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**" GOOD GOVERNANCE AND QUALITY OF
PUBLIC ADMINISTRATION"**

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**PUBLIC SERVANTS AT THE HEART OF AN INTEGRATED, EFFICIENT AND
ATTRACTIVE PUBLIC ADMINISTRATION**

by

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GOOD GOVERNANCE AND EFFECTIVENESS OF ETHICS POLICIES AND CODES OF ETHICS

**PROF DR CHRISTOPH DEMMKE, UNIVERSITY OF VAASA, 1
DECEMBER 2021**



Vaasan yliopisto
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Trends in Integrity policies...The popularity of ethics policies



- ▶ Ethics policies and Codes of Ethics have never been as popular as today – no difference amongst political groups
- ▶ Also, introduction and acceptance of ever new ethics management concepts in the public and private sector: value management, purpose driven management, public value scorecards, corporate social responsibility, compliance management, sustainability management.....
- ▶ Availability of tool boxes and manuals (OECD, 2020)
- ▶ More research than ever before evidence about effective ethics management and instruments
- ▶ Empirical evidence about positive effects of good governance policies on country-, organisational and individual performance



Substantial empirical evidence about knowledge about preconditions for effective ethics policies policies: Need for Good Governance and Ethics Infrastructures

Allow for independent media and powerful watchdogs (NGO's)

Have an independent judicial system (rule of law)

Allow for Independent monitoring of integrity policies

Support from political and managerial leaders

Existence of transparent and open governmental policies

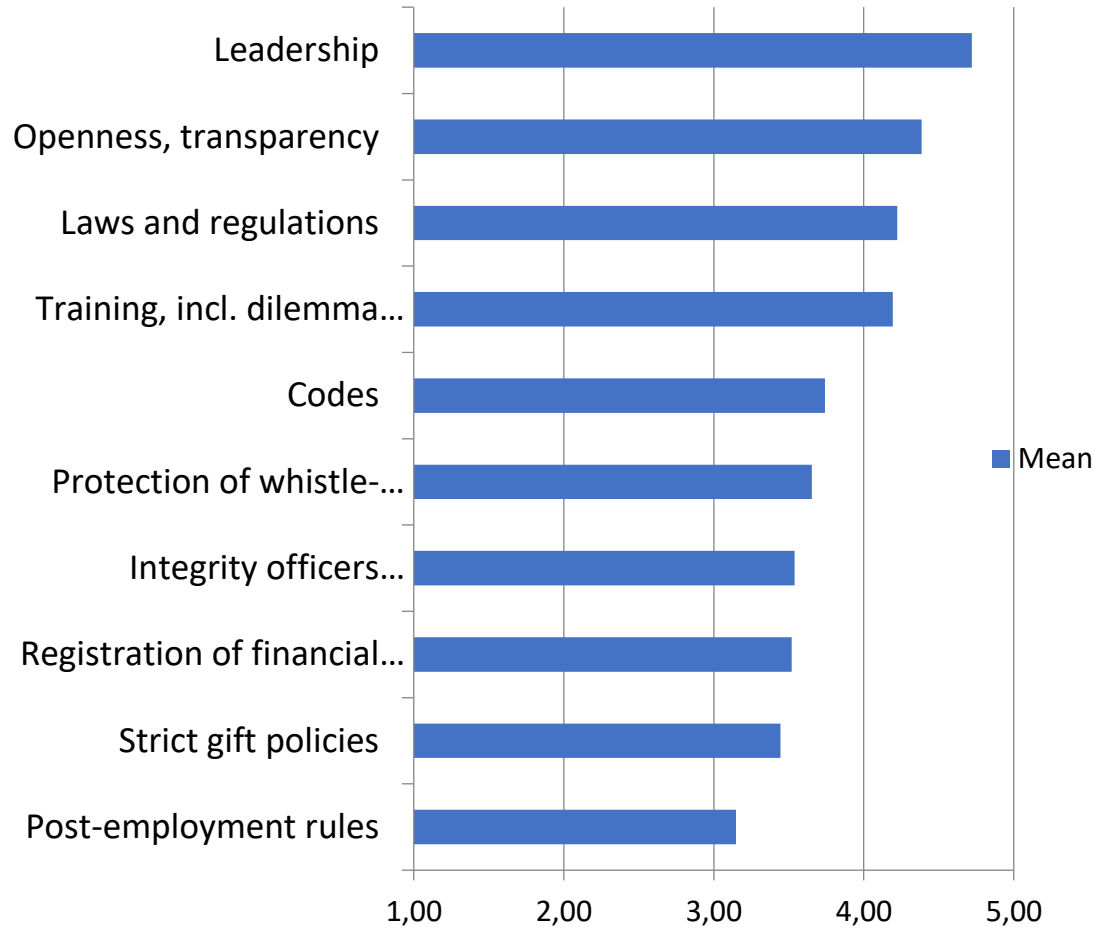
High trust in political system and political institutions, trustworthiness

Sufficient capacities and resources to - implement integrity policies

Political and civil service appointments based on merit and impartial structures

System based on org. justice (fair and ethical HRM policies)

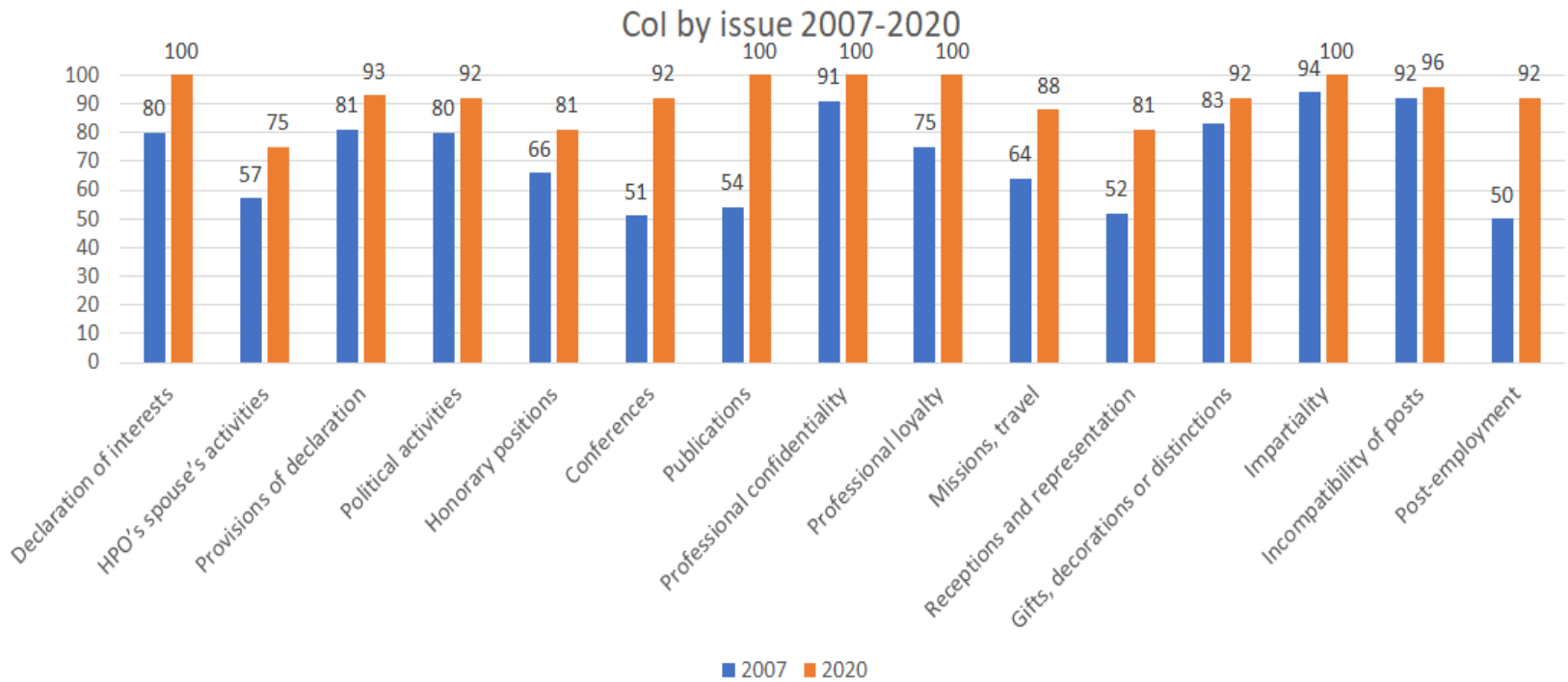
Generating knowledge:
Effectiveness of ethics tools
(N=27)
(1=ineffective,
5=effective)



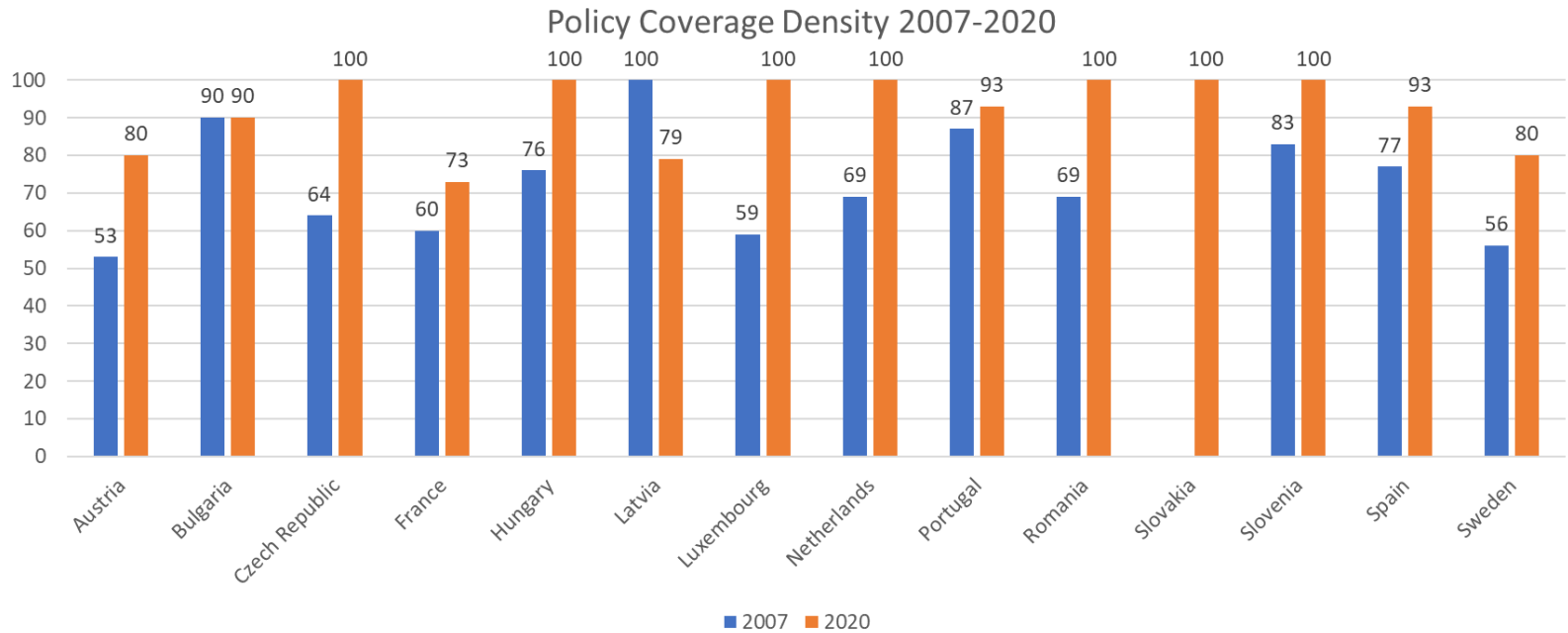
Proliferation, deepening and widening of integrity rules and codes?

- Adoption of ever more rules and codes (2007-2020)
 - Country differences/Institutional differences
 - Nordic countries have less regulated systems – higher trust levels
 - Bureaucratic systems have more rules than managerial systems
 - Some countries focus more on codes (NL, UK), most on regulation AND codes
- More issues defined as unethical (e.g. revolving door, workplace surveillance)
- Concepts become broader (definitions applying to disclosure requirements for “spouse, *family*”/“*emotional life*”)
- Trend towards stricter standards in rules and codes
 - (for exp. the setting of longer cooling off periods, stricter disclosure requirements)

Policy Coverage density of CoI policies for Ministers in 2007 and 2020 (without Belgium)

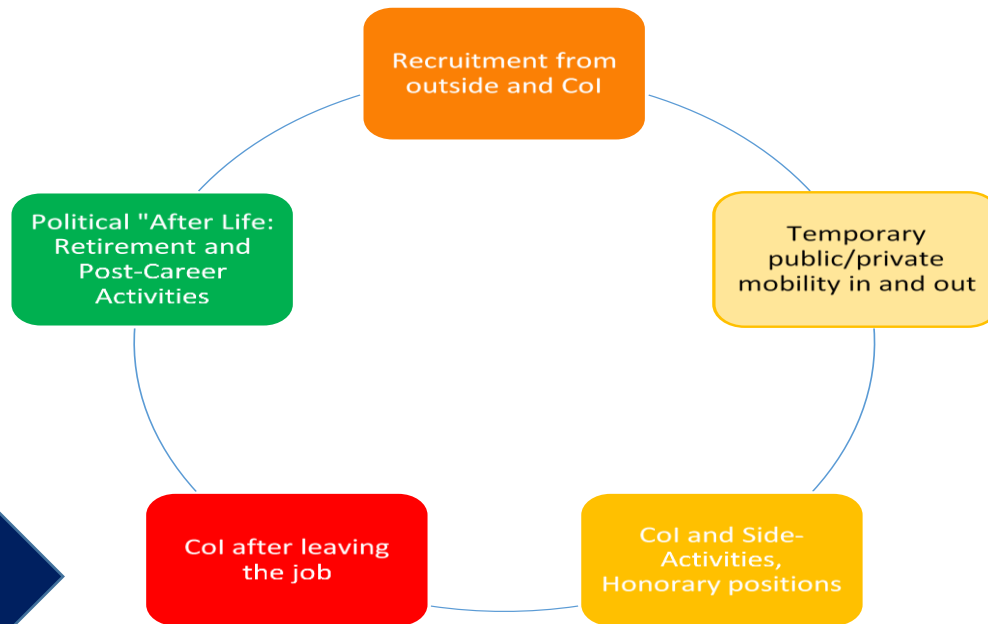


Average Policy Density by Member State from 2007-2020 (Ministers)



Broadening of concepts and trends towards stricter standards – from post-employment to revolving door (and ever more screening needs)

- Case Revolving door: Expansion of concept from post-employment to pre-employment screen, mobility monitoring and post-employment (Ombudsman: European Commission monitors 3000 revolving door cases per year, OI/3/2017/NF)
- From public-private sector switching to other forms, retirement Col etc.



Early focus on
Private Sector
Col

Institutionalisation: The setting up new authorities dealing with specific ethical aspects

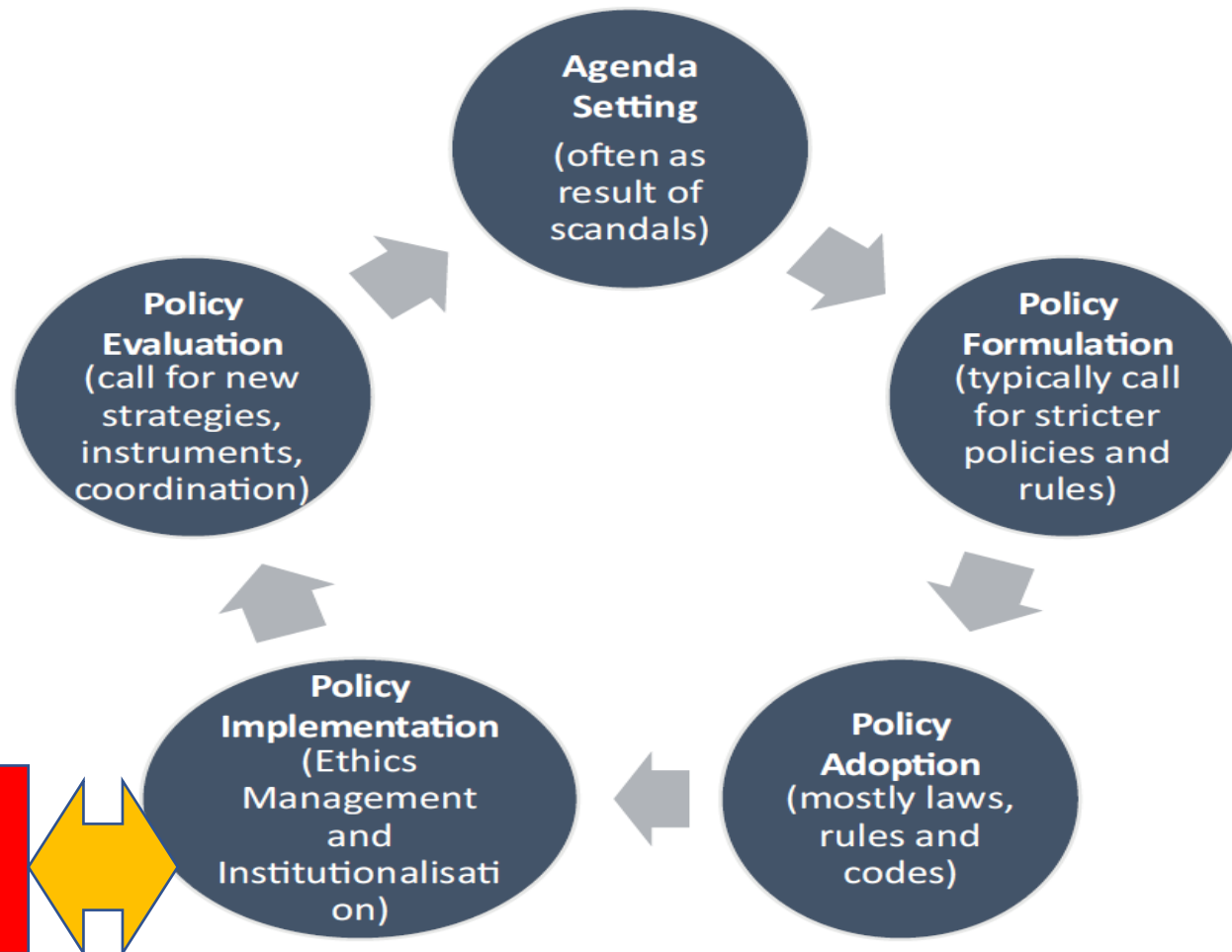


Trend towards critical governance

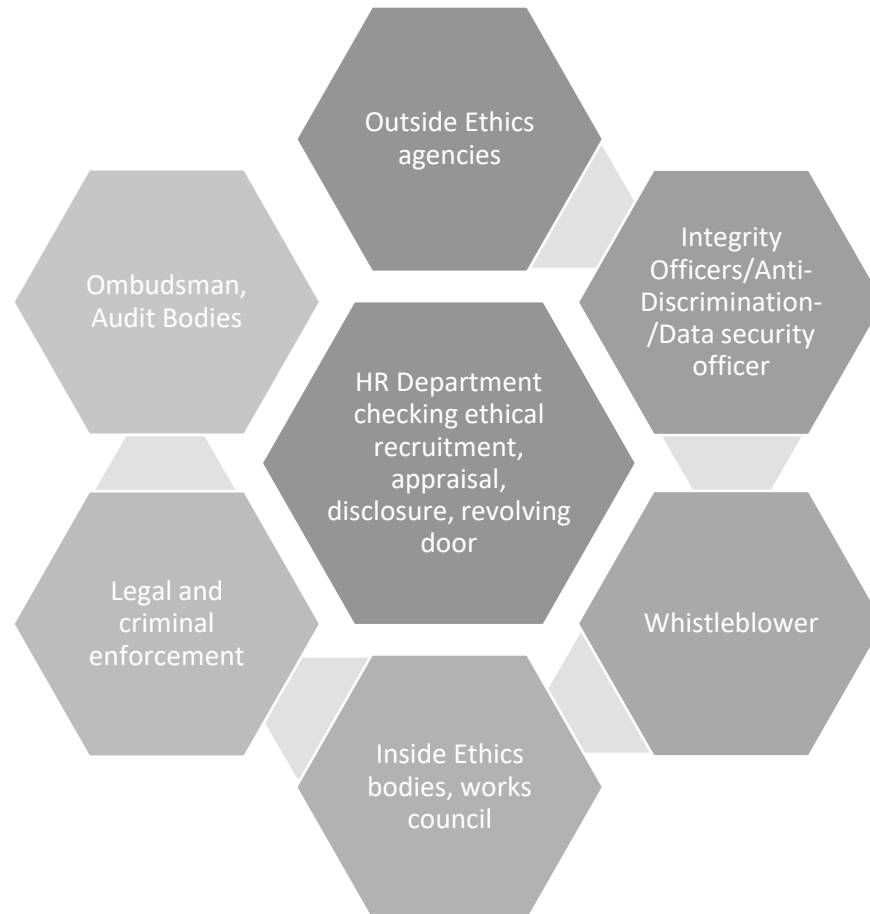
- ▶ **European Quality of Governance (University of Gothenburg, 2021 – only slightly positive!!)**
- ▶ EU Justice Scoreboard; Justice Barometer (European Commission, 2021)
- ▶ Worldjustice (World Justice Rule of Law Index, 2021)
- ▶ Freedom of press (World Press Freedom Index, 2021)
- ▶ Global Democracy Index (Economist Intelligence Unit, 2020; Freedom House, 2021)
- ▶ Governance (Bertelsmann Transformation index, 2021)
- ▶ Corruption – several indexes, e.g. European Union (2020), Eurobarometer, Special 502
- ▶ Politicisation (several recent publications, e.g. latest Halligan 2021)
- ▶ Perception of political integrity (Hertie School of Governance 2020; TI, 2021)
- ▶ Trust (Edelman Trust Barometer, 2021)
- ▶ Inequality (income, social mobility, equality of chances (Piketty 2018; 2021; Savage 2021; Friedman/Laurison, 2021)
- ▶ Merit and Impartiality (Sandel 2020; Quality of Governance Institute)
- ▶ Transparency (Hertie School of Governance, 2020)



What needs to be done? Ethics policies and codes from a policy cycle approach – still most shortcomings in implementation



Towards fragmentation of the institutional and codes of ethics landscape – ever new authorities deal with specific aspects



Towards a resource intensive ethics bureaucracy. But: Prevailing shortcomings in implementation in disclosure and revolving door policies

- Ethics management is increasingly complex, resource intensive and time-consuming; need for personal with specific skills (for exp. As regards the monitoring of revolving door cases; disclosure policies)
 - Lack of monitoring and enforcement capacities in an ever more complex ethics bureaucracy
 - Shortcomings in disclosure policies are rarely enforced (sanctioned)

High levels of tolerance as regards top-officials and Ministers, lack of monitoring and independent enforcement

- Higher standards but political reluctance to enforce ethical standards/high tolerance as regards Col of Ministers
- Ministers and top-officials themselves continuously overestimate their ability to deal with Col
- Lack of independent and external monitoring (mostly, institutions monitor themselves, self-regulation and self-monitoring)

Challenges and preconditions for effectiveness of Codes of Ethics

- Codes are only effective if employees are involved in the design and decision-making process
- Codes only effective if they are a living instrument, constantly reviewed
- Awareness ! Regular need for training employees on codes
- Need to offer clear language and explain what is meant with, e.g. values and principles in practice
- Values in theory (codes) must be monitored in practice
- Leadership and org. culture is needed to support the long term effectiveness of codes
- Certain type of codes fit better to certain cultures, countries, institutions
- Codes not effective in policies that should be better managed by law (disclosure requirements)
- Are codes effective – only for those who are already ethically motivated?

Obstacles and difficulties for effective ethics policies

(1=not an obstacle, 2=minor obstacle, 3=major obstacle;
Demmke/Moilanen, 2012)



Care for ethical culture and leadership: If unethical behavior, unfair HRM policies and politicisation are considered normal

- „If people are surrounded by conduct that is morally abominable, or seeing a lot of it, they will not disapprove of, and may be even be fine with, conduct that is morally bad (...). That is the power of normal“
- „as mandates and behavior in general get worse, things that were once seen as bad or even as terrible may come to be seen as mildly distasteful or even fine“
- „as behavior in general improves, actions that were previously seen as fine or as mildly distasteful may come to seem bad or terrible“. Consider the expanding concern with sexual harassment

Cass Sunstein, This is not normal, Yale Univ. Press, 2021

Conclusions: Can Integrity policies be better than the society and politics in which they are integrated?

- No, integrity policies can only be effective if they are an integrated component of good governance policies
- (Integrity policies are still highly ineffective – but – more popular than ever !)

Annex: Elements of Effective Ethics Management (Hoekstra, 2021)

- **Attention/agenda setting**: attention to integrity at all levels of the organization, integrated with the personnel policy, communicated externally and provided with sufficient resources.
- **Clarity/specification**: the integrity concept and policy are clearly defined, (socially) motivated and coherently operationalized.
- **Ethical leadership**: the management itself sets a good example, is open to employees and supports and enforces the integrity policy.
- **Balanced strategy/balancing**: attention to a balanced and coherent integrity strategy that is both value-oriented (training and moral awareness) and rule-oriented (rules, supervision and sanctions).
- **Organize and create awareness for the presence of integrity measures and instruments**, such as: code of conduct, specific regulations, reporting procedure, integration in personnel policy, training, confidential adviser, reporting point, investigation protocol, registration and reporting, risk analysis, integrity bureau or officer.
- **Critical reflection and evaluation**: periodic monitoring and evaluation of policy and system in terms of implementation and operation, learning from it, and external accountability.