CORRUPTION IS BAD FOR YOUR HEALTH

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No one wants to be in bad health and modern medicine now offers many treatments that can alleviate pain or restore people to good health. Moreover, in prosperous OECD countries there is the assurance that if you do get ill you will be treated by a state-funded health service or through a private health insurance programme. But health care costs money, and in many developing countries the most that the state can finance are rudiments of public health facilities, such as clean water and sewage, Individuals needing health care must turn to traditional remedies or borrow money to pay for private health care. Where corruption is rife, people have the worst of both worlds, for people have to pay twice for treatment, once through taxes and once in a brown envelope, or else stand in a queue indefinitely or not even seek medical treatment.

Communist governments of Central and Eastern Europe formally promised health care to everyone in need. However, they did not budget sufficient money to meet the demand for good health care. The result was favouritism and corruption in the allocation of medical and hospital treatment. Those who were in the party's *nomenklatura* had access to good medical treatment; those who could pull strings through informal networks (*blat)* also benefited; and people who could offer payments on the side were more likely to get good treatment than those who could not. The corruption that was an integral part of the "shadow" economies of Communist countries has left a legacy of corruption throughout the region.

The imposition of a "corruption tax" for treatment that ought to be free is likely to have negative consequences for the health of citizens. At worst, it may lead to the denial of treatment or even people not seeking treatment because they do not have the money to make payments under the table. However, many people are healthy without medical treatment, such as young people and people who have a healthy life style, for example, people who spend nothing on tobacco do not need expensive treatment for the consequences of smoking. By contrast, elderly women and men often have poorer health regardless of the integrity of their national health system.

The seventh New Europe Barometer of the Centre for the Study of Public Policy has evidence to test the extent to which corruption is bad for a society's

health. Between 1 October, 2004 and 23 January, 2005 it organized nationwide random sample surveys of the adult population in eight new member states of the European Union (the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia); two applicant countries (Bulgaria and Romania); plus Belarus and Russia. In total, national research institutes interviewed 13,499 people face to face, asking questions about their perception of corruption as well as about their health care and such influences on health as age, education and social class.

When people assess their physical health, not surprisingly the largest group, 39 percent, are those who say it is average. In addition, 34 percent say their health is good and 10 percent describe it as excellent. By contrast, only 14 percent say their health is bad, and 3 percent report is it very bad.[1] Moreover, in Romania, Slovenia and Slovakia, more than half say their health is good or excellent. Even in Belarus, where one-quarter report their health is bad, the largest bloc have average health.

Table 1. CORRUPTION PERCEIVED AS WIDESPREAD

Q. How widespread do you think that bribe-taking and corruption are in this country? Very few public officials are corrupt; Less than half are corrupt; Most public officials are engaged in corruption; almost all public officials are engaged in corruption.

	Almost all	Majority	Less than half	Very few
		(percent replying)		
Romania	51	34	14	1
Bulgaria	43	45	10	2
Russia	43	46	8	3
All NEB countries	33	43	19	5
Lithuania	32	50	15	3
Slovakia	30	50	18	2
Hungary	27	36	35	1
Belarus	26	44	21	8
Latvia	24	49	22	6
Poland	22	52	24	2
Czech R.	21	49	26	5
Slovenia	17	36	33	14
Estonia	12	39	36	13

Source: Centre for the Study of Public Policy, New Europe Barometer VII. Total number of respondents: 13,499. Fieldwork between 1 October 2004-23 January 2005.

However, there is a widespread perception that the body politic is infected with corruption. When asked how many officials are corrupt, 29 percent say that practically all officials are corrupt and an additional 44 percent see a majority of officials as corrupt (Table 1). However, there are big

[1]. All percentages are based on pooling the 12 NEB national surveys and weighting each equally, so that each contributes one-twelfth of the total answers reported.

differences between countries. In Romania a majority of adults perceive practically all officials as corrupt, and in Russia 43 percent do so. On the other hand, almost half of Estonians and Slovenes think corruption infects less than half their public officials.

Almost three-quarters have a negative view of their country's health services (Table 2). Altogether, 24 percent describe the health system as very bad, and almost half characterize it as not so good, as against 26 percent considering it fairly good only one percent saying it as very good. The evaluation of health care varies greatly within the region. In the Czech Republic an absolute majority give a positive endorsement and the same is true in Belarus. By contrast, in Russia and Bulgaria, less than one in twelve is positive. Bulgarians and Russians differ only as to whether their health service is not so good or very bad.

Table 2 HEALTH SERVICE SEEN AS NOT VERY GOOD

Q. *How would you evaluate the current system for health care in this country?*

	Very good	Fairly good	Not so good	Very bad
Czech R.	3	51	39	7
Slovenia	4	42	42	11
Belarus	2	49	38	11
Romania	2	14	66	18
Hungary	1	38	46	15
All NEB countries	1	26	49	24
Estonia	1	24	49	26
Lithuania	1	22	56	21
Slovakia	1	21	52	26
Latvia	1	20	47	32
Poland	1	16	48	35
Bulgaria	1	7	55	38
Russia	1	7	53	40

Source: Centre for the Study of Public Policy, New Europe Barometer VII. Total number of respondents: 13,499. Fieldwork between 1 October 2004-23 January 2005.

Where corruption appears widespread, people also see major deficiencies in health care (Figure 1). Five out of six people who see nearly all officials as corrupt think the health system in their country is either very bad or not so good, and almost four-fifths who think a majority of officials are corrupt see the health service in negative terms. Among those who think that less than half the public officials are corrupt, three in five still have a negative view of the health service. Even among the small percentage of citizens in the region who see very few officials as corrupt, just under half have a positive view of their health system.

Figure 1. AS CORRUPTION RISES, HEALTH SERVICE GETS WORSE

(percentage rating health service very good or fairly good)
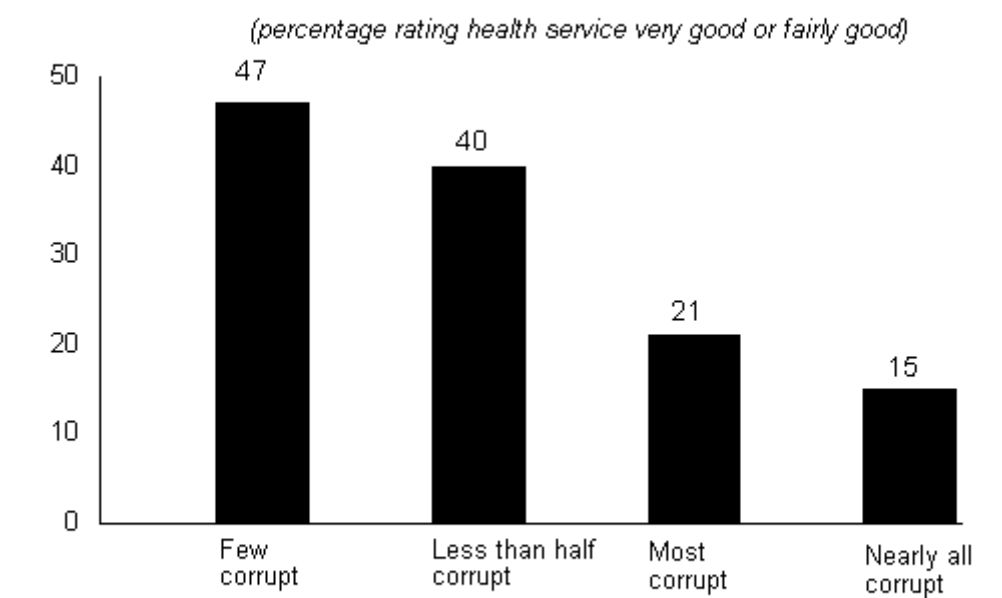
Source: Answers to questions in Tables 1 and 2; gamma correlation: -0.36. Centre for the
Study of Public Policy, New Europe Barometer VII. Total number of respondents: 13,499.
Fieldwork between 1 October 2004-23 January 2005.

People with below-average health are most likely to be dissatisfied with
their country's health system: 78 percent describe it as not so good or very bad.
But being in bad health is not the chief cause of the health service being viewed
so negatively. More than three-quarters of those who rate their health as
average also think that health care is not very good or very bad and even among
those who are in good or excellent health, two-thirds view the health care
available in negative terms.

An individual's health not only reflects the state of the country but also
characteristics specific to that person, such as age and education. The extent to
which bad government has a negative effect on individual health in addition to
individual characteristics can be determined by multiple regression analysis. It
identifies conditions that have a statistically significant influence on health, net
of the effects of other influences. Thus, insofar as perceptions of corruption and
a bad health service are just a function of old age and low education, a multiple
regression analysis will show that they are statistically insignificant.

Both individual characteristics and perceptions of public services
significantly and independently influence the health of individuals in Central and
Eastern Europe and the former Soviet Union. Together, they can account for
26.8 percent of the variance in self-assessed health (Table 3). As expected age
is by far the single most important influence and being 60 or over has an even
more depressing effect on health than being under age 30 makes one fitter.
Three other socio-economic characteristics also give a significant boost to
individual health. The higher a person's social status and education, then the
better their health, whatever their age. Likewise, the more durable consumer

goods in the house, a proxy for income in countries where subsidies and shadow economy earnings complicate the evaluation of conventional wages, the better a person's health. The statistic showing that men are more likely to be healthy than women is a byproduct of the higher rate of male mortality at younger ages, which results in those men who do survive into old age on average being healthier.

Table 3 CORRUPTION SIGNIFICANT BUT NOT SOLE DETERMINANT OF HEALTH

Multiple
Regression statistics
(Effect on individual health: minus sign means health worse)

	b	Beta
Age (60+)	-42	-24
Young (18-29)	31	17
Social status	07	11
Education	07	10
Number of consumer goods	09	11
Gender: male	11	08
Assessment of health service	11	10
Individual view of corruption	05	-05
Transparency Int'l rating	n.s.	n.s.

Variance explained: 26.8%

Influences significant at < .000 except for TI rating of country

Source: Centre for the Study of Public Policy, New Europe Barometer VII. Total number of respondents: 13,499. Fieldwork between 1 October 2004-23 January 2005.

The perception of corruption has both a direct and an indirect influence on health. After controlling for social characteristics, people who perceive government as more corrupt are more likely to be in worse health. Indirectly, corruption also has an affect, because it correlates with a negative assessment of the health service and a bad health service is also bad for individual health. The failure of the Transparency International Perception of Corruption Index (PCI) to register statistical significance is due to the fact that the PCI rates the country as a whole; thus, the regression analysis assigns the same PCI score to each individual respondent in a country. However, there is never 100 percent agreement within a country about the degree to which officials are corrupt. The New Europe Barometer can take differences in degree into account, because it collects data from individuals. For individual health, at least, the individual perception of corruption is much more significant than the overall national rating.

Notwithstanding the widespread perception of inadequate and even corrupt public services, the welfare values of Central and East Europeans continue to support paying taxes for better social services. However, the more corrupt a system actually is, the less benefit that individuals will gain from paying higher taxes and having to make side payments as well. In order to improve the health of the peoples of the region, national governments not only

have to spend more money on health care but also spend that money honestly.

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