



CORRUPTION IN CAMBODIA'S HEALTH SECTOR^{(1)*}

Cambodia's health record is amongst the worst in Asia. The maternal mortality rate is the highest in the region, with 437 deaths per 100,000 live births. Skilled personnel attend less than a third of all births.⁽²⁾ Almost one in every ten babies does not live to his/her first birthday and more than 60,000 babies die every year of malnutrition or diseases that can be prevented or cured.⁽³⁾ Malaria remains a serious problem, and known cases of tuberculosis have increased from approximately 61,000 in 1999 to 108,000 in 2004.⁽⁴⁾

Such a poor state of health exists despite money pouring into Cambodia's health sector over the past decade to reconstruct a health system that was systematically decimated under the Khmer Rouge regime (1975-78) and under funded in subsequent years. Overseas development aid (ODA) funded a lot of the reconstruction and continues to be an important source of finance for the government. In 2002 the US \$490 million ODA Cambodia received accounted for just over 12 per cent of the GDP, some 20 per cent of which was spent on health.

However, government and ODA spending on health are dwarfed by the sums spent privately. Of the 177 countries assessed in the *Human Development Report*, Cambodia has the highest private health expenditure as a percentage of the GDP. Out-of-pocket spending on health care in Cambodia's private clinics or as informal payments for public health services accounts for 10 per cent of the country's GDP.⁽⁵⁾

Corruption is one reason why public investment in health, coupled with high rates of private spending, has not translated into good health outcomes. Anecdotal evidence suggests that corruption takes place at every level of the health system in Cambodia, but there has typically been a reluctance to speak about it. Researchers, health workers and administrators interviewed in July 2005 said it was widely assumed that between 5 and 10 per cent of the health budget disappears before it is paid out by the Ministry of Finance to the Ministry of Health.⁽⁶⁾ More money is then siphoned off as funds are channeled down from the national government to the provincial governors and to the directors of operational districts, and then to directors or managers of local hospitals and clinics.

Reports commissioned by the World Bank and USAID indicate that corruption is common in public procurement and contracting processes, public fund management activities at central and district government levels and in health service delivery schemes. It is common for companies to pay bribes for public contracts.⁽⁷⁾ Several experts interviewed alleged that health ministry officials and hospital administrators inflate the cost of medical equipment in collusion with private suppliers and share the non-reported difference, which can be as much as five times the true cost.

Another source of concern is that public health services are underutilised due to their poor quality and inaccessibility. With the increase in land prices in Phnom Penh and Siem Reap, this problem threatens to escalate under the government's reported plans to remove hospitals from city centres to outskirts where land is cheaper, but where the hospitals will be less accessible. In Siem Reap, for example, a hospital is in danger of being destroyed to free up prime real estate close to a popular tourist attraction. The government claims that the land is



valued at US \$4 million. Health programme managers from the private and public health system claim the land is worth many times more than the cost of rebuilding the hospital.

The potential for profit-making through schemes such as this can be the very motivation for entering the health sector. In Cambodia it is considered common practice to pay large sums of money to secure positions as public officials in government: the higher the position, the higher the price.⁽⁸⁾ Health workers interviewed reported a going rate of up to US \$100,000 for a post as director at the provincial or national offices of the health ministry. A job as a low-level public servant in the health sector may go for US \$3,000. These sums represent a large investment considering that government employee salaries are generally very low: on average US \$40 per month.

Corruption also takes place at the point of health service delivery, where underpaid health workers request informal payments above the normal cost service, or siphon off public funds from available cash budgets. Informal payments to doctors or nurses in order to receive better and more expedient treatment are common, and the low salary paid to health workers is an important area to reform. In 2001, Médecins Sans Frontières worked with the Ministry of Health and UNICEF on a project in Sotnikum district, Siem Reap province, that topped up salaries for health workers based on performance and commitment to ethical practice. It also tried to initiate an Equity Fund to assist the poor in paying for medical costs and services. These two strategies have been successful and continue in many donor-funded health care projects in Cambodia, though coverage is patchy.

Other important reforms include increasing transparency in procurement, improving links between health policies and budgets, and conducting research to help understand the mechanisms of corruption in the sector. A planned public expenditure tracking survey, initiated by the World Bank for the health sector to identify bottlenecks and leaks in public finances at national and local levels, is an important step towards plugging the information gap surrounding Cambodia's health sector.

Urgent attention also needs to be paid to law enforcement. An extremely weak judiciary, coupled with inadequate laws that are very slowly being reformed, mean that impunity is the norm for cases of corruption. There are 100 prosecutors, 250 private attorneys and 100 judges operating in the country - most of the latter self-selected, having bought their positions.⁽⁹⁾ Some progress has been made in training judges and a number of NGOs are developing basic legal services for the weak and poor, but to all intents and purposes there is no redress for those who have suffered from the effects of corruption at the hand of health authorities or staff.

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Notes: (please see on page 12)