

**BOSTON UNIVERSITY SCHOOL OF PUBLIC HEALTH**  
**IH 757**  
**Preventing Corruption in Health Programs**

**Spring Course Syllabus**

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Office hrs: Mon. 5-6 pm

Meeting Time: Thursdays, 6:00 pm – 8:45 pm, (7 weeks)

Credits: 2

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**Overview:**

Corruption and lack of accountability in government are concerns in all countries, but they are especially critical problems in developing and transition countries where public resources are already scarce and corruption can cripple growth and development. In international health work, most public health practitioners will encounter corruption at some point and will need to make ethical and management decisions about how to work within corrupt systems and how to prevent corruption from occurring. This course is designed to introduce students to the problem of corruption and provide them with skills for assessing vulnerabilities to corruption in the health sector. The course also builds confidence, knowledge and skills needed to become an effective advocate for anti-corruption strategies and health system reforms that promote accountability and transparency.

**Text Books and Course Reader**

Klitgaard, Robert, Ronald Maclean-Abaroa, H. Lindsey Parris. *Corrupt Cities: A Practical Guide to Cure and Prevention*. Washington, DC: World Bank Institute. 2000.

Achebe, Chinua. *No Longer at Ease*. New York: Anchor Books, Doubleday (originally published 1960. This is the 1994 edition).

Di Tella and Savedoff. *Diagnosis Corruption: Fraud in Latin America's Public Hospitals*. 2001.

The Course Reader is available for purchase. Contact Student Services for more information. The reader contains articles and other assigned readings from various sources.

**Objectives:**

At the end of this course, students will be able to:

1. Define corruption and the types of corrupt activities that occur in the health sector.
2. Explain why corruption occurs.
3. Assess vulnerability to corruption in health programs
4. Discuss cultural differences in defining morality and corruption, including distinguishing corruption from activities like trading favors, giving gifts, and using contacts.
5. Describe the costs of corruption and why corruption's effects are more damaging to poorer countries.
6. Describe the core elements of corruption prevention programs.
7. Examine how corruption can be reduced in drug supply, financial systems, informal payments for health services, and other specific areas of health systems governance.
8. Evaluate the benefits and drawbacks of whistle-blowing as an anti-corruption strategy.
9. Become an effective advocate for anti-corruption strategies and reforms to promote accountability and transparency in international health.

### **Book Discussion**

During the fourth class ("Culture and Corruption"), we will discuss the novel *No Longer at Ease*, by the Nigerian author Chinua Achebe, a required reading for the course. This book explores how an African civil servant must deal with corruption in life and work.

### **Course Web Site:**

Registered students have permission to access the courseinfo web site for this course. The site has optional readings and other materials that may be of help when completing the writing assignments. There are also many links to other related web sites.

### **Library Reserve:**

The following books are on reserve in the Alumni Medical Library for your use in preparing assignments or for further reading on a topic.

- Klitgaard, MacLean-Abaroa, and Parris. *Corrupt Cities: A Practical Guide to Cure and Prevention*. 2000.
- Di Tella and Savedoff. *Diagnosis Corruption: Fraud in Latin America's Public Hospitals*. 2001.
- Achebe, Chinua. *No Longer at Ease*. New York: Anchor Books. 1960.
- Rose-Ackerman. *Corruption and Government: Causes, Consequences, and Reform*. 1999. Scholarly book focusing on corruption as an economic problem, with chapters on civil service reform, culture, political problems, and systematic reforms.
- Miller, Grodeland, and Koshechkina. *A Culture of Corruption: Coping with Government in Post-communist Europe*. 2001. Drawing on empirical research from Czech Republic, Slovakia, Bulgaria and Ukraine, this book looks at corruption from the perspective of citizens dealing with street-level bureaucrats.
- Elliott, ed. *Corruption and the Global Economy*. 1997. Evidence of the effects of corruption on growth & expenditure, and options for reform through international cooperation, civil society, business leadership and more.

### **Grading/Student Assessment:**

Student assessment will be based on a homework assignments and class attendance and participation. The relative importance of the assessment methods is presented below.

- 90% Homework assignments
- 10% Class preparation, attendance & participation

### **Format for Homework Assignments**

- Essays should be typed, 12-font, double-spaced, 1 inch margins on all sides.
- Put ID number on paper, not your name. I will grade "blindly," then I will match ID number to name in order to return assignments.
- References should be formatted using one of the writing standards suggested by the IH department (see Courseinfo Web Site for IH797 A1 Writing Module I)
- Spell-check the document and review for correct grammar.
- Page length is specified in reader on date when homework is assigned

## **Plagiarism Policy:**

Plagiarism is a serious violation of school policy. Whether you *meant* to commit plagiarism or not doesn't matter: if plagiarism is detected it will be punished, so beware. Plagiarism is:

- ❑ Failing to cite quotations and borrowed ideas;
- ❑ Failing to enclose borrowed language in quotation marks;
- ❑ Failing to put summaries and paraphrases in your own words.

Plagiarism is described further in the Writing Module taught by Rob Frederickson and available from the Courseinfo web site (<http://courseinfo.bu.edu/>). Follow the links for Spring 2005, School of Public Health, IH797, Course Documents, About Plagiarism.

See also Lucy Honig's Writing Guide found on the BUSPH Current Students web page. The address is [http://www.bu.edu/dbin/sph/current\\_students/index.php](http://www.bu.edu/dbin/sph/current_students/index.php) Click on "Writing Resources".

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**Session 1: Course Overview, Corruption in the Health Sector**

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***Objectives:***

1. Define corruption and describe types of corrupt activities in the health sector;
2. Explain two models for how corruption is caused.

***Readings:***

Klitgaard R., Maclean-Abaroa R., Lindsey Parris H. 2000. Chapters 1-3 (pages 1-46) in *Corrupt Cities: A Practical Guide to Cure and Prevention*. Washington, DC: World Bank Institute.

Transparency International, Inc. (ed). 2006. Chapters 1 and 2, “The causes of corruption in the health sector: a focus on health care systems,” and “The scale of the problem.” In *Global Corruption Report 2006*. London: Pluto Press. (46 pages)

Transparency International Corruption Perceptions Index 2004. Berlin: Transparency International. Go to the TI web site to download (<http://www.transparency.org/>)

Vian T., "The Sectoral Dimensions of Corruption: Health Care," Chapter 4 in Spector B.I., ed., *Fighting Corruption in Developing Countries: Strategies and Analysis*. Bloomfield, CT: Kumarian Press, 2005

***Optional:***

Johnston, Michael, “Public Officials, Private Interests, and Sustainable Democracy: When Politics and Corruption Meet,” Chapter 3 (pages 61-80) in *Corruption in the Global Economy* edited by Kimberly Ann Elliott. Washington, DC: Institute for International Economics, 1997.

Irwin A, Millen J, and Fallows D. 2003. Chapter 3: Corruption, in *Global AIDS: Myths and Facts, Tools for Fighting the AIDS Pandemic*. Cambridge, MA: South End Press.

**Assignment #1 (due at start of session 2):**

For the statement below, agree or disagree and defend your answer with evidence and examples from course readings as well as ideas you may have gained through class discussions. (2 pages)

“The costs of corruption are much higher for developing and transitional economy countries than for industrialized countries.”

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## Session 2: Costs of Corruption, Assessing Vulnerabilities

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### Objectives:

1. Describe the costs of corruption in the public health sector, and discuss why corruption's effects are more damaging to developing countries;
2. Use alternative methods to assess vulnerability to corruption;
3. Describe core elements of corruption prevention programs.

### Readings:

DiTella, Raphael and William Savedoff. "Shining Light in Dark Corners." Chapter 1 in *Diagnosis Corruption: Fraud in Latin America's Public Hospitals*. Washington, DC: Inter-American Development Bank. 2001, pages 1-26. Also, section on "Theoretical Determinants of Corruption," from Chapter 3, pages 64-67. This has a nice explanation of the "principal-agent" relationship and how institutional design can affect incentives within this relationship.

Gupta, Sanjeev, Hamid R. Davoodi, and Erwin Tiongson. "Corruption and the Provision of Health Care and Education Services." Chapter 10 (pages 245-256, and 271-272) in *Governance, Corruption and Economic Performance*, edited by George T. Abed and Sanjeev Gupta. Washington, DC: International Monetary Fund. 2002.

Vian T. 2006. "Corruption and the consequences for public health," in Heggenhougen H.K. (ed.), *Encyclopedia of Public Health*. Elsevier Press, pending publication.

### Optional:

Anderson J, Kaufmann D, and Reanatini F. 2003. Service delivery, poverty and corruption--common threads from diagnostic surveys. Background paper prepared for the 2004 World Development Report (Making Services Work for Poor People). Washington, DC: World Bank. Available on Courseinfo Web site, Course Documents. Or via web: <http://econ.worldbank.org/wdr/wdr2004/library/>

Bardhan, Pranab. 1997. Corruption and development: a review of issues. *Journal of Economic Literature*. 35;1320-1346. This is a frequently cited article introducing many concepts that are important to analyzing corruption and developing strategies to curb it. It is heavy on the economics-side, but a non-economist can still glean some principles.

### **Assignment #2 (due at start of session 3):**

Find an article in a newspaper about corruption. The article should be a **news report**, not an opinion piece. Analyze the problem and write a problem statement (2 pages) describing:

- 1) what type of corruption is it?
- 2) What is the scope and seriousness?

3) Who are the beneficiaries and losers?

Hand in both the original article, and your problem analysis.

**Assignment #3 (due at start of session 7, but you are welcome to turn in earlier):  
Interview with health manager**

The purpose of this assignment is to give you experience collecting information through an interview, and assessing vulnerabilities to corruption in a health organization. The purpose of the interview is to learn more about a health organization's vulnerabilities to corruption, as perceived by a manager.

You will first need to identify a health manager to interview. I recommend that you try to interview a health care manager because someone working at this level is more likely to have had experience dealing with policy, supervision, or systems concerns in an organization. The person need not have any prior knowledge or experience dealing with problems of corruption. A pharmacist or pharmacy manager, financial manager, procurement official, or human resource manager might be good interviewees, for example. Programmatic managers might also have

You will need to prepare an interview "script" or guide, contact the manager to request and arrange the interview, and write up your notes and reflections.

Your interview should at least describe and analyze the perceived vulnerabilities to corruption. The interview notes may also record other issues that were discussed, such as relevant organizational characteristics or history, initiatives to address the vulnerabilities, perceived attitudes toward corruption and corruption prevention, barriers to achieving greater transparency and accountability, etc. You may want to experiment with using one of the frameworks for analysis presented in the course.

I will not specify the length or format for the assignment, other than that it should be easy to read. Students may work in teams of two on this assignment, if preferred.

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### **Session 3: Fraud Detection and Pharmaceuticals Corruption**

Guest speaker: Susan Winkler, Assistant U.S. Attorney,  
Deputy Chief, Health Care Fraud Unit

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#### *Objectives:*

1. Critique the role of anticorruption laws and fraud detection units in curbing corruption;
2. Explain how physician-industry interactions can create vulnerabilities to corruption, and what types of strategies may help to increase accountability and integrity of medical decision making.
3. Apply indicators to measure transparency in pharmaceutical management systems

#### Readings:

Dembner, Alice. "Prosecutors here lead in health fraud cases." *The Boston Globe*. May 13, 2003.

Kassirer J.P. 2006. "The corrupting influence of money in medicine," in Transparency International, Inc. *Global Corruption Report 2006*. p. 85-90.

Bale H. 2006. "Promoting trust and transparency in pharmaceutical companies: an industry perspective," in Transparency International, Inc. *Global Corruption Report 2006*. p. 91-93.

Wazana A. 2000. Physicians and the pharmaceutical industry: is a gift ever just a gift? *JAMA*. 283(3):373-380.

Moynihan R. 2003 Who pays for the pizza? Redefining the relationships between doctors and drug companies. 1:Entanglement. *BMJ*. 326:1189-1192, and Moynihan R. 2003 Who pays for the pizza? Redefining the relationships between doctors and drug companies. 2:Disentanglement. *BMJ*. 326:1193-1196.

Ferrinho, P., Omar, M. C., Fernandes, M. D., Blaise, P., Bugalho, A. M., Lerberghe, W. V. 2004. Pilfering for survival: how health workers use access to drugs as a coping strategy. *Hum Resour Health*. 2(4);4-8.

WHO. 2006. Draft Assessment Instrument for measuring transparency to improve good governance in the public pharmaceutical sector. Geneva: Departments of Medicines, Policy and Standards (PSM) and Ethics, Trade, Human Rights, and Health Law (ETH), WHO.

**Assignment #4 (due at the start of session 4):**

Agree or disagree with the statement below, and defend your answer with evidence and examples from course readings as well as ideas you may have gained through class discussions. (2 pages)

“Corruption is more accepted in non-Western countries where gift exchange is often a common social norm for business transactions, and kinship-based loyalties are more important than public duties for government officials.”

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## Session 4: Culture and Corruption

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### Objectives:

1. Give examples of cultural differences in defining morality and corruption;
3. Explore factors that influence attitudes and behaviors toward corruption;
3. Analyze how culture and history may affect the progress of reforms to reduce corruption and increase accountability of officials toward citizens.

### Readings:

Achebe, Chinua. *No Longer at Ease*.

Werner, Cynthia. Gifts, bribes and development in post-Soviet Kazakstan. *Human Organization*. 59(1): Spring 2000; 11-22.

Packer, George. Chapter 6, "Footprints," in *The Village of Waiting*. New York: Farrar, Straus and Giroux. 1984.

"Should public sector corruption be condemned?", "Does street-level corruption matter?" and "Do history and culture exclude the possibility of reform?" pages 8-22 in *A Culture of Corruption?: Coping with Government in Post-communist Europe*, by W. L. Miller, A.B. Grodeland, and T.Y. Koshechkina. Budapest and New York: Central European University Press. 2001.

Gaal P. and McKee M. 2005. Fee-for-service or Donation? Hungarian perspectives on informal payment for health care. *Social Science & Medicine*. 60: 1445-1457.

Dugger, CW. "Deserted by doctors, India's poor turn to quacks." *New York Times*, March 25, 2004.

### Optional:

#### **Assignment #5 (due at start of session 5):**

Recall a situation involving health that you thought was corrupt. Why did you consider it corrupt? Select one strategy that would be appropriate to reduce the corruption you described, and explain why it is appropriate. (2 pages)

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## Session 5: Prevention Models and Strategies

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### *Objectives:*

1. Give examples of strategies for controlling and preventing corruption.
2. Through a case study, evaluate the benefits and drawbacks of whistle-blowing as an anti-corruption strategy.

### Readings:

Klitgaard, Robert, Ronald Maclean-Abaroa, H. Lindsey Parris. Chapters 4-6 (pages 49-102) in *Corrupt Cities: A Practical Guide to Cure and Prevention*. Washington, DC: World Bank Institute. 2000.

Vian, Taryn. "Corruption in the Health Sector in Albania. Consultant Report." Tirana, Albania: Management Systems International, USAID Civil Society Corruption Reduction Project. March 2003. (18 pages)

Gray-Molina, George, Ernesto Perez de Rada and Ernesto Yáñez. "Does Voice Matter? Participation and Controlling Corruption in Bolivian Hospitals." Pages 27-56 in *Diagnosis Corruption* (2001).

"Case Scenario: Blowing the Whistle" Boston: Boston University School of Public Health, Dept. of International Health. February 2003. (1 page)

World Bank PovertyNet. Empowerment Tools and Practices, No. 6 (Participatory Budgeting), No. 7 (Information Disclosures), No. 16 (Citizen Report Cards), No. 17 (World Bank Corruption Surveys), and No. 18 (Public Expenditure Tracking Surveys). Washington, DC: World Bank, Poverty Reduction and Economic Management Network. [www.worldbank.org/poverty/empowerment/toolsprac/index.htm](http://www.worldbank.org/poverty/empowerment/toolsprac/index.htm) (accessed May 2003).

### Optional:

Summary, Recommendations, and Abstracts from the Workshop on Sectoral Initiatives (Health). 9<sup>th</sup> International Anti-Corruption Workshop, 10-15 October 1999. TI. Durban, South Africa. [www.transparency.org/iacc/9th\\_iacc/papers4.html#4ws7](http://www.transparency.org/iacc/9th_iacc/papers4.html#4ws7) (Accessed May 2003).

### **Assignment #6 (due at start of session 6):**

Agree or disagree with the statement below, and defend your answer with evidence and examples from course readings as well as ideas you may have gained through class discussions. (1-2 pages)

"The practice of informal, 'under-the-table' payments is not really corruption."

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## Session 6: Informal Payments

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### Objectives:

1. Debate whether informal payments should be considered corruption;
2. Present options for addressing problems of informal payments in the health sector.

### Readings:

Ensor T. 2004. "Informal payments for health care in transition economies." *Social Science & Medicine*. 48:237-246.

Balabanova D, McKee M. 2002. "Understanding informal payments for health care: the example of Bulgaria." *Health Policy*. 62; 243-273.

Barber S, Bonnet F, Bekedam H. 2004. "Formalizing informal payments to control hospital out-of-pocket expenditures in Cambodia." *Health Policy and Planning*. 19(4); 199-208.

Soeters R., Griffiths F. Improving government health services through contract management: a case from Cambodia. *Health Policy and Planning*. 2003;19:22-32. This comprehensive health reform initiative in one province led to reduction in corruption.

### Optional:

Van Lerberghe W., Conceicao C., Van Damme W., and Ferrinho P. 2002. "When staff is underpaid: dealing with the individual coping strategies of health personnel" *Bulletin of the World Health Organization*, 80 (7), p 581-584.

### **Assignment #7 (due at start of session 7):**

Analyze the case study "Coast Hospital" (assigned for next class). Answer the three questions at the end of the case. (2 pages)

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**Session 7      Corruption in Financial Systems**  
**Course Wrap-up**

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*Objectives:*

1. Describe specific actions to prevent corruption in financial management systems.
2. Summarize what you learned in the course.

Readings:

Wolff, James A., Linda Suttentfield and Susanna Binzen. 1991. "Chapter 9: Managing Your Finances." *The Family Planning Manager's Handbook*. Boston: Management Sciences for Health (MSH). Pages 279-319 (includes many examples of forms & ledgers)

Murphy, Sean P. "House secretive on budget process." *Boston Globe*, Tuesday, December 4, 2001.

Eichler, Rena, Auxila, Paul and Pollack, John. August 2001. "Output Based Health Care: Paying for Performance in Haiti." Private Sector and Infrastructure Network, Note Number 236. Washington, DC: The World Bank Group.

"Coast Provincial General Hospital: A Case Study"

Optional:

Lisa Fingeret Roth, Betty Liu and Adrian Michaels, "A diagnosis of fraud at HealthSouth." *The Financial Times (London)*. April 15, 2003. Pages 1-3.

Klitgaard, Robert, Ronald Maclean-Abaroa, H. Lindsey Parris. Appendix on Corruption in Procurement in *Corrupt Cities: A Practical Guide to Cure and Prevention*. Washington, DC: World Bank Institute. 2000. Pages 117-150.