Chapter 2

The influence of integrity on public trust

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Corruption and mismanagement in the public sector are usually cited as among the most important sources of mistrust; as such, policy action to strengthen integrity will have an important influence on trust. This chapter identifies four key policy levers to fight corruption and rebuild trust: aligning integrity values closely with evolving concepts of acting in the public interest (i.e. transparency, inclusion, courtesy, quality services, etc.); making the most of mega events and large investments to both strengthen and affirm the governments’ commitment to acting with integrity; ensuring that political and senior leaders lead by example; and strengthening local integrity systems where citizens’ levels of trust are often forged through public services and more frequent and direct interactions.
Introduction

Perceptions of public sector integrity have proved to influence levels of trust in government. Indeed, evidence shows that integrity values can be precursors to building trust, since they advocate for the ethical use of power and public resources; for more open dialogue between government and stakeholders; and for reliability and consistency (i.e. fairness) in actions. A policy-making process conducive to cultivating trust therefore builds on the presumption that stakeholders act with integrity, and incorporate measures to protect and strengthen integrity into every aspect of the process.

This chapter harnesses lessons learned from OECD member and partner countries. Four policy levers are identified as being particularly powerful in influencing trust and confidence (see Figure 2.1 below). The chapter begins with a discussion of how governments’ definition of integrity values can cultivate trust, and how these values, when defined more broadly to encompass principles such as inclusion and transparency, can improve trust in public policies. It goes on to discuss the importance of capitalising on opportunities for demonstrating integrity to citizens, such as large public infrastructure projects and major events. Then, drawing from evidence on the role that political leaders play in fostering trust, the chapter discusses specific integrity policies targeting these types of officials (e.g. asset disclosure and transparency). Lastly, it examines how public institutions that “think and act locally” are also more likely to solidify citizens’ trust in institutions, since state and local authorities are largely responsible for the organising or functioning of public services and interact more closely with citizens.
Aligning integrity values with the public interest

Integrity is often mistakenly understood narrowly as the absence of corruption. However, the concept of public sector integrity is not simply about the use or abuse of power but rather about “the consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritising the public interest over private interests in the public sector” (OECD Draft Recommendation of the Council on Public Integrity, forthcoming). This broader definition implies adopting values and behaviours more aligned with modern notions of what “upholding the public interest” means, such as fairness and equality, quality service delivery and courtesy, transparency, etc. Therefore, in assessing the relationship between integrity and trust, and using the former to support the latter, it is necessary...
that governments look beyond corruption and consider the application of additional integrity values. Inclusiveness and transparency are two integrity values in particular that have been shown to raise levels of trust in government.

**Inclusive policy making**

Inclusive policy making can be considered an integrity value, as it supports the public best interests. Indeed, evidence suggests that government efforts to provide more opportunities for citizen participation and input into policy making represent an important strategy for improving trust in public institutions and policies. For example, Traber (2013) found that “public interest groups report higher satisfaction with the policy outcome the more they participate”. To the same extent, Esaiasson, Gilljam and Persson (2012) used a randomised field experiment to reproduce the decision-making process in large-scale democracies. Empirical support for ideas about legitimacy enhancing decision-making arrangements were tested, including participatory constitution drafting, personal involvement in the decision-making process, and fairness in the implementation of arrangements. The authors found that “personal involvement is the main factor generating legitimacy beliefs.” Hibbing and Theiss-Morse (2001) also emphasised the importance of governmental procedure for citizens, noting that the process through which governments create policies is just as important for citizens as the policy itself. Taken together, these findings suggest that citizen and stakeholder inclusion in policy decisions can help legitimise resulting policies, in turn increasing citizen buy-in and trust in public institutions. The case of the Netherlands in encouraging citizen engagement, as explained in Box 2.1, demonstrates how integrity values were communicated to include inclusiveness through a Code of Conduct.

**Box 2.1. Developing professional standards for citizen engagement: The case of the Netherlands**

With a key aim towards improving trust in policy making, the government of the Netherlands began a move to reorganise, professionalise and measure citizen engagement in 2006. Along with improving trust in the process, the government’s intention was to make engagement more effective and to support good decision making. The professionalisation consists of a Code of Conduct with “principles of good consultation” and an interdepartmental organisation (Inspraakpunt) that can assist public officials through a platform for knowledge exchange and a regular benchmark for the quality and effectiveness of citizen engagement.
Box 2.1. Developing professional standards for citizen engagement: The case of the Netherlands (continued)

In 2008, the government of the Netherlands conducted an empirical evaluation of the impact of professionalism on citizen engagement. It drew upon 36 examples of citizen engagement, and the results demonstrated that the more the standards for professionalism are met, the higher the scores of subjective and objective effects. This is particularly true where preconditions are favourable. If policy options are limited, or commitment from the political level is low, the effect of professionalism is considerably lower. Good communication leads to greater impact. Participants are more satisfied with the process and the results if there is clear communication about the influence of participants and if the results are clearly demonstrated. Support from the community for decision finally taken will, in general, be greater.

If project leaders ensure that the process is made-to-measure for the problem at hand, all those involved are more satisfied with the results. Support from society for solutions will be greater, in accordance with the extent to which the process is made-to-measure.

Of all preconditions, political commitment in particular stands out. Impact is generally greater in processes where responsible politicians are supportive of citizen engagement. This is equally true if they are visible to participants during the process and perceived by the outside world as an operating unit.

Source: van der Wal, Propper and de Jong, 2009.

Transparent policy making

Transparency is another integrity value that can influence trust levels. Embedding the policy-making process within transparency mechanisms allows for greater accountability and oversight, and helps restore a sense of legitimacy. For instance, ensuring transparency in campaign financing and lobbying demonstrates governments’ commitment to defending public interests by preventing undue capture of public policies by elite private interests. Disclosure of the sources and amounts of private funding requires special attention to ensure a level playing field for all democratic actors, including loans, membership fees and third-party funding that can be used to circumvent regulations such as spending limits. Many countries for example struggle to define and regulate third-party campaigning in particular, to prevent the rechannelling of election spending through supposedly independent committees and interest groups. Unfortunately, while limits and bans on foreign and corporate funding exist in many countries, disclosure of
donor identity remains the exception rather than the rule. Private asset disclosures by legislators are necessary to track potential illicit enrichment, and lobbyists should likewise self-regulate and register in a public manner.

**Capitalising on major events and investments to strengthen and affirm integrity**

Governments should welcome scrutiny over highly visible initiatives. These can include for example major sporting or cultural events, such as the Olympics or World Expositions, or large infrastructure or procurement projects. Indeed, such initiatives garner significant media and public attention. That attention should be grasped as an opportunity to both strengthen integrity measures and showcase and demonstrate integrity to the public.

However, corruption allegations concerning government-financed infrastructure projects are, unfortunately, common. According to the OECD’s recent work on infrastructure, the initial stage of infrastructure projects is particularly prone to capture and high-level corruption. Indeed, the extent of public officials’ discretion over the investment decision, the large sums of money involved, and the multiple stages and stakeholders implicated contribute to making officials more vulnerable to undue influence. The costs of corruption in major events and investments are not only monetary but also institutional and political, with serious implications for the legitimacy of the state apparatus and citizens’ trust that government serves their interests.

Therefore, governments should ensure that such initiatives are designed and implemented with the application of sound policy tools that seek to avoid corruption, capture, and mismanagement at all stages of the public infrastructure investment policy cycle (OECD, 2016a). Such integrity tools and mechanisms for oversight and enforcement may include conflict of interest policies for public officials that govern post-employment activities and disclosure of assets; codes of conduct that establish control mechanisms for firms wishing to contract with public bodies; and mechanisms that encourage the reporting of wrongdoing related to infrastructure projects. Boxes 2.2 and 2.3 are examples of two recent high-level events – EXPO Milano 2015 and the London Summer Olympics 2012 – where the respective governments capitalised on the opportunity to implement integrity tools, thereby demonstrating their commitment to upholding the public good and showcasing integrity values.
Box 2.2. EXPO Milano 2015: Leveraging integrity to restore public trust

One year before the opening, with the construction works barely started, the judiciary and police forces shed light on corrupt acts that had tarnished the procurement procedures of the EXPO Milano 2015. Not only did these wrongdoings undermine public confidence in the event, but they also threatened to jeopardise the whole project’s ability to meet the deadlines. It took an unprecedented effort by all interested parties to eventually open the Universal Exposition on 1 May 2015. These efforts, largely driven by oversight measures taken by the Italian Government and the company Expo 2015 S.p.A., were paramount in demonstrating that the Italian government was committed to implementing integrity to ensure that public interest was at the forefront of the contracting processes for the project.

In May 2014, six individuals were arrested for suspected fraud in connection with the assignment of building contracts for EXPO 2015 in Milan. Unsurprisingly, these arrests undermined public confidence in the event and threatened the project’s completion, including the possibility that Italy would have to cease organising the EXPO. In response, the Italian Government implemented Law no. 114 on 11 August 2014, which gave the President of ANAC (Autorità Nationale Anticorruzione – the National Anticorruption Authority of Italy) functions to supervise and guarantee the fairness and transparency of the procurement procedures related to implementation of the EXPO 2015. To enable performance of these duties, article 18(7) gave the President of ANAC the power to make proposals to the Italian Government's Single Commissioner for Expo Milano 2015 and to the company Expo 2015 S.p.A. In addition, as part of this assignment, ANAC established a special operational unit (UOS) to monitor the projects of the EXPO 2015 in July 2014.

In October 2014, the ANAC and the OECD Secretariat signed a Memorandum of Understanding referring in particular to the supervision and monitoring of EXPO Milano 2015 tender procedures. The joint initiative aimed at improving the transparency, propriety, effectiveness and efficiency of the procurement procedures related to staging the EXPO.

Among the measures pursued by EXPO was the inclusion of transparency measures, such as including a transparency section on the event’s website. This section contained several sub-sections, including financial overview, contracts awarded, legal notes and governance. In addition to transparency on the website, the EXPO advertised ongoing procurement procedures and invited potential suppliers to present bids in a separate section immediately available from the home page.
Box 2.2. EXPO Milano 2015: Leveraging integrity to restore public trust (continued)

The strong commitment by the Italian Government, the new smart regulation in the sector, the checks carried out by ANAC and the other institutions involved, and the methodological supervision by the OECD marked a turning point. These efforts made it possible not only to respect the deadline of 1 May 2015, but also to focus on preventing the occurrence of illegality and corruption. The measures enabled intervention in cases of suspected procurement irregularities, as well as the guarantee that the works would be completed on schedule with respect for integrity and transparency. The transparency of these activities carried out by the organisers of EXPO 2015 was fundamental in building public trust.

Source: OECD, 2016a.

Box 2.3. The 2012 Olympic and Paralympic Games, London, United Kingdom

The Olympic Games are another high-level event that can be vulnerable to policy capture, corruption and mismanagement. In keeping with their commitment to integrity in public projects, the United Kingdom Olympic Delivery Authority (ODA) was formed to take on the job of building the venues and infrastructure and procuring the services required for the 2012 Olympic and Paralympic Games. As a non-departmental public body within the United Kingdom Government’s Department of Culture, Media and Sport, the ODA was required to comply with the country’s public sector procurement regulations and the principles of fairness, transparency and non-discrimination. At the outset of the procurement activity, the ODA engaged in a process of developing its own procurement policy after extensive consultation, and having it endorsed at the highest level. The establishment of policy objectives in advance of the procurement process made it possible to assess bid compliance against these objectives. Key elements of the policy were then combined with procurement guidance to create a standard procurement code providing detailed guidance to the procurement team. The United Kingdom Olympic Delivery Authority ensured that it met its obligations under the law – particularly around risk, brand protection and stakeholders’ rights – by ensuring that its suite of contracts also included collateral warranties for key interested parties, restrictions of ownership of tier-one contractors, enhanced conflict of interest provisions, fraud prevention and whistle-blowing requirements, and enhanced intellectual property rights.

Source: OECD, 2015a.
The importance of political leaders and senior officials leading by example

When government leaders adhere to the broadly defined values of integrity, they demonstrate to citizens that they, and therefore government institutions, can be trusted. Certainly public opinion polls are subject to sampling methods, timing (i.e. if surveys are taken immediately following a scandal), and other exogenous factors (i.e. economic conditions, levels of unemployment, etc.). Generally speaking however, a lack of integrity in leadership demonstrated by misuse of public resources or inadequate behaviour by government representatives can shape public opinion on the overall trustworthiness of the government. Political leaders can therefore leverage integrity to increase trust in government by taking the lead, through measures such as asset disclosure, conflict of interest management, and transparency in lobbying and political financing.

Asset disclosure and conflict of interest

Public disclosure of private interests by political leaders and high-level public officials contributes to fostering openness and maintaining public trust. Political leaders and high-level public officials are responsible for maintaining a high standard of propriety in the course of their official duties. As such, they need to lead by example in the management of their private interests; in preventing, reporting and resolving any conflict of interest situations; and in demonstrating to the public that they are impartial stewards of the public interest. Similarly, political leaders and high-level public officials are role models for other public officials in that they demonstrate what the expected standard of integrity should be in their daily professional conduct.

As Figure 2.2 shows, levels of asset disclosure at the highest echelons of government vary greatly. On average in the OECD area, however, the higher-level officials are already leading the way through asset disclosures, setting the standard for integrity for other public officials. While these are positive trends, more can be done by top officials. Comprehensive disclosure of income sources of political parties and candidates can contribute to greater transparency, serving as a deterrent measure to limit undue influence. Box 2.4 provides a case study of the work done by the United States to enhance transparency in the political financing process. Likewise, comprehensive lobbying standards that promote openness with regard to access to influence reduce the risk of policy capture, and lead to more inclusive policy making. Both political leaders and high-level public
officials can take the lead in these matters, as demonstrated in the case study on the United Kingdom in Box 2.5.

Figure 2.2. Level of disclosure and public availability of private interests by the level of public officials in the executive branch, 2014

Note: Data unavailable for Denmark, Iceland and Luxembourg. See Annex D for more detailed information.

Box 2.4. Transparency and accessible information: The case of the United States

In the United States, political leaders are capitalising on the opportunity to build trust through integrity measures such as disclosure of political campaign donations by adhering to the Federal Election Campaign Act of 1971 (FECA). The FECA requires that the accounts of political committees contain the name and address of any person making a contribution in excess of USD 50 along with the date and the amount of the contribution. This implies that anonymous donations to political committees are not allowed in excess of that amount. Moreover, in respect of contributions exceeding USD 200 per year, the required details are even stricter in that the contributor’s identity (i.e. name, address, occupation and employer) is to be noted in the accounts. The FECA also prescribes that any disbursement over USD 50 is to be accounted for, together with the name and address of the receiver. The accounts are to be held by the committee for at least three years.

The FECA obliges political committees to submit financial reports to the Federal Election Commission, which in turn makes them publicly available at the FEC in Washington, DC or online. The FEC has developed detailed standard forms to be used, requiring among other things precise information concerning contributions, donors, disbursements and receivers. All contributions to federal candidates are aggregated on the basis of an election cycle, which begins on the first day following the date of the previous general election and ends on the date of the election; contributions to political party and other political committees are based on a calendar year.

The intensity of the reporting may differ. For example, a national party committee is obliged to file monthly reports in both election and non-election years; a principal campaign committee of a congressional candidate must file a financial report 12 days before and another report 30 days after the election, in addition to quarterly reports every year. The FECA prescribes that the financial reports are to be made public within 48 hours; however, in most cases the FEC manages to make reports available online within 24 hours.

Source: GRECO, n.d.
In 2013, the UK Government strengthened lobbying transparency in a bid to increase integrity and public trust in the policy-making process. These efforts were aimed at enhancing the transparency of those who lobby government ministers and permanent secretaries on behalf of third parties. The move was prompted by concerns that a lack of transparency in the lobbying of government was enabling some from the corporate world to “wield privileged access and disproportionate Influence”; in response, the Public Administration Select Committee conducted an inquiry in 2009. The Committee concluded that the existing self-regulatory regime governing the lobbying industry was inadequate and suggested that unless the industry could swiftly and credibly reform that system, the government should introduce a statutory register of lobbyists. The Committee further recommended that the government publish details of all ministerial and high-level official meetings with outside interest groups.

To that end, the government introduced legislation to Parliament on 17 July 2013, and on 30 January 2014, the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act received Royal Assent. This legislation serves to enhance transparency in lobbying by requiring consultant lobbyists to register with the Office of the Registrar prior to undertaking consultant lobbying. The main characteristics of consultant lobbyists are:

- Communicating with ministers or permanent secretaries about government policy, legislation, or the awarding of contracts and grants, etc.
- On behalf of another person.
- In return for payment (of any kind, be it direct or indirect).
- In the course of a business.

The register is administered and enforced by the independent Registrar, an independent statutory office-holder. Consultant lobbyists are required to provide information regarding their organisation, their clients, and whether or not they subscribe to a publicly available relevant code of conduct, and update their entry on a quarterly basis. The register is funded by the lobbying industry via a subscription charge, and is made publicly available. The statutory register of consultant lobbyists complements the steps that have been taken to enhance the transparency and accountability of decision makers, by ensuring that the interests represented by those who seek to influence them are equally transparent.

Additionally, it has served to complement the existing self-regulatory regime by enhancing the transparency and scrutiny of the ethical principles to which lobbyists subscribe. The provisions reflect the distinctive context of UK open government, and constitute a pragmatic, proportionate solution to enhancing transparency in lobbying.

Strengthening local integrity systems, where trust is forged

Local public authorities have higher levels of direct contact with citizens, thereby providing strong opportunities for increasing (or decreasing) trust. Indeed, sub-national governments are responsible for providing a wide range of public services that should meet the expectations of their citizens in terms of accessibility, timeliness, and reliability. As shown in Figure 2.3, when the services provided do not respond to citizens’ needs and are of poor quality, citizens will naturally tend to report lower satisfaction with these services and with the public institutions concerned. Strengthening local integrity systems can have positive outcomes for all levels of government, since citizens are often unaware of the distribution of competencies for service delivery.

Figure 2.3. Trust in regional or local public authorities (11/2015)

Opportunities for certain types of corruption can also (and more likely) be encountered at sub-national levels. Sub-national governments’ responsibilities for certain services (e.g. education, health, security/justice, waste management, utilities, granting licences and permits) increase the frequency and directness of interactions between government authorities and citizens and firms, creating opportunities to test integrity. Strengthening local integrity systems, sub-national governments can capitalise on the opportunity to forge trust between citizens and governments at the local level. Recent work by the National Statistics Office of Mexico (INEGI), for example, compares citizens’ reports of corruption experience with public services provided by federal, state and municipal authorities (Figures 2.4 and 2.5). As seen earlier, given the strong link between perceived corruption and integrity, vulnerabilities at sub-national levels can have repercussions for trust in government more broadly.

Figure 2.4. INEGI corruption ratio by level of government and region

Figure 2.5. INEGI corruption ratio for public services, proxy for share of interactions where corruption was experienced

| Service                                    | Percentage
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<tr>
<td>Contact with state/local police</td>
<td>40%</td>
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<tr>
<td>Other payments</td>
<td>25%</td>
</tr>
<tr>
<td>Dealings with courts</td>
<td>15%</td>
</tr>
<tr>
<td>Emergency calls to police</td>
<td>10%</td>
</tr>
<tr>
<td>Getting municipal permissions</td>
<td>8%</td>
</tr>
<tr>
<td>Municipal services</td>
<td>6%</td>
</tr>
<tr>
<td>Housing or social benefits</td>
<td>5%</td>
</tr>
<tr>
<td>Filing taxes</td>
<td>3%</td>
</tr>
<tr>
<td>Payment for electricity</td>
<td>3%</td>
</tr>
<tr>
<td>Payment of property taxes (pago predial)</td>
<td>2%</td>
</tr>
<tr>
<td>Getting municipal permissions</td>
<td>2%</td>
</tr>
<tr>
<td>Emergency medical attention</td>
<td>1%</td>
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Taken together, the susceptibility to corruption and the proximity to citizens make local integrity systems at the sub-national levels of government critical to promoting trust. Strong local integrity systems for the public sector that define, support, monitor and enforce integrity through laws and policies, codes of conduct, internal controls and audits, and criminal/administrative sanctions, as well as engage citizens in government and oversight functions, are effective tools for building trust in public institutions. Systems such as the Amsterdam Integrity Bureau outlined in Box 2.7 ensure that public officials apply integrity in the distribution of public resources; this in turn leads to fairer distribution of resources, leaving the public to conclude that public officials are trustworthy. Integrity values can also improve on-the-job performance, resulting in more timely services. These values can also encompass better treatment of citizens and firms.
Box 2.6. Local integrity systems: The case of the City of Amsterdam

Several high-level political commitments to enhanced integrity, as well a corruption scandal in Amsterdam’s Parking Authority, demonstrated the need for a local integrity system in the city of Amsterdam in the early 2000s. Capitalising on this as an opportunity to forge trust between citizens and government at the local level, the city of Amsterdam established the Integrity Bureau (IB) in 2001.

The IB consists of four pillars: internal investigations, risk analysis, screening, and training and advice. The IB also includes the Reporting Centre and the Central Confidential Integrity Advisor. The Integrity Violations Reporting Centre is open to public officials, administrators and councillors of the City of Amsterdam, as well as to private citizens and companies. The Reporting Centre records and validates reports related to a variety of integrity violations, including conflicts of interest, abuse of power, criminal misconduct (fraud, embezzlement, etc.) and wastage of municipal property. If a report is deemed to be concrete, then the IB will conduct an internal investigation, and notify the management of the lessons learned and possible areas for reform upon conclusion. The IB also undertakes risk analysis to determine where the integrity risks lie within an organisation, what measures are needed to reduce or eliminate the risks, and whether the existing controls work and are complied with. Finally, the Central Confidential Integrity Advisor within the IB has confidential Integrity Counsellors, who are responsible for offering advice and guidance on integrity issues to staff, identifying integrity issues, and supporting employees in addressing integrity issues as they arise.

The IB operates with the expectation that all employees and institutions within the City of Amsterdam take responsibility for acting with integrity. To that extent, the IB also focuses on equipping the institutions of the City of Amsterdam in developing and implementing their own integrity systems, by providing advice and guidance based on a seven-point model that emphasises moral learning of integrity and enforcement.


Conclusion

Building on lessons learned from OECD member and partner countries, this chapter examined ways in which governments can better leverage integrity policies for building trust. Four key policy levers were identified: aligning integrity values closely with evolving concepts of acting in the public’s interests (i.e. transparency, inclusion, courtesy, quality services,
First, this chapter made the case that in assessing the relationship between integrity and trust, it is important to understand and apply the broader concept of integrity in the context of good governance looking beyond acts of corruption to also encompass values and norms for inclusion and transparency. The case of the Dutch programme to increase citizen participation in policy making, for instance, supports empirical research demonstrating the relationship between greater inclusion and higher levels of trust. These were just two of the values described, although other key values related to integrity include respect, courtesy, effectiveness and efficiency.

The chapter discussed the importance of grasping opportunities to strengthen and demonstrate commitments to integrity, by seeing to fruition major events and large infrastructure projects. Building on evidence from the EXPO Milano 2015 and the London Summer Olympics, this chapter showed that while such events or projects may be vulnerable to the risk of corruption, they are also good occasions to demonstrate the value of integrity systems.

Leading by example at the highest echelons of government, the third policy lever identified, was illustrated with examples from the United States and the United Kingdom. These demonstrated how a high level commitment to integrity (in this case through greater transparency in lobbying and political financing) could contribute to preventing policy capture.

Finally, this chapter looked at the vital importance of integrity systems at sub-national levels of government, where citizens’ trust is often forged. When integrity values and systems are incorporated into this relationship through local integrity systems, as the case of Amsterdam showed, positive experiences between citizens and public officials will lead to higher levels of trust in government.

The case studies and evidence provided in this chapter are an initial exploration of cases from OECD member and partner countries. Future research could identify additional lessons learned warranting further investigation. Specifically, further research is required to dissect the relationships between integrity and trust in such scenarios.
References


**Further reading**


