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Preventing Corruption in Local Governments: The Netherlands

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Integrity Policy for Public Administration in the Netherlands

In the Netherlands, responsibility for developing integrity policy for public administration lies with the Minister of the Interior and Kingdom Relations. However, the policy developed is subsequently implemented in a decentralized manner, and although policy documents, legislation, and regulations generally relate to all public administration, they are elaborated in more detail for various sectors, including municipalities and the police.

The current Dutch governmental integrity policy is generally recognized to have been initiated in a 1992 speech by then Minister of the Interior Mrs. Dales to the annual congress of the Association of Netherlands Municipalities. On this occasion, the Minister emphasized the importance of integrity in public administration and the dangers of misuse of power. Before this speech, attention to integrity in the Netherlands had been slowly declining since World War II. Instead, during the 1980s, the first two cabinets of Prime Minister Lubbers had emphasized effectiveness and efficiency. Thus, NPM-like developments prevailed, with little attention given to any distinct government ethics.

The address delivered by Minister Dales followed an integrated discussion on integrity that concentrated on the new part to be played by the National Security Agency (*Binnenlandse Veiligheids Dienst*) following the 1989 fall of the Berlin Wall, 1991 infiltration attempts by the Surinam army command into the Amsterdam police, and a 1992 corruption scandal in the province of Limburg. This last incident, particularly, which unlike the other two examples involved an internal infringement of integrity, motivated the Minister to take the initiative of placing the theme of integrity on the agenda. This step may also have been influenced by the absence at that time of other topics with which the Minister could distinguish herself.

It also seems plausible to assume that the NPM pattern of thinking had by then matured, was ready for evaluation, and no longer hindered the placement of integrity on the agenda. On the other hand, the domination of the first two Lubbers cabinets by an NPM pattern of thought may account for the Ministry of the Interior's earlier report on unacceptable police behavior resulting in no such ministerial initiatives (Van Laere and Geerts 1984).

Whereas the Ministry had traditionally emphasized an organizations' own responsibility for staff integrity, the Minister now repeatedly defended her own preference for a more centralistic, controlling ministerial role that could both initiate and stimulate.¹ Additionally, in response to a motion submitted to the Lower House² in which the government was asked to follow the recommendations of the Netherlands Court of Audit, the Minister stressed that the integrity policy is not served by the central issuance of rules for all government organizations. In reality, in its report on integrity policy as applied to government, the Court of Audit had pleaded for the implementation of institutional guarantees of integrity protection, such as the formulation of guidelines for reporting and recording side jobs and gifts, a procedure for when integrity is impaired, rotation of offices, and the appointment of confidential officers.³ However, the Minister wished to prevent the integrity policy from being entirely implemented in a material fashion and so advocated proportional attention to immaterial integrity through upward progression toward an occupational organization that sets high requirements and demands for itself and its service providers.⁴ Nevertheless, institutional guarantees were gradually and consistently receiving greater attention.

In 1999, individual organizational responsibility was replaced by a proper balance between measures from below and steering from above (Ministerie van Binnenlandse Zaken en Koninkrijksrelaties 1999). In April 2003, in response to social interest in values and standards, as well as to a parliamentary inquiry into the building and construction fraud, the Ministry published the survey

¹ Kamerstukken (Parliamentary Proceedings): TK1994–1995, 23 900 VII no. 35

² Kamerstukken (Parliamentary Proceedings): TK1996–1997, 24 655 no. 3

³ Kamerstukken (Parliamentary Proceedings): TK1995–1996, 24 655 nos. 1–2

⁴ Kamerstukken (Parliamentary Proceedings): TK199–1997, 24 655 nos. 4: 6

memorandum ‘Public Integrity Policy of the Public Service and the Police.’⁵ Even though an organizations’ own responsibility for integrity policy remained the starting point, the Ministry was now accorded a more explicit and coordinating role as initiator and stimulator.

In February 2004, the original policy document was followed by the Amendment to the Public Service Act and other laws relating to proper administrative conduct, proper employer conduct, and general rules governing integrity.⁶ The policy document and the bill together provided a review of how substance must be given to integrity, including the following list of measures and attention points for reducing integrity risks:⁷

1. Development of codes of conduct;
2. Introduction of screening and statements concerning former behavior;
3. Swearing of an oath or the making of a solemn pledge;
4. Consideration of integrity aspects in all daily procedures;
5. Reporting and recording of side jobs;
6. Business gifts;
7. Circulation or change of positions, as well as other measures inherent in vulnerable positions;
8. Procedures for dealing with the suspicion of abuses (whistle-blowing regulations);
9. Appointment of integrity officers;
10. Provisions for information protection;
11. Procedures to be adopted against impairment of integrity or suspicion thereof.

Of these, attention to measures of information protection was a new development, and the whistle-blowing regulations are now being adopted and accepted. In addition, because the Ministry deals extensively with the role of management in actually implementing the policy, management may be considered the twelfth instrument.

Through the revised Civil Service Act, which became effective on 1 March, 2006, the Minister presented a clear choice for a number of ex-officio obligations and made the code of conduct an important element of integrity policy.⁸

Corruption and Integrity

Preventing and fighting corruption is one of the main concerns in the 4-year policy plan of the Dutch Government. The anti-corruption policy that was drafted at the end of 2005 is designed around a five pronged approach:

1. Registration. Until now there is no central registration on the national level with concern to corruption incidents. This hinders a balanced approach of the problem;
2. Signals for corruption. Research has been started to distinguish ‘early warning’ signals. Questions have been raised about the effectiveness of the whistle blowing protection act and an evaluation will be carried out;
3. Criminal law enforcement. Cooperation between several investigative bodies is encouraged. The criminal code has been updated on corruption in the strict sense;

⁵ Kamerstukken (Parliamentary Proceedings): TK2002–2003, 28 844 nos. 1–2.

⁶ Kamerstukken (Parliamentary Proceedings): TK2002-2003, 29 436 nos. 1–2, 3.

⁷ Kamerstukken (Parliamentary Proceedings): TK2002-2003, 28 844 nos. 1–2: 5–6

⁸ Kamerstukken (Parliamentary Proceedings): TK2002-2003, 28 844 nos. 1–2.

4. Establishment of a corruption platform. Exchange of information between law enforcement agencies, ministries, the private sector and NGO's is seen as an important tool to get grip on the problem of corruption;
5. Integrity. See next.

Because of the lack of centralized registration, a survey by the research department of the Ministry of Justice was carried out to explore the number of corruption cases in 2005. In this research 130 internal investigations are described, resulting in 50 criminal investigations into corruption in the strict sense. The research also concluded that there are a lot of signals for integrity violations that are not covered by the strict (criminal) definition of corruption. Examples are several forms of fraud, nepotism, harassment and bad examples given by managers.

Since all forms of unethical behaviour have the potential risk of growing into 'real' corruption when not properly managed the focus of the Dutch approach is on integrity in general. All governmental organizations have signed a covenant in which they agreed to draft an integrity policy and will meet the following basic standards derived from the Civil Service Act at the end of 2007. Summarized these basic standards comprise:

1. A balanced integrity policy;
2. Development of codes of conduct;
3. Designate high risk positions;
4. Recruitment procedures and screening for high risk positions;
5. Swearing of an oath or the making of a solemn pledge;
6. Reporting and recording of side jobs;
7. Disclosure of financial interests for designated positions;
8. Treatment of confidential information;
9. Presents and gifts;
10. Purchase and tender policy;
11. Whistle blowing procedure;
12. Procedure for investigating signals of unethical behaviour;
13. Appointment of integrity officers.

Integrity

The broader conceptualization of corruption as a synonym for all violations of moral norms and values leads almost automatically to the concept of *integrity*, which has become prominent in the discussion in many (developed) countries (Benjamin 1990; Fijnaut and Huberts 2002; Huberts and Van den Heuvel 1999; Klockars 1997; Klockars et al. 2000; Montefiori and Vines 1999; Uhr 1999). Yet, according to Wempe (1998), despite a common understanding of what it means for someone's integrity to be called into question or damaged, integrity is a difficult concept. What is clear is that the grounds for trust have disappeared when someone's integrity is damaged, so that, in the case of functionaries, they can no longer function credibly.

Literally, integrity means being whole, being sound, or not being damaged. Thus, an indirect analogy can be drawn with fruit: just as a spot on an apple may indicate a rotten spot under the otherwise sound peel, so too does an individual's abuse raise questions about that person's character; most particularly, when the abuse indicates a behavioural pattern. Thus, the central question in the integrity approach concerns the effort, the motives involved. Is the individual concerned with expressing responsibilities as well as possible or are other motives, like self-interest, playing a role? When other motives do play a role, it calls into question the person's integrity or wholeness; it is no longer clear to the onlooker which motive determined the action.

However, does this rotten apple theory actually hold? Not according to Punch (1994), who opposed this individualistic approach in his analysis of police corruption. For him, the implication that weak or

vulnerable individuals are tempted to depart from the path of virtue is a matter of individual psychology to be avoided. Rather, what should be studied is the context, the wider environment, and the system within which corruption takes place. Of course, bad apples exist, as does the individual element, but because the individual operates in a social context, it is the interaction between individual and social context that matters.

Wempe (1998) also questioned whether it is the character and motives underlying individual behavior or simply the results, the outcomes, of their actions that should be examined. This choice of focus distinguishes between virtue ethics and consequential ethics (Kaptein and Wempe 2002, 55–80). Therefore, this discussion now touches upon the question of whether an individual or an organization can act ethically even when its individual members do not hold themselves to high individual moral standards?

The concepts of ethics, integrity, and corruption can be applied in different contexts. For example, individuals and organizations possess moral standards and principles (ethics), and their behavior may accord more or less with their ethics (individual or organizational integrity). Similarly, social (sub)sectors such as professions share moral values and standards (e.g., professional ethics), conformity to which corresponds with professional integrity.

According to Kaptein and Wempe (2002), a variation on the amoral model holds that a corporation, because it consists of and sells to people, is no better or worse than the society within which it functions because it passively reflects the values and standards that people uphold.

Specifically, even when a modern public administration acts in some respects as a party in the market, public organizations have certain characteristics that distinguish them from private enterprise. First, they must always serve the public interest, even when doing so is not the most efficient approach. In addition, they must set the example of ethical behavior and may serve as an instrument for implementing governmental policies. In this way, they sometimes even act as market makers.

According to Van den Heuvel, Huberts, and Verberk, it is not difficult to recognize an ethical public organization (one that acts with *integrity*) because public administration is always about “administration serving society, the public interest and trustworthy assignment of values” (2002, 27). In this context, “trustworthy” can only mean unimpeachable, pure in every sense, unselfish, and therefore reliable. Thus, Dwivedi considered integrity fundamental to public administration:

The profession of public service has no parallel among other professions (excepting priesthood) in the sense that society expects public servants to act with unwavering integrity, absolute impartiality, and complete devotion both to the public interest and to the state. This is the basis and fundamental precept upon which various standards and requisites of performance for public servants have been built. (1988, 233)

Yet integrity or ethical behaviour means more than simply not being corrupt or fraudulent. Rather, integrity is a quality or characteristic of either an individual or an organizational behaviour that denotes the quality of acting according to the moral values, standards, and rules accepted by organizational members and stakeholders. Thus, a crucial aspect of organizational integrity is the absence of corruption and fraud, and one of the most generally accepted norms for organizational behaviour and decision-making in the public sector is that private interests should not interfere with organizational and public responsibilities. Within this framework, functionaries are *corrupt* when they damage organizational and/or public interests for personal gain.

Van den Heuvel, Huberts and Verberk (2002) also argued that, despite the multitude of social values, politics and public administration have the ethical obligation to arrange and organize society in a just and honest way. Thus, applied to (public) organizations, *organizational integrity* can be defined as organizational behaviour compliant with the moral values, standards, norms and rules, accepted by the organization’s members and its stakeholders.

As Treviño, Weaver, Gibson, and Toffler stated, “effective ethics and compliance management should be associated with less unethical and illegal behaviour” (1999, 132–133). Therefore, unethical behaviour becomes visible in the incidence and prevalence of integrity violations, defined as violations of social moral values and norms and the laws and rules resulting from them. To measure integrity violations we use the broad typology of 10 categories of integrity violations developed by Huberts, Pijl, and Steen (1999):

1. Corruption, the abuse of office for private gain including bribing, kickbacks.
2. Corruption, nepotism, cronyism, and patronage.
3. Fraud and theft of resources, including the manipulation of information to cover up fraud.
4. Conflict of (private and public) interest through gifts, or services, promises, or the possession of assets.
5. Conflict of interest through jobs and activities outside the organization, such as moonlighting.
6. Abuse of authority.
7. Abuse and manipulation of information such as unauthorized and improper use of information or leaking of confidential information.
8. Discrimination and sexual harassment, indecent treatment of colleagues or citizens.
9. Waste and abuse of organizational resources such as careless use of official vehicles or false sick reporting.
10. Misconduct at leisure such as domestic violence, drunken driving, or private crime.

This typology resulted from an analysis of the literature on (police) integrity and corruption (Ahlf 1997; Anechiarico and Jacobs 1996; Heidenheimer, Johnston, and Levine 1989; Kleinig 1996; Punch 1985; Punch et al. 1993; Roebuck and Barker 1973; Sherman 1974).

Our experience is that in general the risk awareness among civil servants as well as politicians is low. Another problem is that no one seems to feel really responsible for the safeguarding of ethics in the organization. We suggest an approach in which integrity is an integral part of the daily concerns of every public administration. Saying that, integrity has become the responsibility of the operational and strategic management. Managers have a threefold responsibility in this sense:

1. Setting an example: being a role model that takes responsibility and is accountable for his or her own behaviour;
2. Creating optimal conditions: providing a safe working environment and managing risks by removing temptations and addressing solid procedures and safety measures;
3. Preserving ethics and integrity: protecting victims and reacting appropriately toward unethical behaviour by employees, colleagues, and superiors.

These three tasks, which focus on ethics and integrity, should be an integral part of every manager’s tasks, every day, in every organization. As Berman put it, “...when public agencies win awards for best customer service, one can be sure that their managers have played a key role. When the results are poor, managers have had their hands in that, too” (2006, x).

In this approach we opt for not simply complying with rules and regulations – the compliance approach (Sharp Paine 1994) – but for stimulating ethical awareness and the ability to make responsible moral decisions when confronted with ethical dilemmas. One of the key issues in maintaining an ethical organization is the exchange of information. Employees should be trained in discussing ethical dilemmas and managers can keep the issue on the agenda by paying attention to it in meetings with their personnel. Integrity should also be a fixed agenda point during personal evaluations, financial and operational audits and in recruitment activities. This is essentially the way many Dutch municipalities are working out their integrity policy these days.

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