Corruption and Effective Health Insurance Scheme in Bayelsa State-Nigeria

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Abstract

The study examined the impact of corruption on effective health insurance scheme in Bayelsa state, Nigeria. The study adopted stratified sampling technique to capture all the eight (8) Local Government Areas in Bayelsa State. The data were obtained through the use of structured questionnaire and data were analyzed by the use of percentages and chi-square cross tabulation technique. The results showed that 90% respondents (practitioners) said that healthcare facility is registered under a health insurance scheme and 10% are not. Also, 30% respondents (practitioners) agreed that beneficiaries pay for basic treatment like malaria in the facility they are registered with while 70% do not. However, the chi-square critical value 0.4233 was statistically significant at 1% level indicating that there is no significant difference between the expected and actual responses. Thus, the hypothesis that corruption has no significant impact on effective health insurance scheme in Bayelsa State is accepted with the conclusion that corruption has no significant impact on health insurance scheme based on the perception of medical practitioners. Based on the findings, the study recommends that the federal government should sustain its fight against corruption in the health sector of Nigeria as it has some positive outcomes in the health sector of Nigeria in the area of effective health insurance scheme in Bayelsa State. This recommendation is made to ensure that in the future patients are not extorted/exploited to pay for such services that have been taken care by the insurance scheme in Bayelsa State, Nigeria.

Keywords: Bayelsa, Corruption, Healthcare, Practitioners, Non-practitioners.

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Background to the Study

Health Insurance Scheme was established by the Seriake Dickson's administration to bring relief to healthcare seekers and to encourage demand for healthcare services in Bayelsa State. Though, since its establishment, the scheme has been considered effective as it provides relief to Bayelsans who are civil servants. However, this insurance scheme could lose its efficacy in the presence of corrupt practices in the sector. Scholars have argued that corruption hurts economic development because it redirects resources in unproductive direction and instills distortions in the economy.

Four channels through which corruption may have an adverse effect on economic growth has been identified. These are; higher public investments, lower government revenues, lower expenditures on business operations and maintenance, and lower quality of public infrastructures (Anyanwu, 2002; Idomeh, 2006). Thus, the quality of social infrastructures, such as health care facilities is grossly affected by this evil called corruption. Corruption brings a nation no good. The resources meant for water supply, roads, education, health and other basic and social services that are captured and stolen by a handful of Nigerians through corrupt acts stultify economic and social development, hence, creeping poverty all over the place.

In recent times, public analysts have centered their debates on the rising rate of corruption resulting to inappropriate public finance planning and implementation mostly in most developing economies including Nigeria which has drastically reduced the level of economic growth and development in other sectors in Nigeria. It has become a disease that has eaten deep into the cultural, political and economic growth of most countries as well destroying the smooth running of various organs and sectors of the economy. Nigeria's rising level of corruption has contributed to the poor state of our electricity supply, transport sector, health sector, education sector and communications which has become a major problem of economic growth and development. This could pose a challenge towards bringing about a qualitative health system and services in Nigeria. Copious literature on the relationship between corruption and the Nigerian health sector, with particular reference to Bayelsa State is lacking, therefore, created a gap. It is in a bid to provide for this gap that we decided to carry out the study.

The study, therefore, seeks to examine the impact of corruption on the health sector in Bayelsa State with specific objective to ascertain the impact of corruption on effective health insurance scheme in Bayelsa State and Nigeria in general.

Literature Review

Theoretical Framework

Public Choice Theory

Public Choice Theory looks at the level of the individual in relation to corruption. The causal chain is that of an individual making a (bounded) rational decision that leads to a predetermined outcome. Central to the public choice literature is the individual corrupt official who tries to maximize his or her utility. The individual (usually male) is portrayed
as a rationally calculating person who decides to become corrupt when its expected advantages outweigh its expected disadvantages (a combination of possible penalty and the chance of being caught). This group of causal theories is made popular by Rose-Ackerman 1978 as cited in Gjalt (2007), who claims that public officials are corrupt for a simple reason: they perceive that the potential benefits of corruption exceed the potential costs.

**Bad Apple Theories**
This like the public choice theories primarily looks at the level of the individual corrupt agent for the causes of corruption. These studies seek the cause of corruption in the existence of people with faulty (moral) character, the so-called “bad apples”. There is a causal chain from bad character to corrupt acts; the root cause of corruption is found in defective human character and predisposition toward criminal activity. “Wrong” values are therefore the cause of corruption.

**Empirical Literature**
The harmful and detrimental effect of corruption is unimaginable, especially in the health sector. The impact of corruption to all facets of societies is on the front burner of most developing nations, development scholars, commentators, government at all levels and analysts. Much has been said and done on the subject matter by different scholars.

For example, Azuh (2012) conducted a research to find out whether health care challenges facing the country are significantly related to corrupt practices. The study was designed to examine the opinion of respondents at grassroots level on corruption and impact on health services. The study was carried out in Ado-Odo/Ota Local Government Area (LGA) in Ogun State, Nigeria. Respondents were drawn from health personnel in each PHC/health clinic and women attending antenatal clinics within the jurisdiction of the selected 11 wards. These respondents were interviewed using the questionnaire instrument. The SPSS software was used to analyse data. The findings show that cost of service, staff development, non-availability of drugs and consumables and equipment inadequacy among others were positively and significantly related to corruption and diminish the delivery of healthcare services at grassroots. The study made recommendations for better healthcare delivery services and minimizing corruption within the system.

Nagari, Umar & Abdul, (2013) used the Ordinary Least Square (OLS) regression technique to investigate the impact of corruption on economic development in Nigeria. Secondary data were sourced from World Bank reports on Nigeria and corruption reports from transparency international on Nigeria. Hypothesis tested with respect to Corruption Perception Index (CPI) was not accepted implying that the tests were statistically significant, meaning that Corruption Perception Index (CPI), a proxy for corruption in this research negatively affects economic development. On the other hand, the hypothesis tested on the Corruption Rank (CR) of Nigeria among countries Cadre is also statistically significant. The findings show that corruption has a significant negative effect on economic growth and development.
Nwankwo, (2014) investigated the impact of corruption on the growth of Nigerian economy using granger causality and regression techniques. The study used Gross Domestic Product (GDP) as a proxy of corruption in their analysis. The study revealed that the level of corruption in Nigeria over the years has significant negative impact on economic growth in Nigeria. The implication of this study is that economy cannot grow fast without zero tolerance in corruption.

In a study on corruption in the healthcare sector, published in October 2013, by the European Commission; states that;

*The objectives of the study are; to enable a better understanding of the extent, nature and impact of corruption practices in the healthcare sector across the EU; and to assess the capacity of the MSs to prevent and control corruption within the healthcare system and the effectiveness of these measures in practice.*

Benjamin (2012) reviewed evidences on corruption in developing countries in the light of these recent advances, focusing on three questions: how much corruption is there, what are the efficiency consequences of corruption and what determine the level of corruption? They found robust evidence that corruption responds to standard economic incentive theory, but also that effects of anti-corruption policies often attenuate as officials find alternate strategies to pursue it.

Similarly, Roohi and Masood (2012) estimated the petty corruption in the provision of healthcare services in the slum areas of Karachi. The empirical results provide significant evidence that the residences of slum areas of Karachi in all the five districts are forced to pay bribes in order to get the basic healthcare facilities.

The result shows that people with better income and education understands the importance of good health and are thus ready to pay bribes to get the health services. Moreover, in the public health care units all staff including doctors, nurses and others are actively involved in corruption activities.

In Nigeria, a study by Adegboyega and Abdulkareem (2012) examines the challenge of corruption in Nigeria public health delivery system. They state that, like other sectors, the health sector in Nigeria is prone to corrupt practices. This is attributed to the fact that health services are in great demand coupled with low public access to health information and expenditure. They further argued that, corruption in the health sector has made various health institutions to be ineffective while scarce resources invested in the sector are wasted. The study, therefore, examines the extent to which corruption in the Nigerian health sector has undermined consumers' access and effectiveness of health care services.

In Nigeria, corruption has hampered social, economic and political development. As a result, productivity is lower, administrative efficiency is reduced and the legitimacy of political and economic order is undermined. Finances meant for aid and investment get into the accounts of corrupt officials and leaders, especially banks, in stable and
developing countries. The reverse flow of capital leads into political and economic instability, poor infrastructure, education, health and other services and a general tendency to create or perpetuate low standards of living (Buscaglia and Ratliff, 2001)

Methodology
The Study Area
This study will be carried out in Bayelsa State. It is one of the 36 states of the federation that was carved out of Rivers State in 1996. The State has boundaries with Rivers State to the West and North-West and Delta State to the East and South-East. The Gulf of Guinea lies to its South. Bayelsa State covers an area of 9,415.8 square kilometers. The State lies at latitude 4° 45' north and longitude 6° 05' east. According to the National Population Commission’s 2006 report, the population of the state is put at 1,704,515, which are made up of 874,083 males and 830,432 females clustered in eight local government areas (Annual Abstract of Statistics, 2012).

Data Collection
The data to be used for this study will be related to healthcare institutions in Bayelsa State. The data will be drawn from both primary and secondary sources. Four hundred questionnaire obtained using Tayo Yamane will be administered in all the eight local government areas of the state to generate the primary data as 50 questions will be administered in each of the LGAs, while the secondary data will be obtained from the Bayelsa State Ministry of Health, the Niger Delta University Teaching Hospital, the Federal Medical Centre, Ministry of Education of Bayelsa State, Private Clinics/Hospitals in Bayelsa State, Healthcare service delivery agencies such as; UNICEF, UNDP, UNSAID, UNAIDS, WHO, Bayelsa State Hospital Management Board and World Bank. The questionnaire would be tailored towards gathering information on the impact of Corruption in the Nigerian Health Sector.

Data Analysis
The study employed simple percentages, charts and tables in our analyses. Chi-square ($\chi^2$) test statistics as statistical tool to analyze the data that were generated. The Chi-squire symbolized by ($\chi^2$) is a non-parametric test that can be used whenever we wish to examine whether or not the frequencies which have been empirically obtained (fo) differ significantly from those which would be expected (fe)

In order to provide answers to these research questions above, we will employ simple percentages, charts and tables in our analyses. We shall also adopt the test of proportion, test of mean and the chi-square ($X^2$) test statistics, as statistical tool to analyze the data that would be generated. This method of data analysis would be employed because of the fact that, they are most appropriate for the type of data and their nature of general acceptability and easy usage.

The Chi-Square symbolized by ($X^2$) is a non-parametric test that can be used whenever we wish to examine whether or not the frequencies which have been empirically obtained (fo) differ significantly from those which would be expected (fe) under a certain set of theoretical assumptions or a priori expectations.
Bayelsa State is made up of eight (8) Local Government Area (LGA's), which comprises; Brass, Ekeremor, Kolokuma/Opokuma, Nembe, Ogbia, Sagbama, Southern-Ijaw and Yenagoa. The study covers the entire eight LGAs. A total number of four hundred (400) questionnaire were distributed across the eight (8) LGAs as fifty (50) copies for each of the LGAs. However, in Ekeremor LGA, forty-nine (49) out of the fifty (50) were retrieved as shown in the Stata output in Table 1 below.

The study captured the eight (8) Local Government Areas in Bayelsa State, where four hundred questionnaire were distributed and 399 retrieved. The demographic information of the respondents is presented both in pie charts and tables.

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<table>
<thead>
<tr>
<th>Local Government Area</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brass</td>
<td>50</td>
<td>12.50</td>
</tr>
<tr>
<td>Ekeremor</td>
<td>50</td>
<td>12.50</td>
</tr>
<tr>
<td>Kolokuma/Opokuma</td>
<td>50</td>
<td>12.50</td>
</tr>
<tr>
<td>Nembe</td>
<td>50</td>
<td>12.50</td>
</tr>
<tr>
<td>Ogbia</td>
<td>50</td>
<td>12.50</td>
</tr>
<tr>
<td>Sagbama</td>
<td>50</td>
<td>12.50</td>
</tr>
<tr>
<td>Southern Ijaw</td>
<td>50</td>
<td>12.50</td>
</tr>
<tr>
<td>Yenagoa</td>
<td>50</td>
<td>12.50</td>
</tr>
</tbody>
</table>

**Medical Practitioners**

| Practitioners                  | 49        | 12.25      |
| Non-Practitioners              | 351       | 87.75      |

**Gender**

| Male                          | 234       | 60.75      |
| Female                        | 157       | 39.25      |

| Total                         | 400       | 100        |

**Source**: Field Survey, 2018

The formula for the chi-square ($X^2$) test statistic is given below;

$$
(X^2) = \sum_{i=1}^{n} \frac{fo - fe}{Fe}
$$

With $(r-1)(c-1)$ degree of freedom and level of significance.

Where;

- $fo =$ is the observed frequency
- $fe =$ is the expected frequency
- $r =$ is the number of rows in the contingency table
- $c =$ is the number of columns in the contingency table

**Results and Discussion**

**Distribution of Respondents**

The study captured the eight (8) Local Government Areas in Bayelsa State, where four hundred questionnaire were distributed and 399 retrieved. The demographic information of the respondents is presented both in pie charts and tables.
The study focused on two categories of respondents which were classified as Health Practitioners and Non-Practitioners. A total of 400 questionnaires that were distributed, 351 which constitute 87.75 per cent were Non-Practitioners, while 49 which constitute 12.25 per cent were Medical Practitioners. Gender composition of those who responded to the questions, 39.10 per cent were female, while 60.90 per cent were male. The table above shows the composition while percentages of respondents from LGAs are also shown below in a pie chart, indicating that we have more male respondents than female respondents.

Fig. 1.

Gender composition of respondents according to LGAs, 41.16 per cent are female, while 58.84 per cent are male. The percentages of respondents are also shown below in a pie chart, indicating that we have more male respondents than female respondents.

Fig. 1.
Table 2: Corruption Awareness of Respondents

<table>
<thead>
<tr>
<th>Local Government Area</th>
<th>Respondents with Awareness of corruption</th>
<th>Percentage(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brass</td>
<td>11</td>
<td>22.45</td>
</tr>
<tr>
<td>Ekeremor</td>
<td>8</td>
<td>16.33</td>
</tr>
<tr>
<td>Kolokuma/Opokuma</td>
<td>3</td>
<td>6.12</td>
</tr>
<tr>
<td>Nembe</td>
<td>6</td>
<td>12.24</td>
</tr>
<tr>
<td>Ogbia</td>
<td>6</td>
<td>12.24</td>
</tr>
<tr>
<td>Sagbama</td>
<td>9</td>
<td>18.37</td>
</tr>
<tr>
<td>Southern-Ijaw</td>
<td>4</td>
<td>8.16</td>
</tr>
<tr>
<td>Yenagoa</td>
<td>3</td>
<td>6.12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>49</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The table 2 above is the analysis of the 399 respondents that were aware of corruption in the Nigerian health Sector.

Impact of Corruption on Health Insurance Scheme

Research Question Four: is your healthcare facility registered under a health insurance scheme? Do beneficiaries pay for basic treatment like malaria in the facility?

The results on the impact of corruption on health insurance scheme based on practitioners are presented in Table 1. It cross tabulates the perception of practitioners if facility have well trained and motivated Staff and supplies are always the recommended consumables.

Practitioners

Table 3: Corruption on health insurance scheme based on Practitioners' perception

<table>
<thead>
<tr>
<th>Healthcare Facility is Registered under a Health Insurance Scheme</th>
<th>Beneficiaries pay for basic Treatment like malaria in the Facility</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
<td>1 (1.4)</td>
<td>1 (0.6)</td>
</tr>
<tr>
<td>Yes</td>
<td>13 (12.6)</td>
<td>5 (5.4)</td>
</tr>
<tr>
<td>Total</td>
<td>14 (70)</td>
<td>6 (30)</td>
</tr>
</tbody>
</table>

Chi-square =0.4233 [0.515]

Note: (i) observed (expected) Values; (ii) Chi-square probability value in braces [ ]

Source: Authors' Computation from Field Survey data, 2018

The results indicate that 90% respondents said healthcare facility is registered under a health insurance scheme and 10% are not. Also 30% said beneficiaries pay for basic treatment like malaria in the facility they are registered with while 70% do not. If corruption has no significant impact on health insurance scheme it was expected that at most 5 respondents said beneficiaries pay for basic treatment like malaria in their facilities, but less persons (1 respondent) said healthcare facility is registered under a
The impact of corruption on the Nigerian health sector was computed using corruption impact on effective health insurance scheme in Bayelsa State. The results shows that 90% respondents said healthcare facility is registered under a health insurance scheme and 10% are not. Also, 30% said beneficiaries pay for basic treatment like malaria in the facility they are registered with while 70% do not. The study concludes that there is no corruption impact on effective health insurance scheme in Bayelsa State. Based on the findings, the study recommends that the federal government should sustain its fight against corruption in the health sector of Nigeria as it has some positive outcomes in the health sector of Nigeria in the area of effective health insurance scheme in Bayelsa State. This recommendation is made to make ensure that in the future patients are not extorted to pay for such services that have been taken care by the insurance scheme in Nigeria.

**Conclusion and Recommendation**

The impact of corruption on the Nigerian health sector was computed using corruption impact on effective health insurance scheme in Bayelsa State. The results shows that 90% respondents said healthcare facility is registered under a health insurance scheme and 10% are not. Also, 30% said beneficiaries pay for basic treatment like malaria in the facility they are registered with while 70% do not. The study concludes that there is no corruption impact on effective health insurance scheme in Bayelsa State. Based on the findings, the study recommends that the federal government should sustain its fight against corruption in the health sector of Nigeria as it has some positive outcomes in the health sector of Nigeria in the area of effective health insurance scheme in Bayelsa State. This recommendation is made to make ensure that in the future patients are not extorted to pay for such services that have been taken care by the insurance scheme in Nigeria.

**References**


