

STATE CAPTURE:

**THE CASE STUDY OF THE CAPTURE OF SARAJEVO CANTON'S HEALTH CARE
SECTOR**

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Executive summary

Since Ms Sebija Izetbegović, the spouse of the Bosniak member of the Presidency of Bosnia and Herzegovina (BiH), was appointed as a Director of the University Clinical Centre Sarajevo, the case of the capture of the health care sector of the Canton of Sarajevo has become more visible to the public. The three main pillars of the health care system of the Canton of Sarajevo, the University Clinical Centre Sarajevo, the Faculty of Medicine of the State University and the Chamber of Doctors of the Canton of Sarajevo, came under the close control of Ms Izetbegović, a prominent member of a political party called the Party of Democratic Action (SDA). The findings of this analysis show that the control over the Sarajevo Canton's health care sector has led in two directions. The first aims at the promotion of Ms Izetbegović as a great manager and, consequently, as a great future political leader at the highest levels of the state government. The second is towards the introduction of Turkish private clinics into Sarajevo Canton's health care sector under the exclusive lead of Ms Izetbegović. This, through the creation of semi-private state health care clinics, could provide Ms Izetbegović with the permanent power to gain full control over the cantonal health care service providers.

Introduction

The main focus of the research, titled Capturing the Sarajevo Cantons Health Care Sector, is on the developments that have occurred in the targeted part of the BiH health care sector since the beginning of January 2016, when Ms Izetbegović was appointed as Director of the University Clinical Centre Sarajevo. The purpose of this research is to describe the ways in which Ms Izetbegović, a prominent member of the political party SDA, by relying on the political influence of her spouse Mr Bakir Izetbegović, the Bosniak member of the BiH Presidency and the president of the political party SDA, had taken full control of the health care sector in the Canton of Sarajevo. Furthermore, this research will illustrate all the silent practices and mechanisms used by Ms Izetbegović and the powerful network surrounding her that aim to convert the public health care sector in the Canton of Sarajevo into a semi-private health care sector and to promote her as a future political leader. In addition, these governance practices present a detrimental factor for all democratic processes and simultaneously deeply and negatively affect BiH's efforts at accomplishing the much-needed democratisation reforms on the path towards accession to the European Union.

The concept of state capture

The notion of state capture generally refers to a deeply rooted and long-lasting process that systematically deviates the whole or a part of the state system, very often embedded in democratic processes, towards the serving of private interests.¹ The phenomenon of state capture, for the purposes of this research, can be defined as a set of processes and their outcomes, the final aim of which is the controlling of public resources and their manipulation for the benefit of a particular individual or a group. The phenomenon of state capture does not automatically imply that bad governance practices are realised through unlawful actions, rather that the notion of state capture is more often seen as a form of illegitimate governance, leading to a set of decisions that completely disregard the public interest and strive solely to fulfil the interests of private individuals or organised groups.

The appearance of capture that is applicable and most suitable for the case of the health care sector in BiH seems to fit the form of policy capture. This is mainly because the entire case study of capturing the health care sector in BiH presents an example of the manipulation and abuse of political power and position, with the final aim of fulfilling the narrow particularistic interests of members of the ruling party. Namely, public policies represent the main relationship between citizens and governments, and for this reason, they should be created through fundamental democratic processes based on the premise of openness, dialogue, consensus and the public interest.² In addition, public policies also affect a wide range of particularistic interests, and therefore they attract the attention of different interest groups, which try to influence these policies. Policy capture is a constant process of directing public policy decisions away from public interests and their shaping for the benefit of a very often illegitimate and not transparent particularistic interest(s), and it almost always undermines core democratic values.³

The ways in which private individuals and special interest groups can influence public officials with the aim of capturing the policy within a sector of a state are various. For example, direct influence on public officials can be built on existing personal ties, such as family and other close relationships, or affiliation to political parties and other powerful networks.⁴ Sectors where a high degree of discretionary power in the decision-making process is entrusted to an individual are especially vulnerable to the actions of state captors and their influences. Finally, policy capture leads to misallocations of public funds and thus endangers sustainable growth, or can cause the

¹ Approach to Researching State Capture in High-Risk Sectors in WB, Nives Miošić-Lisjak, p. 12.

² OECD, "Preventing Policy Capture: Integrity in Public Decision Making", OECD Public Governance Reviews, p. 9. OECD: Paris, 2017. Available at www.keepeek.com/Digital-Asset-Management/oecd/governance/preventing-policy-capture_9789264065239-en#.Wl5UfEqnHIU#page11.

³ OECD, 2017: 9.

⁴ OECD, 2017: 37.

blocking of reform or the redirecting of it away from the public interest. Also, policy capture very often “entails health, environmental and security threats, e.g. by providing lower-quality services or neglecting safety” (OECD (2017), Preventing Policy Capture: Integrity in Public Decision Making, p. 10).

Methodology

The methodology for this research relies on several sources of information. The starting point is the sources of information provided in the media outlets, which, at the same time, present a secondary source of information. The media outlets that were consulted for the purposes of this research are the following: Žurnal, Slobodna Bosna, Oslobođenje, Dnevni Avaz, Udri Muški, Buka, Pressing, N1, Depo, Patria, CIN, Blic, Klix, Hayat and Novi. The reporting of the listed media outlets was taken into consideration as a guiding source of information, because they reported most frequently on the issues of governing practice conducted by Ms Izetbegović during her time as Director of the Prim.dr Abdulah Nakaš General Hospital (2013–2016), and later also at the University Clinical Centre Sarajevo (2016 to date). This information gave the main insights and indications to the researcher about the researched issue(s).

The process of interviewing knowledgeable informants presents the primary source of information for this research. Consequently, based on the secondary sources of information, a list of key informant interviewees was drawn up. The criteria for the key informant interviewees were that a potential interviewee is a doctor who works at one of the two medical institutions where Ms Izetbegović acted as the general director (Prim.dr Abdulah Nakaš General Hospital and University Clinical Centre Sarajevo), and that he/she is or was directly affected by the governance processes in the health care sector. Consequently, three doctors, two from the Prim.dr Abdulah Nakaš General Hospital and one from the University Clinical Centre Sarajevo, gave interviews to Transparency International in BiH (TI BiH).⁵ The interviewed informants also included two journalists who work with the Žurnal newspaper, which constantly reports on governance issues in the health care sector of the Canton of Sarajevo. Their names are Mr Amarildo Gutić and Mr Avdo Avdić. In addition, Mr Enver Puška, a patient who, in with his own words, was poorly treated at the University Clinical Centre Sarajevo, gave an interview for the purpose of this research. At the end of the research phase, six interviews had been conducted. The interview questions posed to the informants were the same, all with the aim of achieving a

⁵ Three doctors gave interviews to TI BiH. Two employees at the Prim.dr Abdulah Nakaš General Hospital wanted to stay anonymous, while one doctor, Mr Kemal Dizdarević, a neurosurgeon employed at the University Clinical Centre Sarajevo and a professor at the Faculty of Medicine of the State University of Sarajevo, decided not to be anonymised. The patient, Mr Enver Puška, also decided not to be anonymised.

point where all the provided answers would be comparable, especially from the angle of their relevancy and accuracy.

Desk research consisted of consulting documents, including legal acts, by-laws, internal acts etc. The documents consulted for the purposes of this research are the Law on Health Care of the Federation of Bosnia and Herzegovina, the Law on Health Insurance of the Canton of Sarajevo, the Law on Higher Education of the Canton of Sarajevo, the Decision on Appointment of the President and Members of the Management Board of the University Clinical Centre Sarajevo, and the Statute of the University Clinical Centre Sarajevo, the Statute of the Health Care Fund of the Canton of Sarajevo. The limitation deriving from the research methodology is the timeframe in which the research had to be conducted. The timeframe, from the end of August 2017 to mid-January 2018, provided by the research methodology, is rather short and considerably limits the development of a broader research approach. A longer timeframe would lead to an in-depth analysis of all legal acts and documents. These documents should be amended in order to increase the accountability of all actors within the targeted health care sector and prevent or diminish the possibilities for privatising and capturing the public sector by narrow particularistic interests, regardless of their professional positions and assigned authorisations.

Relevance of sector and key problems

The health care sector in any country is the most vital provider of services to citizens. As is stated by the World Health Organization, “better health is central to human happiness and well-being. It also makes an important contribution to economic progress, as healthy populations live longer, are more productive, and save more” (World Health Organization, Health and Development).⁶ The economic crisis, as in other areas, has led to a decrease of the number of the employed people, reducing the inflow of compulsory health insurance, which affects the scope and quality of the right to obtain such insurance. The consequence of this has been an increasing risk of corruption, which has had particularly destructive and dangerous consequences for the overall health system and its participants. Relevant studies, reports, perception surveys and investigative media stories over the last couple of years provide strong evidence that bad governance practices are highly present in the health sector and are particularly manifested in high corruption risk areas, such as public procurement, conflict of

⁶ World Health Organization, available at: www.who.int/hdp/en/.

interest, human resource management (lack of transparency and nepotism in employment practices) and financial management.⁷

Taking into account the findings of this research concerning the poorly provided health care services at the University Clinical Centre Sarajevo, it follows that the potentially weakened health care sector caused by the bad governance practices affects the entire population of citizens of the Canton of Sarajevo as well as the Federation of BiH. In order to emphasise the importance of the health care sector of the Canton of Sarajevo as one coherent and independent unit, which, at the same time, constitutes an indivisible part of the entire BiH health care sector, it is necessary to explain the entire organisational structure of the BiH health care sector. The BiH health care sector is divided into two main health care systems organised at the entity level (the Republic of Srpska and the Federation of BiH).⁸ Furthermore, the entity of the Federation of BiH is separated into 10 cantonal health care subsystems. In addition, there is a third health care organisational unit in the

BiH health care system called the Brčko District of BiH.⁹ It follows that the complete BiH health care system is legally fragmented into organisational units without an established state hierarchical structure, and thus can be easily subjected to the influence of various particularistic interests. While the health care system in the Republika Srpska is more centralised, incorporating one health insurance fund, the health care system of the Federation of BiH is more decentralised and provides two forms of health insurances fund – a health insurance fund organised in every canton and the Health Insurance and Reassurance fund of the Federation of BiH, which aims to cover the specific health care issues prescribed by the Law on Health Insurance of Federation of BiH.¹⁰ In addition, there is a health care fund organised in the Brčko District of BiH as one independent and coherent system.¹¹

More precisely, this research explains the state of the health care sector in the Canton of Sarajevo, with special emphasis on the University Clinical Centre in Sarajevo, one of the biggest clinical centres in the Federation of BiH. This is mainly because in the provided timeframe, from

⁷ EC annual progress reports, comprehensive analysis of anticorruption/integrity plans and risk assessment of health institutions in BiH.

⁸ "Under the Constitution of Bosnia and Herzegovina, health care falls under the competency of the two Entities: the 'Federation of Bosnia and Herzegovina' [...] While the RS [Republic of Srpska] has a political system in which power and authority are highly centralized, that of the Federation is decentralized. In consequence, responsibility for regulating the provision of health care in the Federation is shared between the Federation structures and each of the ten Cantons of which the territory of the Federation is composed." "Health Care in Bosnia and Herzegovina in the Context of the Return of Refugees and Displaced Persons", *United Nations High Commissioner for Refugees*, July 2001. (Available at: www.unhcr.org/3c614f6a4.pdf)

⁹ Brčko District was established as a self-governing administrative unit within the administrative organisation of BiH by a Decision of the High Representative for Bosnia and Herzegovina on 8 March 2000 as a consequence of an arbitrary procedure. See the BiH Official Gazette, no. 9/00.

¹⁰ The Law on Health Insurance of Republic of Srpska (Official Gazette of Republic of Srpska, No. 18/99, 51/01, 70/01, 51/03, 57/03, 17/08, 1/09, 106/09, 39/16, and 110/16), and the Law on Health Insurance of Federation of Bosnia and Herzegovina (Official Gazette of the Federation of Bosnia and Herzegovina, No. 30/97, 7/02, 70/08, and 48/11).

¹¹ The Law on Health Insurance of Brčko District (Official Gazette of Brčko District, 1/02, 7/02, 19/07, and 34/08).

the beginning of January 2016, a large number of doctors have left the University Clinical Centre Sarajevo, causing irreparable damage to the health care sector in the Canton of Sarajevo, and even far-reaching repercussions for the complete health care service in the Federation of BiH. Most of the doctors who left the University Clinical Centre Sarajevo have voluntarily terminated their contracts, while some of them were dismissed from the Clinical Centre. Their reasons for leaving the Clinical Centre, as stated by a doctor, were published in a media outlet and read: "We have decided that we can no longer tolerate this kind of pressure, mobbing and uncertainty."¹² Furthermore, during this particular time period, the media outlets in BiH began to report intensively on the negative occurrences within the health care sector in the Canton of Sarajevo that allegedly caused the brain drain from the University Clinical Centre Sarajevo, as well as the policy capture of the health care sector in the Canton of Sarajevo.

In addition, there are also indications that the Director of the University Clinical Centre Sarajevo, Ms Izetbegović, has directed her actions towards introducing Turkish private health care clinics into the public health care sector so that those private clinics and their doctors will replace the doctors who left the University Clinical Centre Sarajevo. It remains unclear at what price these Turkish private clinics will provide their services to citizens and how the already burdened health care fund of the Canton of Sarajevo and the health care fund of the Federation of BiH will pay for their services. This is particularly important given that the market prices of private health care services far exceed those of services provided by the public health care institutions.

Saving is of particular importance to voters. Bearing this in mind, the alleged large savings in the budget of the University Clinical Centre Sarajevo for the purposes of servicing the accumulated debts, promoted in the media by the Director of the University Clinical Centre Sarajevo, Ms Izetbegović, suggests an intention on her part to be more involved in the future of the country's politics.¹³ The Director of the University Clinical Centre Sarajevo, Ms Izetbegović, has for a long time been pointing to huge debts accumulated during the time when the University Clinical Centre Sarajevo was run by management supported by another political party. What is confusing is that the Director of the University Clinical Centre Sarajevo, Ms Izetbegović, was a member of the Management Board of the University Clinical Centre Sarajevo in the period from 2011 to 2013, and thus was taking part in all the managerial decisions that led in part to the accumulated debts.¹⁴

¹² *Patria*, 25 September 2017: www.nap.ba/new/vijest.php?id=39086.

¹³ *Klix*, 27 January 2017: www.klix.ba/vijesti/bih/sebija-izetbegovic-godinu-nakon-dolaska-na-celo-kcus-a-vec-smo-vratili-63-miliona-km-duga/170127033.

¹⁴ *N1*, 21 June 2017: ba.n1info.com/a170525/Vijesti/Vijesti/SDP-Izetbegovic-10-godina-direktno-ukljucena-u-rad-KCUS-a.html.

It seems that all this, and following the publicly released testimonials of patients and the testimony of a patient exclusively provided for the purpose of this research, caused a rapid reduction or even a complete termination of some services that should be provided to the citizens/patients by the University Clinical Centre Sarajevo.¹⁵

Case study

In accordance with Article 64 of the Law on Health Care, the Management Board of the University Clinical Centre Sarajevo is composed of 11 members, appointed through an allegedly competitive procedure based on the public announcement for the election of members of the Management Board of the University Clinical Centre Sarajevo.¹⁶ Although the competitive procedure for appointment of the members of the Management Board of the University Clinical Centre Sarajevo should be open, transparent and free of any kind of political influence, the reality is different. One informant, a doctor employed in the Prim. dr. Abdulah Nakaš General Hospital, and a former member of the Management Board in the same hospital, stated that:

[T]he members of the Management Board of the University Clinical Centre Sarajevo are not the representatives of the cantons or the Federation of BiH that they should represent (in accordance with the law), rather they are representatives of the ruling political parties in governing the system in question. They are accountable to the political parties because the political parties, through the state authorities, appoints and dismisses the members of the management boards (the management boards of the companies or public institutes that are fully or partly in ownership of the state).¹⁷

He also added from his personal experience that “at the moment when there was a shift of ruling party, simultaneously, I was released from my duty as a member of the Management Board of the Prim. dr. Abdulah Nakaš General Hospital.” The doctor also stated that “the current Management Board of the University Clinical Centre Sarajevo is absolutely under the control of the Director, Ms Sebija Izetbegović, because it is dominantly composed of members of the same political party (SDA) from which comes Ms Sebija Izetbegović.”¹⁸ In addition, it seems that the competitive procedures conducted for the election of the members of the management

¹⁵ *Blic*, 21 June 2017: www.blic.rs/vesti/republika-srpska/pacijenti-u-ksuc-strahuju-od-sebije-izetbegovic/kz7nfbd; see footnote 5.

¹⁶ The Law on Health Care of the Federation of Bosnia and Herzegovina (Official Gazette of the Federation of Bosnia and Herzegovina, No. 46\10 and 75\13).

¹⁷ The informant is a doctor employed at the Prim. dr Abdulah Nakaš General Hospital and a former member of the Management Board of the same hospital. The interview with the doctor took place on 5 December 2017 in Sarajevo.

The alleged relationship(s) of the members of the Management Board of the University Clinical Centre Sarajevo are presented by a portal named *Moj portal* 24/11/2015: <http://mojportal.ba/2015/11/24/ekskluzivno-ko-su-clanovi-kaznjenicke-bojne-u-upravnom-odboru-sa-zadatkom-izabrati-sebiju-izetbegovic-za-direktora-ukcs/>.

¹⁸ *Moj portal*, 2015.

boards are framed in advance by the use of different state authority mechanisms that are already placed under control by political elites.

At the session of the government of the Federation of BiH, composed of a coalition of political parties called the Alliance for a Better Future (SBB), SDA and the Croatian Democratic Union of Bosnia and Herzegovina, held on 12 November 2015, the government temporarily appointed an acting Management Board of the University Clinical Centre Sarajevo for a period of three months.¹⁹ In addition, it remains unclear what is (was) a legally prescribed procedure for the appointment of an acting Management Board of the companies or institutes that are fully or partly owned by the government of the Federation of BiH. Soon after the new acting Management Board was appointed by the government of the Federation of BiH, the same board, at its session held on 6 January 2016, appointed Ms Izetbegović (the only candidate for that position), a member of the political party SDA (one of the ruling parties in coalition in the Federation of BiH) and the spouse of Mr Bakir Izetbegović, the president of the same political party and the Bosniak member of the Presidency of BiH, as Director of the University Clinical Centre Sarajevo. It is not a secret that Ms Izetbegović receives much support from her husband, as is shown by her husband's statement reading: "It goes to my conscience if the managing of my spouse (Ms Izetbegović) is bad for the patients. I think that she made a good job. The information I receive from ordinary people is that everything has been improved. The waiting lists are not long, and it is faster to get your turn."²⁰ However, the information provided by a cardio surgeon, employed at the University Clinical Centre Sarajevo, to a media outlet named *Dnevni Avaz* says that the waiting lists still exist.²¹ He stated that he knows about 200 patients who wait for surgery. "But surely that number is bigger."²² Furthermore, the information provided by a journalist who intensively followed Izetbegović's work says that, at one point, the health care of newborns with innate heart defects came into

question as the consequence of the surgery operations that were cancelled due to the lack of basic medical material.²³

¹⁹ The fact that the previous Management Board of the University Clinical Centre Sarajevo was dismissed and the new one was appointed derives from media headlines (*Dnevni Avaz*, 12 November 2105: <http://avaz.ba/vijesti/204859/vlada-fbih-imenovan-novi-upravni-odbor-ukcs-a>) and the record of the 30 sessions of the government of the Federation of Bosnia and Herzegovina (*Government of the Federation of Bosnia and Herzegovina*: www.fbihvlada.gov.ba/bosanski/sjednica_v2.php?sjed_id=498).

²⁰ *Slobodna Bosna*, 30 May 2016: www.slobodna-bosna.ba/vijest/32638/izetbegovic_o_bracnim_temama_meni_na_dusu_ide_ako_je_menadzerisanje_moje_supruge_lose_za_pacijente.html.

²¹ *Dnevni Avaz*, 15 January 2017: <http://avaz.ba/vijesti/teme/331874/sebija-ponovo-uhvacena-u-lazi-liste-cekanja-nisu-smanjene>.

²² *Dnevni Avaz*, 2017.

²³ The name of the journalist who gave an interview to TI BiH is Amarildo Gutić. Mr Amarildo Gutić is currently employed at the online newspaper *Žurnal*. The interview took place on 5 December 2017 in the premises of the online newspaper.

The information on the abuse of public resources by the Izetbegović family was publicly realised by a media outlet, describing the situation when Ms Izetbegović, as the Director of the University Clinical Centre Sarajevo, arrived in the Presidency of BiH's car to a meeting held at the University Clinical Centre Tuzla.²⁴ In accordance with the Rule Book on the Conditions of Procurement and the Ways of Use of Official Vehicles in the Institutions of Bosnia and Herzegovina, there was no legal basis for Ms Izetbegović to use the Presidency's car for the needs of the University Clinical Centre Sarajevo.²⁵

Soon after Ms Izetbegović was appointed as Director of the University Clinical Centre Sarajevo, by the end of September 2017, 35 doctors, including a great number of specialists from various fields of medicine, left the University Clinical Centre Sarajevo, terminating their employment contracts.²⁶ The disagreement of the Clinical Centre's personnel with Ms Izetbegović's managerial acts led to cases where some doctors were dismissed from the University Clinical Centre Sarajevo, while some of them voluntarily terminated their contracts due to the lack of appropriate working conditions.²⁷ More precisely, the fact that some doctors left (or were dismissed) the University Clinical Centre Sarajevo was followed by the disturbing testimonials given by some doctors about the prior threats that were directly addressed to them by the Director of the University Clinical Centre Sarajevo, Ms Izetbegović. The threat addressed to Mr Ademir Spahić, an adviser in the cabinet of the former Director of the University Clinical Centre Sarajevo, was audio-recorded and publicly released. The part of the mentioned threat addressed by Ms Izetbegović reads:

Do not play with me. I am not a member of your club of punks that you used to. This is the last warning and our last conversation, did you hear me!? If I hear once again that you took my name in your mouth, you will remember me for your whole life! I say it to you clearly, do you understand me!? Should it be repeated... If, once again, you take my name in your mouth...?²⁸

Soon after this incident happened, Mr Ademir Spahić was released from his duties; this was followed by his lawsuit against the University Clinical Centre Sarajevo for alleged unlawful

²⁴ *Žurnal*, 17 April 2017: www.zurnal.info/novost/20421/sebija-izetbegovic-koristi-sluzbeni-automobil-predsjednistva-bih.

²⁵ *Žurnal*, 2017.

²⁶ *Oslobođenje*, 25 September 2017: www.oslobodjenje.ba/vijesti/bih/sest-ljekara-napusta-kcus-atmosfera-je-zatrovana-nemoguće-je-raditi.

²⁷ *N1*, 08 July 2016: <http://ba.n1info.com/a104055/Vijesti/Vijesti/Spisak-uglednih-ljekara-koji-su-napustili-KCUS.html>; *N1*, 16/01/2017 <http://ba.n1info.com/a132787/Vijesti/Vijesti/Prof.-dr.-Dizdarevic-o-otkazu-na-UKCS-Direktorica-se-sveti.html>; *Oslobođenje*, 09/08/2017: www.oslobodjenje.ba/vijesti/bih/prof-dr-gavrancapetanovic-dobio-otkaz-ugovora-o-radu <http://ba.n1info.com/a132787/Vijesti/Vijesti/Prof.-dr.-Dizdarevic-o-otkazu-na-UKCS-Direktorica-se-sveti.html>

²⁸ *Udri Muški*, 11 January 2017: www.udrimuski.ba/clanak/49533/centralni-zatvor-javljanje-ademira-spahica-nakon-prijetnji-sebije-izetbegovic.

termination of his contract of employment. In the words of a doctor employed at the Prim. dr. Abdulah Nakaš General Hospital, and one of the former colleagues of Ms Izetbegović, “anyone who has a different opinion, she, by the use of half-undergrounded means, will eliminate from her surroundings.”²⁹

On the other hand, personnel who have aligned themselves with Ms Izetbegović leadership have been rewarded. For instance, one of the examples of rewarding obedient doctors, as reported by a media outlet named *Žurnal*, is the case when the costs of buying the drugs at a pharmacy named DINA were refunded from the Clinical Centre’s budget. More specifically, the University Clinical Centre Sarajevo’s pharmacy lacked some drugs that, according to law, had to be provided to patients. The patients were orally instructed in the University Clinical Centre Sarajevo to buy those drugs at the DINA pharmacy, owned by Ms Enaida Kapetanović, the spouse of Mr Jasmin Kapetanović, who, in accordance with information published in the media outlets, as a member of the Management Board of the University Clinical Centre Sarajevo voted for Ms Izetbegović to become director of the Clinical Centre.³⁰

The process of expanding Ms Izetbegović’s network of control has been extended to other institutions in the Canton of Sarajevo. On 6 September 2017, an extraordinary session of the Senate of the University of Sarajevo was held. There it was decided to make the Clinical Centre of the

University of Sarajevo (the University Clinical Centre Sarajevo, the same institution but under the different name) a teaching basis in the composition of the Senate of the University after three years of absence of participation of this institution in the work of the Senate.³¹ It still remains unclear why the University Clinical Centre Sarajevo has not participated in the work of the Senate of the University for a listed time period of three years. Accordingly, the director of the Clinical Centre of the University of Sarajevo, Ms Izetbegović, became a representative of this institution in the Senate of the University of Sarajevo. In that regard, Mr Kemal Dizdarević, a neurosurgeon employed at University Clinical Centre Sarajevo, and a professor at the Faculty of Medicine of the state University of Sarajevo, stated that:

[T]here is not the Clinical Centre of the University of Sarajevo, but there is only the University Clinical Centre Sarajevo (the name also provided in the Statute of this medical institution), and as such is not a teaching basis of the University of Sarajevo, but only a

²⁹ See footnote 15.

³⁰ *Žurnal*, 19 January 2017: www.zurnal.info/novost/20258/neophodne-lijekove-pacijenti-kupuju-u-apoteci-predsjednika-upravnog-odbora.

³¹ *Oslobođenje*, 08 September 2017: www.oslobodjenje.ba/vijesti/bih/sebija-izetbegovic-i-kcus-novi-clanovi-senata-uns-a.

teaching basis of the Faculty of the Medicine (like in Zagreb etc.), and the director (the Director of the University Clinical Centre Sarajevo) cannot be a member of the Senate of the University, rather the Dean of the Faculty of Medicine can perform this duty (be a member of the Senate of the University of Sarajevo) [...] The play with the names Clinical Centre of the University of Sarajevo and the University Clinical Centre Sarajevo is directly related to Ms Izetbegović's interests at the University of Sarajevo. In accordance with the applicable Law on Health Care from 2010, the founders of this institution are the Parliament of the Federation of BiH and some assemblies of the cantons, and the institution's name is the University Clinical Centre Sarajevo. However, in the court's register is still written that the founder is the Presidency of Republic of BiH and that the name is the Clinical Centre of the University of Sarajevo. Since Ms Izetbegović wants to be a senator, to be a director with the dean's powers, to use that position for self-positioning within the University, to influence the future proposals of a medical group at the University which should launch her to an academician, she returns the institution's name the Clinical Centre of the University of Sarajevo, using the fact that the listed name is still written in the court register.³²

Following this statement, several legal acts have been consulted with the purpose of checking what the real name of the Clinical Centre is. The court register cites that the name of the listed institution is the Clinical Centre of the University of Sarajevo and that its founders are the Presidency of the Republic of BiH and the Presidency of the Assembly of the City of Sarajevo, which clearly is not in conformity with Article 4 of the Statute of the University Clinical Centre Sarajevo, which quotes that the founders of the University Clinical Centre Sarajevo are the Federation of BiH and five cantons. This is also confirmed in Article 54 of the Law on Health Care of the Federation, which cites that the founders of the health care institutes in ownership of the Federation of BiH and cantons are the assembly of the Federation of BiH and the assemblies of cantons.

In addition, the Sarajevo Canton Assembly in 2017 adopted a new Law on Higher Education (the leading political party in the ruling coalition in the Canton of Sarajevo is the SDA, of which Ms Izetbegović is a member).³³ This law provides the Director of the University Clinical Centre Sarajevo, Ms Izetbegović, with the opportunity to become a Dean of the Faculty of Medicine of the University of Sarajevo. Article 137 of the Law on Higher Education of the Canton of Sarajevo says that the Dean of the Faculty of Medicine can be someone from the academic staff employed at the Faculty (in addition to Ms Izetbegović's position as Director of the University

³² The interview with Mr Kemal Dizdarević was conducted on 10 December 2017 in Sarajevo.

³³ *Žurnal*, 15 May 2017: www.zurnal.info/novosti/20464/izmjenom-zakona-do-mjesta-dekana; The Assembly of the Canton of Sarajevo: <http://skupstina.ks.gov.ba/sastav/zastupnici/po-strankama/all>.

Clinical Centre Sarajevo, she is also a professor at the Faculty of Medicine) or someone who is employed at the institute that offers a teaching basis for the Faculty of Medicine. (University Clinical Centre Sarajevo, in accordance with Article 151 of the same Law, presents an exclusive teaching basis of the Faculty of Medicine, simultaneously excluding any obligation for the Clinical Centre to be subject to additional scrutiny of the competent state authorities to assess whether or not it fulfils the requirements and conditions for performing the teaching.)³⁴ Furthermore, Article 135 of the law prescribes that the council of a faculty (in our case the Faculty of Medicine) is composed of, among others, the teaching staff employed at the teaching basis (University Clinical Centre Sarajevo) of a given faculty. This means that the Council of the Faculty of Medicine will also consist of a large number of employees of the University Clinical Centre Sarajevo and that those employees will eventually be in a position to vote for Ms Izetbegović as a future Dean of the Faculty of Medicine, while she acts as their superior. She is able become the Dean of the Faculty of Medicine and, at the same time, act as the Director of University Clinical Centre Sarajevo.

In this regard, it is not surprising that in the last half of the year the two deans of the faculties were released from their duties. One of the two dismissed deans, Ms Almira Hadžović-Džuvo, testified in one interview provided to the TV station N1 that the Director of the University Clinical Centre Sarajevo, Ms Izetbegović, was behind the petition for her dismissal. She also stated that prior to the campaign for her dismissal being launched, during the course of a session of the scientific teaching Council of the Faculty of Medicine, Ms Izetbegović spoke to her as follows: “You will cry soon.”³⁵

The institution also the target of pressure from his powerful network was the Chamber of Doctors of the Canton of Sarajevo.³⁶ The Representatives of the Chamber of Doctors of the Canton of Sarajevo were heavily criticising the work of the Director of the University Clinical Centre Sarajevo, Ms Izetbegović.³⁷ According to an interviewed doctor, and a member of the Management Board of the Chamber of Doctors of the Canton of Sarajevo, the main reason for criticising the work of the University Clinical Centre Sarajevo was the problem of the urgent medical care of patients in the Canton of Sarajevo.³⁸ Soon after, in accordance with the doctor’s testimony, “we were erased from the face of the earth by the use of mobbing and engineering,

³⁴ The Law on Higher Education of the Canton of Sarajevo (Official Gazette of the Canton of Sarajevo, No. 33\17); the proposal of an amendment to the law provided by an SBB representative clarified the problem of the exclusivity of the University Clinical Centre Sarajevo as a teaching basis (https://skupstina.ks.gov.ba/sites/skupstina.ks.gov.ba/files/klub_sbb.pdf).

³⁵ N1, 17 May 2017: <http://ba.n1info.com/a154503/Vijesti/Vijesti/Almira-Hadzovic-Dzuvo-o-prijetnjama-Sebije-Izetbegovic.html>.

³⁶ N1, 05 October 2017: <http://ba.n1info.com/a116043/Vijesti/Vijesti/Sebija-Izetbegovic-i-rat-izmedju-UKCS-a-i-Ljekarske-komore.html#the>.

³⁷ novi, 31 May 2016: <http://novi.ba/clanak/73164/12>.

³⁸ novi, 2016.

and, consequently, a surrogate of the Chamber has been made, which (now) is under control of those centres of powers.”³⁹

One of the methods that the management of the University Clinical Centre Sarajevo used with the aim of disciplining (or blackmailing) the Chamber was stopping the transfer of the Chamber membership fees paid by the doctors employed at the University Clinical Centre Sarajevo. The representatives of the Chambers of Doctors of the Canton of Sarajevo warned publicly that the non-payment of the doctor's membership fees to the Chamber of Doctors could cause the loss of the doctors' licences and, consequently, the dismissals of the doctors whose fees have not been transferred to the Chamber.⁴⁰ In that regard, the Prosecutor's Office of the Canton of Sarajevo issued an investigation order concerning the case of non-transferred doctors' membership fees to the Chamber of Doctors of Canton of Sarajevo, and the investigation procedure regarding this case is currently pending.⁴¹

The Director of the University Clinical Centre, Ms Izetbegović, very often states publicly that she has achieved a reduction in the debts that accumulated before she was appointed. According to an informant, a doctor employed at the Prim.dr Abdulah Nakaš General Hospital, it seems that the entire system of financing the health care institutions in the Canton of Sarajevo has been exposed to the possible manipulation of efficiency data for political purposes.⁴² It derives that the more services being provided to the patients, the less money remains in the budget of a particular health care institution. Essentially, there is no space for savings due to the fact that the health care fund allocates lump sums of funds to medical institutions, and the allocated funds are designed to meet the regular needs of health care institutions (e.g. salaries for medical staff, regular costs of medical material, the costs of maintenance of the medical institution's premises etc.). The only savings that can be made are those based on the services that have not been provided to the patients.

The only conclusion that can be reached is that savings are possible when the level of the guaranteed services is low, “which will certainly be paid by the patients' health”.⁴³ The informant also presented the following data:

the number of employed at the University Clinical Centre Sarajevo was decreased for 4 per cent, the number of the days of hospitalisation was decreased for 80 per cent, the overall per cent of the utilisation of the University Clinical Centre Sarajevo is 65 per cent,

³⁹ See footnote no. 15.

⁴⁰ *Hayat*, 05 September 2016: www.hayat.ba/vijest.php?id=45939.

⁴¹ *Žurnal*, 29 June 2017: www.zurnal.info/novost/20550/nezakonito-zadrzala-novac-uposlenika-klinickog-centra

⁴² The interviewed doctor is employed at the Prim. dr Abdulah Nakaš General Hospital. The interview was conducted on 12 December 2017 at the premises of the Prim. dr Abdulah Nakaš General Hospital.

⁴³ See footnote no. 38.

while the financial indicator for the time period from 1 June 2016 to 1 June 2017 points that the

University Clinical Centre Sarajevo has a surplus of 13,000,000 BiH convertible marks (BAM) (ca. €6,646,794.00) (out of BAM 118,000,000 – ca. €9,203,253.00 – initially assigned as an annual budget of the Clinical Centre). Although BAM 13,000,000 remained unspent, the planned budget for the University Clinical Centre Sarajevo for the next year is for 5 per cent higher in comparison with the past year and it amounts to approximately BAM 125,000,000.⁴⁴

The newly assigned budget of BAM 125,000,000 (ca. €63,911,485.00) will provide the Director of the University Clinical Centre Sarajevo, Ms Izetbegović, with more resources for making greater savings with the aim of her personal promotion as a skilled manager worth a possible future political career at the highest levels of the state. Since the director of the Health Insurance Fund of the Canton of Sarajevo, one of the main financiers of the University Clinical Centre Sarajevo, is from the same political party as Ms Izetbegović, the numbers presented above clearly show the existence of a strong connection between the appointed holders of public offices coming from the same political party.⁴⁵

An example that shows one of the ways of alleged savings is explained by the doctor mentioned above – an informant employed at the Prim.dr Abdulah Nakaš General Hospital. The doctor, in an interview exclusively given to TI BiH, presented a situation where Ms Izetbegović, at the time Director of the Prim.dr Abdulah Nakaš General Hospital, showed alleged savings in the budget of the hospital which was actually funded by the Health Insurance Fund of the Canton of Sarajevo. As informant explained during the interview:

[I]n the last year of the mandate of Ms Izetbegović as director of the General Hospital “Prim.dr Abdulah Nakaš”, the Management Board of the Health Insurance Fund of the Canton of Sarajevo for the first time approved BAM 3,000,000 (ca. €1.533,875.00) the hospital for purchasing a magnet [...] Afterwards (after the hospital received BAM

3,000,000 from the Health Insurance Fund), the hospital (instead of using the entire amount of BAM 3,000,000 for purchasing the magnet) signed a credited purchase contract (for purchasing the magnet), and a part of the Health Insurance Fund’s BAM 3,000,000 assigned to the hospital

⁴⁴ See footnote no. 38.

⁴⁵ In accordance with Article 99 of the Law on Health Insurance, one of the main activities of the Health Insurance Fund of the Canton of Sarajevo is planning and collecting funds of compulsory health insurance and paying services to health institutions and health care workers. The Law on Health Insurance of the Federation of Bosnia and Herzegovina (Official Gazette of the Federation of Bosnia and Herzegovina, No. 30/97, 7/02, 70/08, 48/11 and 100/14).

was presented as a profit (the hospital's profit-saving). We (the hospital), in this month, paid the last instalment of the credit.⁴⁶

There was also an example of manipulation with the funds during the time when Ms Izetbegović was the Director of the Prim.dr Abdulah Nakaš General Hospital. Soon after she became the hospital director in 2013, the Department of Pathohistology lost its three doctors (out of three in total, employed on different grounds). Moreover, one doctor who was obliged to work with the hospital for at least four years after she completed her specialisation in pathophysiology asked for the contractual termination of her employment contract with the hospital, which was accepted by the director of the hospital, Ms Izetbegović, at the same time, giving up on the hospital's investment in the specialisation of the doctor.⁴⁷ When the hospital's Department of Pathohistology lost its staff, all prerequisites for concluding the contracts with the private clinic were met. The data presented in the media outlets indicates that the Prim.dr Abdulah Nakaš General Hospital in 2015 and 2016 signed three contracts with a private clinic called Moja Klinika to the value of BAM 1,113,000 (ca. €569,067.00), which means that the annual costs of the provided services of pathohistology were BAM 556,500 (ca. €284,533.00).⁴⁸ If we compare the presented annual costs needed for providing the services of pathohistology with the published amount of BAM 840,000 (ca. €429,485.00) that covered the five-year service of pathohistology for the Prim.dr Abdulah Nakaš General Hospital preceding the signing of the listed contracts, it is more than evident that there is a huge discrepancy in the annual amounts needed for the providing the pathohistology services paid for by taxpayers. This indicates another example of favouritism, because the owner of the Moja Klinika private clinic confirmed that he and Ms Izetbegović know each other very well and that she (Ms Izetbegović) is a great manager.⁴⁹

While she was the Director of the University Clinical Centre Sarajevo, Ms Izetbegović informed the public that she as Director of the University Clinical Centre Sarajevo succeeded in repaying a debt of BAM 83.5 million (ca. €42,692,872.00). The media outlets report that the functioning of the University Clinical Centre Sarajevo is currently threatened because there are not the basic materials needed for everyday work (e.g. rubber gloves, gauze, medicines in the clinical pharmacy, reagents, etc.) and also some diagnostic machines are out of work.⁵⁰ The larger part of the problem is that the doctors continue to quit their employment at the Clinical Centre, leaving a huge professional gap. Mr Kemal Dizdarević stated that one of the reasons why the

⁴⁶ See footnote no. 15.

⁴⁷ *CIN*, 22 July 2016: www.cin.ba/skupa-patohistologija-sebije-izetbegovic/.

⁴⁸ *CIN*, 2016.

⁴⁹ See footnote 47.

⁵⁰ *DEPO*, 05 October 2017: <http://depo.ba/clanak/166903/sebija-izetbegovic-necu-se-nikome-izvinjavati-za-svoj-uspjeh-ja-sam-hirurg-ne-bojim-se-kad-je-gusto>; *Patria*, 15/04/2017: www.nap.ba/new/vijest.php?id=34768.

Director of the University Clinical Centre Sarajevo, Ms Izetbegović, puts pressure on some doctors to leave the Clinical Centre is:

creating conditions for the entry of foreign capital, especially Asia Minor-Turkish capital, in our health care. The investment in health care from the outside should not be disputable, but it is a disputable way and the final goal that stands behind it. The goal is that the foreign doctors at tertiary level (the tertiary level of the health care) with capital that, as a whole is minor, are long-term paid from our health care funds (the state health care fund) and that their activities are exclusively conducted in combination with circles surrounding Izetbegović, so that our prominent experts are marginalised in their country and their profession, whereby they will lose their social strength and be put in the position of vassals and someone who in no way can influence the course of health policy.⁵¹

This statement that goes side by side with information published by a newspaper which says that everything has been prepared for the introduction of a private clinic from Turkey into our health care system.⁵² The planned method for doing this is indirect, through the Cantonal Hospital in Zenica, whose director is a member of the same political party as Ms Izetbegović. Moreover, the source, the newspaper article, says the following:

There (the Cantonal Hospital Zenica) are operations underway, but only for those patients who have enough money and a connection to get in touch with these doctors (the Turkish doctors). When a certain number of patients are gathered, a team from Turkey is invited to take the surgery. Also, (the cost of issuing) the pre-operation findings are paid to them (the Turkish Clinic), even for those (the pre-operation findings) for which (processing) there are apparatus in KCSU (the University Clinical Centre Sarajevo) – the sources claim.⁵³

The consequences of the actions taken by the Director of the University Clinical Centre Sarajevo directed towards the realisation of large savings for the purposes of self-promotion as an effective manager have negatively affected the patients. In June 2017, the patients protested before the Department of Oncology claiming that they were not being provided with urgent medical care due to the malfunctioning of the radiation machines.⁵⁴ According to one media

⁵¹ See footnote No. 28.

⁵² *Žurnal*, 06 November 2017: <http://zurnal.info/novost/20773/sebija-izetbegovic-u-zdravstveni-sistem-uvodi-privatnu-kliniku-iz-turske>.

⁵³ *Žurnal*, 2017.

⁵⁴ *klix*, 13 June 2017: www.klix.ba/vijesti/bih/pacijenti-protostovali-zbog-neispravnih-aparata-za-zracenje-menadzment-kcus-a-krivi-servisere/170613059.

outlet, the main reason that caused this situation was that the Director of the University Clinical Centre Sarajevo, Ms Izetbegović, decided not to conclude any contract for servicing the radiotherapy machines.⁵⁵ Another example of providing the poor services to the patients is explained by a patient named Enver Puška. In his words, his life was put at risk due to the poorly provided health care services at the University Clinical Centre Sarajevo. More specifically, after he suffered a heart attack, he was transported to the University Clinical Centre Sarajevo, where the heart attack was diagnosed. He stated that “there (at the University Clinical Centre Sarajevo) the procedure named golden watch did not function”.⁵⁶ “[...] the procedure of golden watch was out of order because it is allegedly an expensive operation.”⁵⁷ Consequently, he did not receive adequate medical help. Soon after his wife concluded that he would not receive the appropriate medical help, she decided, at her own risk, to transfer her husband to the University Clinical Centre Tuzla, where he was operated on and his life was saved.

Conclusion

The actions explained above undertaken by the Director of the University Clinical Centre Sarajevo, Ms Izetbegović, and the powerful network of the political party SDA go in three directions, capturing the three main pillars of the health care sector in the Canton of Sarajevo. After they achieved their first goal, the establishment of full control over the most important health care institution in the Canton of Sarajevo, this network focused its efforts on the two other pillars of the health care system in the Canton of Sarajevo, the Faculty of Medicine of the State University of Sarajevo and the Chambers of Doctors of the Canton of Sarajevo.

All this has been accomplished through the wide range of powers entrusted to Ms Izetbegović by formal and informal patronage networks gathered around the political party SDA, and supported by its two coalition political parties. The most powerful mechanism in her hands was that the Management Board of the University Clinical Centre was composed of people affiliated to the ruling political parties, who supported all her actions and decisions without performing their primary supervision control. Furthermore, through the use of a wide range of intimidation tools, Ms Izetbegović succeeded in eliminating all doctors and medical staff from the University Clinical Centre Sarajevo who presented a threat to her achieving the objective of introducing Turkish private clinics into the Canton of Sarajevo.

⁵⁵ *Blic*, 15 June 2017: www.blic.rs/vesti/republika-srpska/sebija-stedela-gde-nije-smela-aparati-za-zracenje-nisu-radili-zbog-bizarnog-razloga/0y1bdvf.

⁵⁶ The *golden watch* is a contemporary invasive method of treating patients with heart attacks by which, during the critical period of the first hour after the beginning of a heart attack, through the simple catheterisation of the patient's blood, a clot is removed, opening the blood vessels in the heart – the patient is saved without later complications and consequences of the infarction; *Patria*, 10 Marcy 2016: <http://nap.ba/new/vijest.php?id=22230>.

⁵⁷ The interview with Mr Enver Puška was conducted on 8 December 2017 in Sarajevo.

An illustration of state capturing has been confirmed also through the adoption of the new Law on Higher Education in the Canton of Sarajevo, enabling her to potentially become a Dean of Faculty of Medicine and, simultaneously, to keep the position of the Director of the University Clinical Centre Sarajevo. By succeeding in gaining control over the Chambers of Doctors of the Canton of Sarajevo and the Faculty of Medicine through the use of intimidation mechanisms in the forms blackmailing and by promising career advancement to all those who support the dismissal of the management of these two institutions, Ms Izetbegović has succeeded in eliminating the strongest scrutiny mechanisms over her accomplished and planned actions regarding the canton's health care sector. Ultimately, the privatisation of the public resources is visible through the manipulation and abuse of the Cantonal Health Care Fund's funds that will be paid to Turkish clinics for their services provided to patients in the Sarajevo Canton.

Recommendations

The Government of BiH, composed solely of the ruling parties, appoints and dismisses the members of the Management Board of the University Clinical Centre Sarajevo, based on the competitive procedure that is, in accordance what the interviewed informant stated above, framed in advance. Bearing in mind that the Management Board, selected and appointed in such a manner, conducts the procedure of appointment of the Director of the University Clinical Centre Sarajevo, it is more than evident that the entire process of appointment of the Director of the Clinical Centre is compromised in favour of the political parties that currently rule in BiH. As was mentioned in the initial parts of this paper, due to the short timeframe available for carrying out the research, based on the current findings potential recommendations are in the following directions, involving changes at the policy level:

- **The entire procedure of the selection and appointment of the Management Board of the University Clinical Centre Sarajevo and other health care institutions in the ownership of the Government of the Federation of BiH and one or more cantons, by amending Article 64 of the Law on Health Care of the Federation of Bosnia and Herzegovina which prescribes the competent authority for the appointment of the Management Board, should be entrusted to the Committee for the Election and Appointment of the House of the Representatives of Parliament of the Federation of BiH, which consists of representatives of all clubs of the members of the**

Parliament in proportion to the representations of all political parties participating in the work of the Parliament.⁵⁸

Regarding the Management Board of the Health Care Fund of the Canton of Sarajevo:

- **The procedure of appointment of the members of the Management Board of the Cantonal Health Care Fund, by amending Article 16 of the Statute and all other**

linked legal acts which prescribe the procedure of appointment for the Management Board of the Cantonal Health Care Fund, should be entrusted to the Assembly of the Canton of Sarajevo. In this way, the political parties from the political opposition would be more involved in overseeing the process of appointment of the Management Board. In addition, the composition of the Management Board should be prescribed by the Statute in a way that four members (out of nine in total) of the Board should be appointed from the political opposition participating in the cantonal assembly.

If the procedure of appointment of the Management Board is regulated in the explained way, a greater balance of power would be introduced into the Management Board's decision-making processes and this would limit the possibility to fully control the finances of the entire health care sector of the Canton of Sarajevo.

⁵⁸ The Rules of Procedures regulating the composition of a working body of the House of Representative of the Parliament of the Federation of BiH (in our case the Committee for the Election and Appointment of the Parliament of the Federation of BiH): <https://predstavnickidom-pfbih.gov.ba/bs/page.php?id=20>.