
Combating Administrative and Financial Corruption through Good Governance: The Danish Experience

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Abstract:

The This study aimed to determine the role of good governance in combating corruption in Denmark, so we relied on the descriptive approach to highlight the variables of the study as well as benefit from the experience of Denmark.

The findings demonstrated that implementing good governance is the key to combating corruption through the mechanisms of efficiency, effectiveness, transparency, accountability, participation, and the rule of law. Through the development and successful implementation of a well-defined strategy, information is provided and resources are used as efficiently and effectively as possible. The government, citizens, and civil society (associations) must work together to achieve good governance and its mechanisms in the fight against corruption. This is because it permits the control, accountability, and accountability of all officials and citizens.

Keywords: Good Governance, Effectiveness, Transparency, Accountability, Corruption

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1. Introduction:

One of the dangerous phenomena that has existed since ancient times is corruption, which is regarded as transcontinental -that is, it is not just a problem in developing nations but also exists in developed nations. However, because of the widespread looting that these nations endure, corruption has a significant penetration rate in developing nations, which has led to their weak economic and social development. For this reason, it is imperative that this phenomenon be stopped.

During the early 1990s, when wealth was concentrated in the hands of senior state officials and 15 million Algerians lived below the poverty line, corruption was one of the country's most pervasive and complicated problems. Other issues included a permanent deficit in state budgets, a lack of quality public services, such as health and education, and unemployment that was steadily rising due to the failure of public investment projects.

The adoption of good governance principles by countries is a key factor in the fight against corruption. In order to gain insight from Denmark's experience fighting corruption by implementing good governance concepts like accountability and transparency, we choose to showcase the country's experience as a corruption-free nation.

In light of the above we can state the following problematic:

What is the role of good governance in combating corruption in the State of Denmark?

The following research questions stem from the main research problem:

- What is the role of efficiency and effectiveness in combating corruption in Denmark?
- What is the role of transparency in combating corruption in Denmark?
- What is the role of accountability in the fight against corruption in Denmark?
- What is the role of participation in the fight against corruption in Denmark?
- What is the role of the rule of law in combating corruption in Denmark?

1.1. Significance of Study:

This research holds significant value since the implementation of good governance combats corruption through processes, which promotes development.

1.2. Aims of Study:

- To understand the methods used by good government to fight corruption.
- Benefit from Denmark's experience as a nation free of corruption.

1.3. Study Hypotheses:

- Effectiveness and efficiency play a key part in combating corruption in Denmark through the use of governmental policies, strategies, and balance sheets.
- Transparency's role in Denmark is to combat corruption by making information about government policies via news and social media platforms.
- Accountability's role is to combat corruption in Denmark by carrying out its legislative and executive duties.
- In Denmark, the function of participation in the fight against corruption is to involve citizens in different decision-making processes.
- In Denmark, the rule of law serves to combat corruption by enforcing the law on all citizens and officials.

1.4. Study Approach:

In order to achieve the objectives of the study and highlight the role of good governance in combating corruption in the State of Denmark, the descriptive approach was adopted to highlight the relationship between the variables as well as to benefit from the experience of Denmark.

The study will be divided into two axes as follows:

- A study's theoretical framework is the first axis.
- The Danish experience is the second axis.

1.5. Literature Review:

Corruption is one of the topics that have attracted the attention of many scholars, as it is one of the obstacles to the development of countries, especially developing ones, as combating it has become an inevitable necessity in order to advance the development process. Good governance is one of the most prominent mechanisms used in this regard.

One of the research papers that addressed the crucial role of good governance in fighting corruption was (Bouazza, 2018) a theoretical study in which the researcher discussed the mechanisms of good governance that are used to fight administrative corruption, including accountability, transparency, bolstering the rule of law, and the significance of citizen participation. It came to the conclusion that administrative corruption poses a threat to peoples' political and social stability and that one of its main causes is the lack of the rule of law and unclear legal regulations.

Another research in the same context (Dab'a, 2022) focuses on Algeria's efforts in trying to define the principles of good governance to fight corruption. Due to the lack of a defined plan and the inability of the state, civil society, and citizens to coordinate their efforts, Algeria scores poorly on measures of corruption perception by not actually implementing good governance. Additionally, in another study (Khawass, 2019) focused on the effects of political corruption in sub-Saharan African nations and the strategies taken to counteract it. For its

investigation, 49 countries were specifically chosen. The study's objectives were to assess the methods for preventing political corruption and to draw attention to the key factors that influence it and its effects on both political and economic development. According to the study's findings, there are numerous and dispersed causes of sovereign corruption in these nations, and political motives predominate over other variables like economic ones. Nevertheless, the consequences of this corruption were disastrous. Due to a lack of political will, the measures in place to tackle it are thought to be limited in their effectiveness.

This study differs from all these previous studies in that it highlighted the case study of the corruption-free state "Denmark" for its adoption of good governance.

2. The theoretical Framework of the Study.

2.1. Concept of Corruption.

2.1.1. Corruption Definition.

Corruption has received several definitions by international organizations, including: International transparency organization has defined corruption as " the abuse of public power for private gain".(Dab'a, 2022, p. 1873)

According to the World Bank, it is " The intended exploitation to distort the application of laws, rules and regulations, in order to obtain a benefit for government and non-government employees through the prohibited and non-explicit supply of corruption to the personal gains of public officials" (Ajabi, 2018, p. 450).

The United Nations Development Program defines it as "The misuse of public power, office, or authority for private gain, whether through bribery, extortion, influence peddling, nepotism, fraud, gratuity to speed up services, or embezzlement." (Zaidi, 2022, p. 624).

The Arab Convention against Corruption did not provide a precise definition of corruption, but it did associate it with a number of criminal activities, including bribery in the public and private sectors, bribery of all kinds of businesses, including public sector and joint stock companies, abuse of authority, laundering of criminal proceeds, obstruction of justice, and embezzlement of property in both the public and private sectors. (Ghanim, 2020, pp. 16-17)

We can say that corruption can be defined as the misuse of authority and the commission of unlawful activities, including bribery, nepotism, and the looting of public monies to enrich private parties and subordinate the public interest.

2.1.2. Types of Corruption.

There are various forms of corruption. Petty corruption, which includes bribing public officials, grand corruption, which involves top authorities, and domestic corruption, which is more common, are the three categories.

However, the study will focus on comprehensive corruption, which is defined as: "The widespread theft of public funds through fraudulent transactions and the conversion of public property into substantial private interests. Various public officials and those at the top of the pyramid engage in this kind of corruption, which is separated into four categories: political, financial, administrative, and economic". (Bouazza, 2018, p. 93)

- **Administrative Corruption:** This type of corruption can be defined as an illegal behavior that arises from a person's failure to uphold their moral principles and the subsequent misuse of authority at the administrative level by departmental staff members who put their personal interests ahead of the public's interests. (Al-Taie et al., 2015, pp. 21-22). It can take the form of theft, embezzlement, fraud, forgery, nepotism, and bribery (Al-Zubaidi, 2016, p. 26)
- **Financial Corruption:** It is the illegal practice of employees engaging in financial irregularities when conducting financial transactions (Al-Rafa'i, 2015, p. 46) , this includes embezzlement of public funds, tax evasion, money laundering, and forgery of currency (Shawy, 2022, p. 20)
- **Economic Corruption :** It can be defined as "the concentration of economic practice in terms of production and distribution on one aspect of material life and the neglect of other aspects" (Jarallah, 2019, p. 110). In other words, obtaining money and profits through any means is an illegal act.

Money laundering, international transactions, the proliferation of organized crime, the sale of weapons, and humanitarian help that is not in line with its goals are all examples of economic corruption (Al-Zubaidi, 2016, p. 26)

- **Political Corruption:** It is the most serious kind of corruption that occurs at the highest level of government or within one of its powerful parties. Examples of this include corruption in political parties, the media, or civil society organizations that engage in illegal activities (Khawass, 2019, pp. 26-27) Political party corruption, funding problems, legislation, implementation, and judicial corruption, as well as corruption of leaders, are some of its forms (Al-Zubaidi, 2016, p. 27)
- **Social Corruption:** The moral scandals of high-ranking officials, the rise of white slave networks, and the mafia's exploitation of minors for immoral purposes are examples of this corruption, which is a reflection of society's moral decay and the crimes that follow (Al-Zubaidi, 2016, p. 26)

2.2. Good Governance.

Good governance has several definitions:

Good Governance, according to the United Nations Development Programme (UNDP), is "the exercise of economic, political, and administrative powers for the affairs of society at all levels." (Kaffi, 2017, p. 187)

The World Bank defines good governance as "the exercise of political power to manage the affairs of the state efficiently and effectively through accountability, transparency, justice, and respect for human rights, as

well as the way in which the economic and social resources of a society are managed with a view to development." (the word, 1992, p. 1)

The OECD defines it as "the use of political power and control in society while using the resources necessary to achieve economic and social development." (UNDP, 1997, p. 3)

It is possible to define good governance as the set of procedures and approaches used to manage a nation's economic and social resources in line with the values of accountability, transparency, and respect for the law in order to eradicate corruption and accomplish overall development.

2.3. The Mechanism of Good Governance in Combating Administrative and Financial Corruption.

The following are the methods that good governance employs to fight corruption:

2.3.1. Efficiency and Effectiveness:

This principle covers the whole administration of organizations in order to maximize their use of resources (achieving effectiveness) and achieve the intended consequences from their usage (achieving efficiency).

A clear strategy to maximize the use of available resources through rational financial planning that ensures the control and rationalization of expenditures, as required by the needs of society, and work on the continuous evaluation of this planning to measure and correct deviations are the foundations of the role of efficiency and effectiveness in combating corruption in public administration of institutions. This leads to the elimination of administrative corruption, which is initially caused by the exploitation of positions for personal interests, as well as financial corruption, which is caused by the looting of public financial resources.

2.3.2. Transparency:

This principle is exemplified by the free flow of information between senior management and other administrative levels. On the one hand, this facilitates the comprehension and clarity of procedures, which, on the other hand, strengthens administrative control and makes it easier for individuals to finish their work. The second is the right of citizens to easily and promptly obtain accurate information regarding government plans and policies, as well as any facts pertaining to national accounts, the balance of payments, employment, and the cost of living. (Qaralla, 2011, pp. 23-24)

The role of transparency in fighting corruption is demonstrated by administrative control, which, on the one hand, makes it possible to eradicate administrative corruption; on the other hand, by providing citizens with access to information, which enables the eradication of political corruption and the subsequent embezzlement of public funds through governmental control.

2.3.3. Accountability:

The principle of accountability allows the elimination of corruption, especially political corruption practiced by governments and civil society. It requires that all concerned parties from the public sector and

individuals belonging to it, in addition to civil society, are responsible for their behaviors and the results of their decisions taken before society and are punished accordingly. This leads to the effective performance of the tasks entrusted to them in addition to the implementation of the programs decided upon by governments. (Bouazza, 2018, p. 98)

Accountability is exercised in four forms:

- **Legislative Accountability:** The parliament, which is responsible and keeps an eye on government policy, carries it out (Alwan, 2020, p. 29)
- **Executive Accountability:** The government administration is in charge of carrying it out, accounting for and keeping an eye on the Government Executive's performance.
- **Judicial accountability:** It is carried out by the judicial authority, which applies the laws in the cases that are brought before it in order to oversee and regulate the operations of the governmental and non-governmental apparatus (Al-Attar, 2020)
- **Accountability of the Fourth Authority (Public Opinion):** Through civil society and the media, which speak for the people and keep an eye on how government institutions are run (Al-Attar, 2020)
- **The rule of Law:** The law is considered as the regulatory framework for fighting corruption because it establishes highly effective institutions and executive and supervisory commissions that support them in a firm political administration, ensures that all responsible citizens and the government are equal before the law, and holds corrupt officials accountable and punishes them (Rakkach, 2019, p. 50)
- **Participation of Citizens:** According to the idea of participation, citizens must be allowed the freedom to decide and monitor how those decisions are being carried out. This creates a sense of obligation to keep an eye on and hold accountable the accountable elites. As a result, citizens are a powerful ally in the battle against corruption.

3. Experience of Denmark.

3.1. Good Governance Indicator in Denmark.

Through World Bank descriptive surveys, the six good governance indicators which range from -2.5 to 2.5+ are used to measure and evaluate the degree of governance in various nations.

Table N⁰ 1: Good Governance Indicators in Denmark (2013-2022)

	Participation and Accountability	Political Stability Index	Government Effectiveness Index	Legislation Quality Index	Rule of Law Index	Control of Corruption
2013	1.67	0.96	1.94	1.8	1.9	2.4
2014	1.52	0.95	1.79	1.68	2.1	2.25
2015	1.55	0.89	1.80	1.72	2.02	2.19
2016	1.54	0.85	1.82	1.56	1.88	2.20
2017	1.52	0.85	1.75	1.61	1.8	2.19
2018	1.57	0.93	1.81	1.63	1.77	2.16
2019	1.54	0.97	1.87	1.55	1.83	2.12
2020	1.51	0.92	1.84	1.79	1.81	2.24
2021	1.55	0.93	1.96	1.8	1.9	2.33
2022	1.59	0.87	1.99	1.84	1.9	2.40

Source: <http://info.worldbank.org/governance/wgi/index.aspx#reports>

It can be seen from the table above that:

- In terms of the Participation and Accountability Index, the values range from 1.51, which is the lowest value over the past ten years, to 1.67, which is the highest value. These values can be considered excellent and show that the State of Denmark allows its citizens to exercise their right to free speech and to vote in elections to choose their governments.
- Regarding the political stability index, we observe that its values range between 0.85 and 0.97, which is a favorable range. As a result, Denmark enjoys a peaceful, secure, and violence-free political environment.
- As for the government effectiveness index, we observe that it has consistently high values over a ten-year span, ranging from 1.75 to 1.99. By offering high-quality social services from the health and education sectors on the one hand, the State of Denmark—also referred to as the social welfare state demonstrates that it offers high-quality public services. Conversely, these criteria show the caliber of the State of Denmark's public policies, which culminate in their successful implementation.
- Regarding the quality of regulatory legislation index, we observe that its values fall between 1.55 and 1.84, which can be considered excellent. This suggests that the State of Denmark is constantly working to create policies and perceptions and is working to accomplish them on the one hand, while also facilitating various measures to strengthen and develop the private sector on the other.
- As for the rule of law index, Its values, which range from 1.77 to 2.02, are very good and exceptional. This suggests that Denmark has a legal framework that combats corruption in all its forms.
- Regarding the control of corruption index with 2.12 as the lowest value and 2.4 as the highest, this index has very high and excellent values. This shows how much work the Danish government has put into fighting corruption and getting rid of all of its cells through the various mechanisms it uses, like accountability and

transparency. As a result, it has achieved the top rankings in the Corruption Perceptions Index and is regarded as a corruption-free nation.

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3.2. Corruption Perceptions Index.

The Corruption Perceptions Index is an index that measures the percentage of corruption in the public sector of countries (it includes bribery, nepotism, transfer of public funds, officials exploiting their positions for personal purposes with impunity) according to experts and businessmen it is limited to 0-100, which means 0 is very corrupt and 100 is very clean.

Table N° 2:Corruption Perceptions Index in Denmark (2013-2022)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Result	91	92	91	90	88	88	87	88	88	90
Rank	1	1	1	1	2	1	1	1	1	1

Source : Reference: <https://www.transparency.org/en/cpi/2022/index/dnk>

With a score ranging from 87 to 92, the State of Denmark ranks first globally during the past ten years, as shown in the above table. This suggests that, thanks to its significant efforts to combat corruption, the country is virtually free of corruption.

3.3. Mechanisms of Good Governance and its Role in Combating Corruption in Denmark.

The State of Denmark is a leader in the field of good governance because it has adopted its principles, which has led to its reputation as a corruption-free state in the world. It has also achieved social development through high employment rates and high tax levels, as well as economic development through strong economic performance and social welfare through improved service quality and social justice through equal income distribution and a decline in poverty rates.

The role of good governance in the fight against corruption in Denmark is demonstrated by the following: (Finn et al., 2020, pp. 38-56)

3.3.1. Efficiency and Effectiveness (strategic capability):

In order to achieve the welfare state, which is equal treatment for all, the State of Denmark works to reallocate funds from the wealthier municipalities to the poorer municipalities. The state also uses a control mechanism that imposes financial penalties on municipalities that exceed the agreed-upon spending limit in order to preserve public funds. These factors allow the State of Denmark to maintain credibility and implement its budgets in the field by the municipalities in charge of providing services in accordance with the expectations of the public.

The Ministry of Finance's strategic planning, which involves creating comprehensive plans with a horizon of roughly ten years, is responsible for the State of Denmark's success in terms of public sector efficiency and

effectiveness. Examples of these plans include the government's plans for 2010, 2015, 2020, and, more recently, 2025. In order to guarantee continuity in policy decisions throughout the medium to long term, these plans concentrate on the growth of public revenues and expenditures.

Public policies are shaped through a consensus-building process. Reforms are implemented through the establishment of committees tasked with producing reports identifying issues and options. These committees play a fundamental role in the formation of public policy. They are typically composed of representatives from infrastructure, social welfare, labor market, taxation, productivity, and unemployment insurance. This structure serves as empirical evidence to support the first hypothesis.

3.3.2. Transparency:

The aim of Denmark's open government is to provide all citizens with access to public information. Responsible ministers typically host press conferences when new political initiatives are presented or authorized so that the print, electronic, and television media can discuss the proposals and inform the public. Numerous shows are shown throughout the week, and TV2 News, the news program dedicated to the network, is ready to cover any new political developments. The news is discussed by knowledgeable reporters and specialists. The media covers important parliamentary discussions, and television outlets occasionally broadcast them live. The "Access to Public Administration Files Act" of 1985, which Denmark also possesses, further supports the second hypothesis.

3.3.3. Accountability:

- **Legislative Accountability:** By gaining access to official documents, Parliament is able to exert its authority over the Danish government. Parliament controls the government through consultations, where ministers are also called to attend sessions. Parliament also employs its own independent agencies to monitor government, such as the National Audit Office, which reviews whether institutions have spent funds in the most efficient manner and looks into the integrity of state finances. Their work is highly regarded and has the potential to influence political action.
- **Accountability of the Fourth Authority:** Through the Office of the Ombudsman, an independent bureau connected to Parliament that allows citizens to voice their complaints about decisions made by public authorities, the active press plays a significant role in identifying and exposing the issues and, consequently, in ensuring that people are held accountable.
- **Executive Accountability:** which the prime minister, who is in charge of the Danish government, exercises over the executive ministries by having the authority to fire and elevate ministers.

Through all of the above, the third hypothesis is validated.

3.3.4. Participation:

Through the MitID service, citizens of the government submit their requests, and the government works to make the information clear, simple, and easy for citizens to grasp. Through the election process, which has a very high participation rate (84.5% in the 2019 elections), the Danish government also engages its citizens in national issues (health care, social services, pensions, and education). This shows that the public has faith in the government and understands the significance of voting. Given all mentioned above, the fourth hypothesis is validated.

3.3.5. Rule of law:

To guarantee adherence to rules and regulations, Denmark's public administration is distinguished by a variety of checks and balances. It's also important to remember that a lot of rules are derived from EU law. Compared to other EU member states, Denmark has an excellent record of following EU directives. Given what mentioned above, the fifth hypothesis is validated.

4. Conclusion.

Due to its embrace of good governance standards, Denmark has a long history of combating corruption and maintaining its reputation as a clean nation.

Our investigation of the Denmark experiment yielded the following Findings:

- Civil society (associations), the government, and citizens must work together to eradicate corruption.
- Clear strategic plans and public policies and their implementation lead to the quality of public services as well as the reduction of corruption through the rational use of financial resources, control and the establishment of sanctions.
- Transparency, which makes information accessible through a variety of channels, is crucial in the fight against corruption. This makes it possible for people to successfully manage the government.
- The ability to freely voice their thoughts and participate in decision-making empowers citizens to assume accountability for monitoring and fighting corruption.
- The rule of law, which holds everyone equally responsible for their actions and decisions, is crucial in the battle against corruption.

In line with the previous findings, the following recommendations can be made:

Recommendations:

- Using Denmark's expertise putting good governance into practice.
- Adopting a well-defined strategy to combat corruption of all kinds.
- Coordination and activation of all state, citizen, and civil society actors involved in good governance.

- Study and analyze the various causes of administrative and financial corruption to facilitate the development of appropriate solutions.
- Activate and mobilize all forces and parties to combat this phenomenon.
- It is essential to adopt mechanisms such as legal, administrative, and financial reforms to make systems more transparent in order to eliminate this phenomenon.
- Eradicate bureaucracy and the complexity of administrative procedures within governmental institutions.
- Raise awareness about the dangers of corruption to elevate the societal level of civilization.
- Strengthen the role of monitoring and accountability bodies, free from any pressures or interventions.

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