issue that features extensively in the data set. Most apparent in reports of this type of corruption are that:

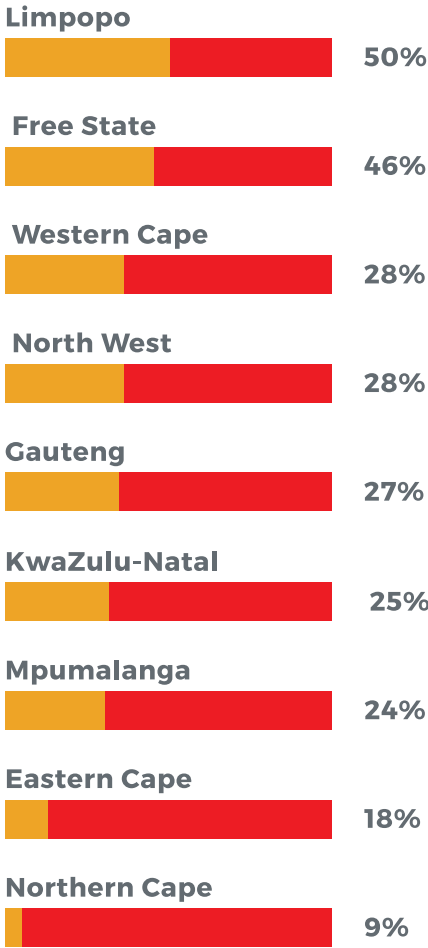
- ⊕ Prices are inflated without any thorough justification;
- ⊕ Documents are amended or destroyed to disadvantage competitors;
- ⊕ There is preferential treatment (favouritism or nepotism); and
- ⊕ Officials benefit from kickbacks or solicit funds from companies that win tenders.

The abovementioned allegations are purportedly widespread. Whistle-blowers state that kickbacks are set at 10% levels for contracts worth millions of rands. In some cases, it is claimed that senior officials will award lucrative tenders to companies without those tenders being advertised.

To inflate the amounts, we heard, in one health facility the specifications of a tender were altered in order to remunerate greedy officials who stood to benefit from a service provider for circumcisions. In this example, the facility had budgeted to perform 10 000 circumcisions at R750 per procedure, but the number was dramatically increased to 260 000 circumcisions.

**PROCUREMENT CORRUPTION
IN PROVINCES**

**PERCENTAGE OF TOTAL REPORTS
FROM EACH PROVINCE**



Meanwhile, in relation to the misappropriation of resources, Corruption Watch has learned that officials and employees of various hospitals and clinics mismanage funds and use state resources to benefit themselves as well as their relations. According to the reports of corruption received in this respect:

- ⊕ Money allocated by Treasury for particular projects and programmes is squandered or deceptively redirected to other interests;
- ⊕ Doctors make use of state funded medical equipment and medication in their own practices at the cost of the state's time too; and
- ⊕ Officials illegally use state vehicles, fuel and accommodation for themselves, their friends, and their family members.

The outcome of such negligent and corrupt acts is a shortage of medication, equipment that is lost or damaged, and the state paying exorbitant amounts of money to fund the lifestyles of officials.

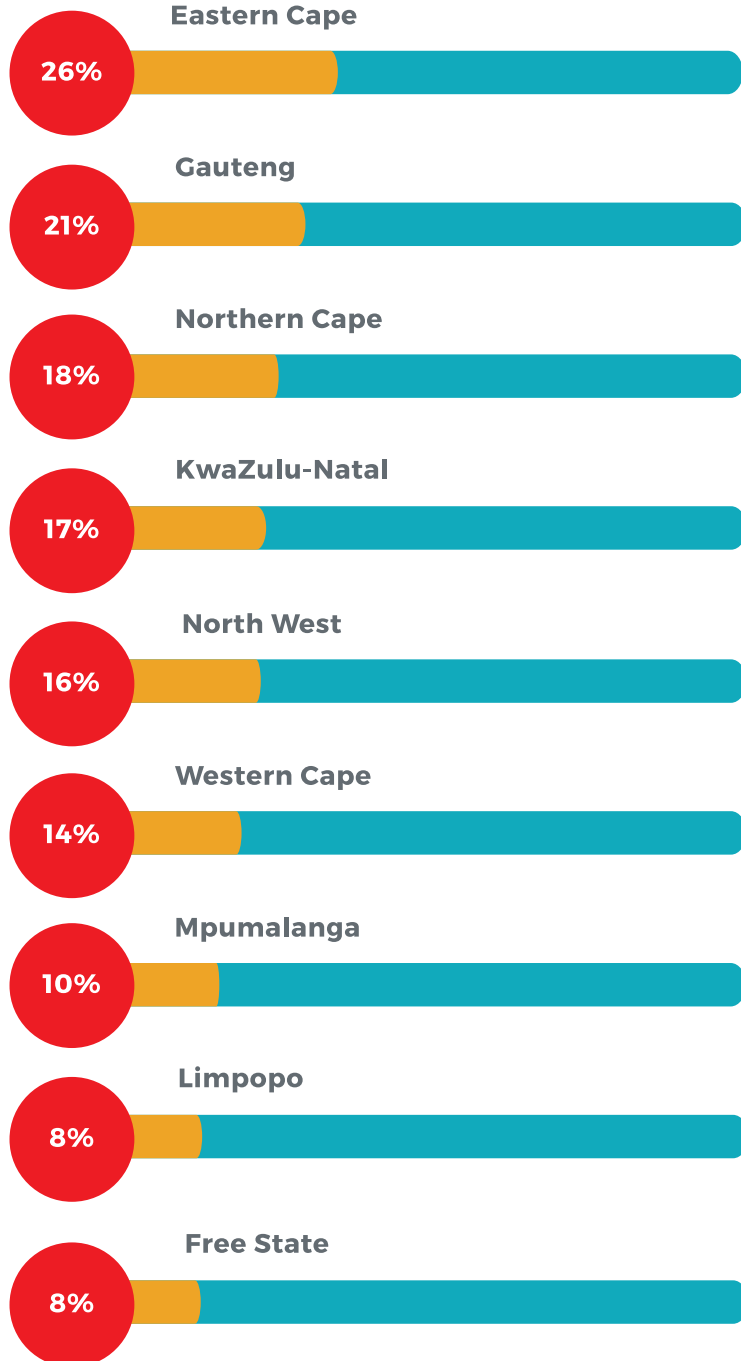




MISAPPROPRIATION OF FUNDS IN PROVINCES



PERCENTAGE OF TOTAL REPORTS FROM EACH PROVINCE



CONCLUSION

The hundreds of corruption cases received by Corruption Watch and discussed in this report illustrate the significant problem plaguing the health sector in South Africa. It should be of great concern to all that in a country where the right to access healthcare is enshrined in the Constitution and where economic disparities are incredibly vast, approximately 13% of the country's annual budget is siphoned, pillaged and misused.³

As long as corruption is unchecked, laws and regulations of the state are undermined and the lives of those who are highly dependent on the public purse are in ruin. This is when we all should look within ourselves and ask whether this avaricious behaviour is sustainable and whether or not we, as a nation, can withstand the long-lasting effects of this wrongdoing. Ultimately, if the cost of corruption is not merely a stolen rand here and there, but a precious life, how much farther do we have to drift from our moral compass before we act?

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³ <https://www.unicef.org/esa/sites/unicef.org/esa/files/2019-03/UNICEF-South-Africa-2018-Health-Budget-Brief.pdf>

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