Trends in Integrity in Curaçao

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Introduction

What is going on in Curaçao when it comes to integrity? This article presents the central elements of a panel discussion and two lectures in the series *Democracy and integrity* at UNA in 2007.

The article is structured as follows:
After the introduction, different perspectives of the debate on integrity in Curaçao are presented. These perspectives were presented in a panel discussion with three panelists, as part of the main topics *Democracy and integrity* in January 2007 at the UNA. In June 2007 the political scientists Sylvia Marton PhD. of Romania and dr. Miguel Goede of UNA both contributed to the debate with their respective lectures. Their core points will be displayed as well. The Romania case, presented by Sylvia Marton PhD, serves as a remarkable example of a country, struggling with integrity issues, similar to those in Curaçao. The third part of this article adds the analyses on integrity by the Association of Public Administration of the Netherlands Antilles and Aruba, established in 1996. The final part of the article reflects on possible approaches and presents possible future actions and policies to increase integrity on the island.

At first glance one would not expect any relationship whatsoever between Romania and Curaçao, neither when it comes to integrity. But then there was an article in the Romanian newspaper *Evzoro* of June 4, 2007, about the involvement of a controversial Romanian businessman in the Curaçao financial services and free zone. This example just illustrates the consequences of globalization for the issue of integrity in different parts of the world. Integrity is no longer only a local matter but has become a global affair. Therefore, international partners, governments, private companies and NGOs (nongovernmental organizations) - willingly or not – will have to move towards asking for measures to increase local and global integrity. From some perspectives this has even become a prerequisite for sustainable development. The most noticeable integrity issues worldwide are money laundry and the financing of international terrorism.
After six prosperous decades, based on a booming oil economy,

the closing of the Shell-refinery in 1982 caused a relapse of Curaçao's economy. The weak economy, with little alternatives besides tourism and international financial activities for a happy few, formed a good breeding-ground for the war on drugs in the nineties. The drugs were exported by Latin American drugs producing countries. This development accounted for a considerable increase in corruption. In the beginning of the new millennium, when renewed efforts were made to halt these developments, people involved in corruption were prosecuted, condemned by court and sentenced to jail. Paradoxically, in our community, some do not perceive these as signs of integrity but as a lack of it.

We now have programs to promote integrity in organizations, especially in governmental organizations. These programs have increased the awareness on integrity. But we still have a long way to go. Integrity is a never ending journey.

How is Curaçao doing internationally when it comes to corruption? There is no easy answer to that because Curaçao and the Netherlands Antilles do not feature as separate entities on the international lists. Curaçao and the Netherlands Antilles cannot be found on the barometer of Transparency International because of their constitutional status as part of the Dutch Kingdom. But based on the map of the annual Corruption Index[1], presented by Transparency International, we can conclude that there is still much room for improvement.

Perspectives on integrity from Curaçao

On January 18, 2007 the Association for Public Administration of the Netherlands Antilles and Aruba organized a panel discussion about 'Integrity, politics and government'. This was the first event in the series *Democratie en deugdzaamheid (Democracy and integrity)*. The introductions were given by prof. Jaime Saleh, former governor of the Netherlands Antilles and winner of the Ien Dales Award 2004 of the Netherlands, mr. Etienne Ys, former Prime Minister of the Netherlands Antilles[2] and mr. Fred Wiel (2008), Ombudsman of the Island Territory of Curaçao.

In his introduction to the panel discussion the first panelist, prof. Saleh, stated that integrity is a characteristic of an individual person and that, to strengthen integrity, four factors must be considered:

- the moral climate of society;
- laws, regulations and codes;
- the characteristics of persons involved;
- education in integrity.

Of these four factors education in integrity was the one Saleh chose to emphasize. The second speaker, mr. Ys, referred first to the classic definition of integrity as:

The personal or institutional ability to resist fraud and corruption.

A more modern definition he presented is as follows:

Righteous, untouched, unwrinkled, effective and efficient, good civil serviceship, credible, customer focused, objective, loyal and decent.

He also referred to the definition in the report *Konfiansa,* written by Bureau Constitutional Affaires of the Netherlands Antilles (1999):

The inner conviction to act according to the norms, rights, obligations and rules of the game.

According to Ys the *Bureau Integriteitsbevordering Openbare Sector* (Bureau for Integrity of the Public Sector), a division of the Dutch Department for Internal Affairs, states that

Integrity is a standard of wholeness and unity and one should be guided in one's acting by norms and values that are inherent to a good civil servant.

The third panelist, mr. Wiel, stated that integrity of government institutions is built on personal integrity:

Integrity of politicians and officials is essential for the rule of law. It is the responsibility of political parties to make sure that the candidates are persons, characterized by integrity.

Integrity of the civil services is also essential for the rule of law, according to Wiel. The civil services need to resist corruption. One of the ways to improve this is by screening the apparatus to identify the weaknesses. It is apparent that in Curaçao there has been a lot of progress, although laws and regulations are staying behind.

Much progress has been made in the area of awareness. But that does not imply a change of mentality as well. Regretfully, some local politicians have not given the example that one might expect from official representatives of the community. Wiel also defined integrity in terms of civil servants working

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His thesis was about the growth and fragmentation of the Government of the Netherlands Antilles and Curaçao between 1985 and 2002. Miguel Goede is author of several publications in his field and can be contacted at m.goede@una.an.

together, loyalty of management and to management and the proper usage of time and resources, concluding that, in his opinion, there is room for improvement; a closer look at current trends yields a new, worrying picture. Wiel signalled new forms of corruption, like the misuse of credit cards, that manifest themselves and go on unpunished.

Finally, he mentioned the extremely rude way in which politicians communicate in the pubic political arena, in the *Eilandsraad* and in the *Staten*.

Another integrity issue is the at times humiliating way in which politicians are treated by the police and other institutions, when being detained for interrogation in investigations of corruption. Wiel finished his perspective on Curaçao by emphasizing the role of the community and the local media. They should consistently analyze practices and demand more integrity.

Dealing with integrity

There are many different interpretations of the concept integrity (see Mussinga 2004). The debate on integrity in Curaçao goes back a long way already. It certainly did not start in 2007 nor on April 1, 2002, when dr. Rutsel Martha, Minister of Justice of the Netherlands Antilles and Island Commissioner of Finance, E. Ys and F. Wiel, as examining judge, gave lectures on integrity for the Association of Public Administration in a meeting titled: *Integrity: what is that?* (2002). Martha stated that corruption is a universal problem and referred to Nicolo Machiavelli (1469-1572) and Skinner (1972). He highlighted the concept of *Eternal vigilance* and argued that, because people are weak, checks and balances must be in place to protect people against themselves. Martha also reminded us of the series of lectures on good governance in 1993 entitled: *Deugdelijkheid van Bestuur,* reminding us that the local debate on integrity has considerably older roots than 2002. According to Martha public servants should be appointed, based on their expertise and not based on their political position. He is an advocate of the French system of appointing civil servants, based on the outcome of a *concourse*. Martha referred to the three integrity assessments of the police force, customs and the prison. He finished at that time with a plea for the appointment of a *National Authority for Integrity* (Martha, 2002).

Ys quoted the Dutch politician Ien Dales, saying that one cannot be 'more or less honest'. He argued that integrity has become a big issue in the recent years because of the separa-

tion of policy and execution of governmental tasks by state-owned companies and subsidized foundations. Politicians are still accountable but have become less involved in the execution of tasks. He stated that integrity is not only a matter of government but of society as a whole, pleading in favor of a holistic approach of the issues, guided by a National Steering Committee for Integrity (Ys, 2002).

Wiel referred to the three assessments he conducted at the police, customs and the prison. He stated that it is time to start *implementing the recommendations* in those reports. According to Wiels, this is all about creating a *culture of integrity*. These matters should be discussed openly in the organizations while management should participate actively without excluding themselves from the discussion.

For many years, beginning in the 1980s, the NGO Kousa Komun[3] had been promoting the case of good governance in the Netherlands Antilles. But it was the Dutch Minister of Antillean Affairs, prof. mr. Hirsch Ballin, who put the issue on the political agenda in the 1990s. Today UNA has a Good Governance chair (since 2006).

Former UNA scientist dr. Verton also published about the integrity issue. One phenomenon that eradicates integrity is the still vivid political patronage system. It is classical in the Caribbean small scale societies of the Netherlands Antilles (Verton, 2003/5). Referring to the important contribution in the reader *Réne Römer als inspirator,* dr. Verton (2006) reminds us of the contribution of prof. dr. Römer on the subjects of social relations, political patronage and small scale. Verton argues that civic education should become part of every curriculum of education in order to further promote good governance.

In 1999 Arthur Andersen (Goede, 1999) and in 2004 the Curaçao Leadership Forum (Goede, 2004) conducted two studies on leadership in Curaçao. According to these studies, leaders of the islands can be characterized as serving their own interests and in love with power. In other words: the lack of integrity is an issue in the context of local leadership. According to these studies, leadership has been influenced by:
- the colonization by the Dutch;
- the economic system of slavery, abolished in 1863;
- the Catholic church, mainly the educational system;
- the arrival of the multinational Shell at the beginning of

the 20th century to refine Venezuelan crude oil;
- the autonomous status (internal self-governance), obtained in 1954;
- the social revolt of May 30 1969;
- the small scale of society (Goede, 1999 and 2004).

In his inaugural address, as professor in Good Governance at the University of the Netherlands Antilles, prof. dr. Roel In 't Veld stated that good governance is a prosthesis for righteousness. He argued that by accepting a code on integrity, integrity itself is amputated. People will just comply with the code, without the inner conviction. He also explained that the road to good governance is not a universal one and that Curaçao must find its own path. Importing or imitating the models, developed in other societies is a method, doomed to fail. (In 't Veld, 2006).

Sharing experiences from Bulgaria and Romania

On June 5 2007, the *Association of Public Administration,* as part of the event-cycle *Democratie en deugdzaamheid,* had a meeting with Sylvia Marton PhD. from the University of Bucharest. Her lecture was entitled *Development and Democracy: Some Major East European Dilemmas on Integrity* (2007b). She shared with us her experiences in Romania (2004 – 2007) and Bulgaria (2007 – 2009) with programs to improve the integrity of local government and her experience with integrity issues in these two countries during the post communist era. Some believe that criminal networks in the former Soviet Union account for the world's most dangerous organized crime. The criminal networks are deeply involved in money laundering, linking up their activities with largely unregulated banks in Eastern Europe (Giddens, 2001).

Integrity program for local government

The Integrity programs were run in ten cities in each of the two countries. The research projects consisted of three phases:

- Phase one was the phase of diagnosis, planning and training.
- During phase two the actual integrity program was implemented in the ten cities.
- In phase three a spill-over effect was created.

Marton explained that these programs were necessary to strengthen democracy and to create more justice in society, the lack of integrity being so harmful to societies. The economic side effects hit the economic weaker groups harder and the distrust of citizens in public institutions takes dramatic forms.
According to Marton, there are some common difficulties when it comes to improving integrity in Eastern Europe:
- the lack of clear separation and balance between political power, the administration, and the market processes;
- an oversized public sector;
- lack of trust in institutions;
- overregulation;
- a weak civil culture;
- inadequate quality of governmental administration;
- a delayed process of moving towards a modern democracy and market economy;
- the destruction of institutions during communism.

Lessons learned from the implementation of the integrity programs according to the analysis of Marton:

- The projects are only successful if they are developed in partnership with administration, civil society and other stakeholders together.
- Projects on a local scale are more successful than on a national scale.
- Communication between stakeholders is of essence.
- Implementation should be gradual.
- Measures for performance should be specific and clear.

Measures, following the programs

The analysis done on the effects of the programs led to the following key measures, which have been implemented in the cities of Rumania and Bulgaria:
- Establishment of a code of conduct for civil servants and councilors.
- The governmental information to citizens was improved.
- Decisions where made transparent.

Sylvia Marton elaborated on how to consolidate democracy in East-Europe to make it 'the only game in town', after the transition from communism to democracy. In this context she warns to make a distinction between formal rules and actual behavior, especially when it comes to democracy. Clause Offe referred to the East European transition as *Simultaneity:* everything had to

be tackled at the same time and this was and still is a major challenge.

During communism many institutions had been destroyed. They needed to be reconstructed and strengthened, because institutions are key to integrity, transparency and hence to democracy. During the transition East-Europe had to deal with the leftovers of communism, three of them being the lack of separation of the powers, over-regulation and an over-sized public sector, focused on ruling and not on governing. And last but not least there are the ethnic issues, which led to Marton's final question: 'If democracy is necessarily related to/only possible in a well-developed market and a developed society?'

Corruption and democracy

The next topic Marton PhD. addressed, was corruption and its relationship to democracy and economic development. Corruption is a problem, rooted in a multi-problem context in many countries. Corruption is a threat to democracy and economic development. It arises in the ways people pursue, use and exchange wealth and power for private benefits, and in the strength or weakness of the state and the political and social institutions that sustain and restrain those processes. Differences in these factors give rise to *four major syndromes of corruption,* named Influence Markets; Elite Cartels; Oligarchs and Clans and Official Moguls.

To deal with these mayor syndromes of corruption, East-Europe is in the process of implementing reforms in the fields of:
- justice;
- improvement of the management of the public sector;
- international competition;
- political transformation and liberalization;
- economic freedom.

In Eastern Europe the absence of integrity and the lack of anti-corruption capacity have proved to lead to economic side-effects (poverty), image/prestige and social side effects, institutional inefficiency, deviation of resources, distrust of citizens in public institutions, de-legitimization of community/public activity and decision-making. These effects endanger or delay democracy in Eastern Europe

Current integrity issues in Curaçao

Party funding

In our local context, current issues on integrity are the general elections, in particularly the party funding. Like in many other countries, the political parties are supported via donations from mainly the business community. These donations are not disclosed, which means that they are not transparent.

After the new government is in place, citizens are often wondering whether decisions, taken in government, are part of the paying back. From time to time there is a debate to make party funding more transparent, but then it disappears again from the agenda (Goede, 2006). Interesting in Curaçao is that although transparency is missing, most people know very well about the 'hidden' sponsoring of political parties and individual politicians. But to prove such sponsoring for private goals is a difficult story.

Dependent Media

The media on the island are not subsidized by government but receive their incomes from advertisements. The independence of the media is therefore limited, particularly in such a small-scale society. This means that the media feel or know that they cannot be too critical, as that might lead to a loss of sponsors. This raises the question: How independent are the media in Curaçao?

The business community has influences in the political parties as well as in the media. Whether these influences are bigger or smaller or the same as in other countries has not been researched. The occasional debates on this subject have not resulted in clear conclusions so far. (Goede, 2006).

Political Appointments

In 2006 and 2007 there have been several political appointments in government and in state-owned companies. Nowadays these appointments occur frequently by organizing fake job application procedures to cover up the political ties and influence. These appointments are part of the traditional patronage system. There was an extensive media coverage of some of the political appointments. The visible lawlessness was threatening to grip society. Earlier debates of The Association of Public Administration on this issue have been published in *Who owns the company?* (October, 2002).

Approach to improve integrity in Curaçao

The final question in this short article is:

How to take good governance in Curaçao to the next level?

In the report *Konfiansa* (Bureau Constitutionele Zaken, 1999) several propositions are already made:

- Public biting should be take place, based on independent transparent and published advice.
- Permits must be granted, based on independent transparent published advice.
- Laws should be created to regulate the incompatibility of interests and positions.
- Supervision should be ensured and effective persecution of offenders should be organized.
- A code of conduct for politicians should be established.
- The possibility to remove convicted public officials from their position should be created by law.
- Gifts and donations to political parties, public officials and civil servants should be made transparent.
- An active policy to promote integrity should be in place.
- A national independent anti corruption authority must be installed.
- Strict regulations are needed for the training of personnel, involved in the purchasing process, including a blacklist of companies that do not comply.
- Political appointments or patronage and nepotism should be stopped.
- The total protection of whistleblowers should be regulated by law.
- The financing of political parties should be totally disclosure, donations should be limited to a maximun, and independent supervisor should be appointed and offenders should be prosecuted.
- A code of conduct for civil service, government official and members of parliament should be installed by law. This code should include financial disclosure. Supervision and the prosecution of offenders should also be in place.

Currently the following themes are being debated in the community of Curaçao:

- Are there limits to what can be regulated by law to increase good governance?

- How to make the financing of political parties more transparent? Must parties by law disclose their donations and publish their financials?
- Must top civil servants be allowed to be a member of political parties or should they remain neutral?
- Should elected politicians, sentenced for corruption, be removed from parliament?
- Should there be a law on this matter?
- Should there be a black list of companies that have been involved in corruption?

In general there are two approaches to strengthen integrity:
   a) strengthening of the institutions and
   b) strengthening individuals by education.

Curaçao in recent years has been strengthening the institutions like the Ombudsman and the Auditor General. The results are positive. The awareness has increased and also the number of cases, reported by citizens. On the other hand, Curaçao has started a number of trainings for all civil servants and a Good Governance chair has been installed at the University of the Netherlands Antilles. These two tracks have been reinforcing each other. The result is that citizens feel more supported to put forward their issues regarding integrity. There is improvement but there is still a long way to go.

Notes

1   http://www.transparency.org/policy_research/surveys_indices/
    cpi/2007

2   03 June2002 till 22 July 2003, Ys I; 03 June 2004 till 26 March
    2006,

3   Ys II http://www.kousakomun.org/html/publikashon.html

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