




REPORT
CORRUPTION
SURVEY
2019



CENTRALE BANK VAN ARUBA



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KEY FINDINGS

- A great majority of respondents mentioned that corruption was widespread and increasing
- Politicians were perceived to be the most corrupt group in society
- Almost half of respondents thought that the government was doing badly in fighting corruption
- The bribery rate was low compared to selected Latin American and Caribbean countries
- Somewhat less than one-fifth of respondents mentioned that they knew someone who had paid a bribe
- A large majority concurred that ordinary people could make a difference in the fight against corruption
- The main reason for not reporting corruption is that people were afraid of the consequences
- A great majority perceived that the introduction of a code of conduct for ministers and parliament members was necessary

Chapter 1

Introduction

This report presents the results of the second corruption survey, i.e., Corruption Survey 2019 (survey), conducted by the Central Bank of Aruba (CBA) in November-December 2019. Corruption is defined in this survey as the abuse of entrusted power for private gain and includes, among others, bribery, nepotism, exchange of favors, public service fraud, embezzlement, and conflict of interest. With this survey, we collected information on the experience and perception of residents aged 18 and above with regard to the level of corruption in Aruba and gained insight on possible corrective actions and/or effective measures to combat this. This survey on residents' experience with bribery and anti-corruption measures provides a measure of how big the problem of corruption is in Aruba. Our goal is to create awareness among ordinary people in Aruba about the level of the corruption problem and to educate them about their own role in fighting corruption.

Corruption is harmful for the economic and social development of any country. Among others, it affects negatively drivers of (inclusive) economic growth, discourages financial development, undermines outcomes in e.g., education and health, influences negatively income equality, debilitates public finances, and weakens the tax base. Corruption impacts negatively the wellbeing of individuals, families, and communities. They are the ones that ultimately pay the price for corruption as the money for e.g., education, health, and roads goes to corrupt people. One precondition for terminating corruption in Aruba is by building a community that is resistant to corruption. This could be achieved by among others educating everyone on how to prevent and deter corruption from occurring in the future.

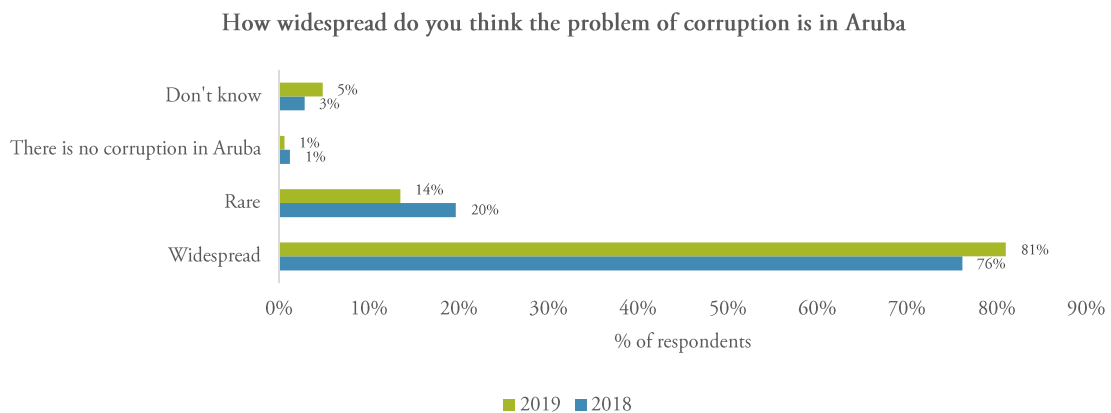
The remainder of this report is as follows. Chapter 2 discusses the view of residents on the state of corruption. Next, Chapter 3 elaborates on their experience with bribery in the 12 months prior to the survey. Subsequently, Chapter 4 expands on their opinion on their own role and on anti-corruption measures. Finally, Chapter 5 presents some concluding remarks.

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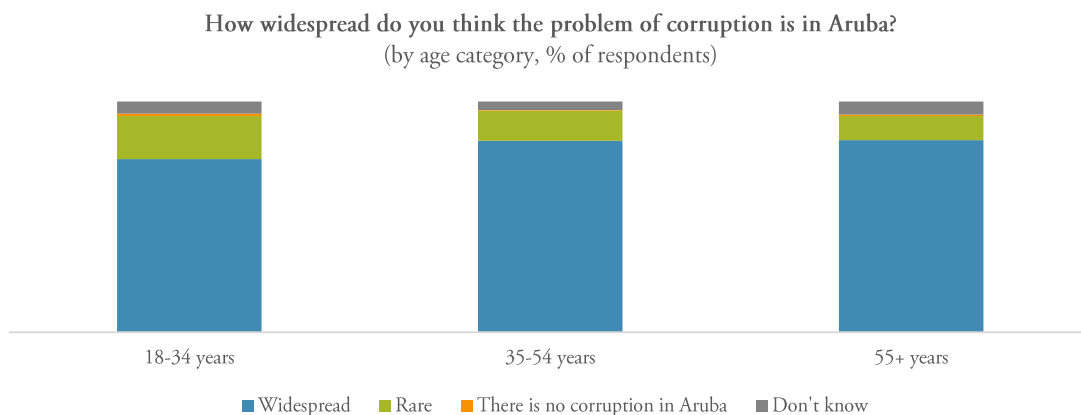
Chapter 2

The state of corruption in Aruba: residents' view

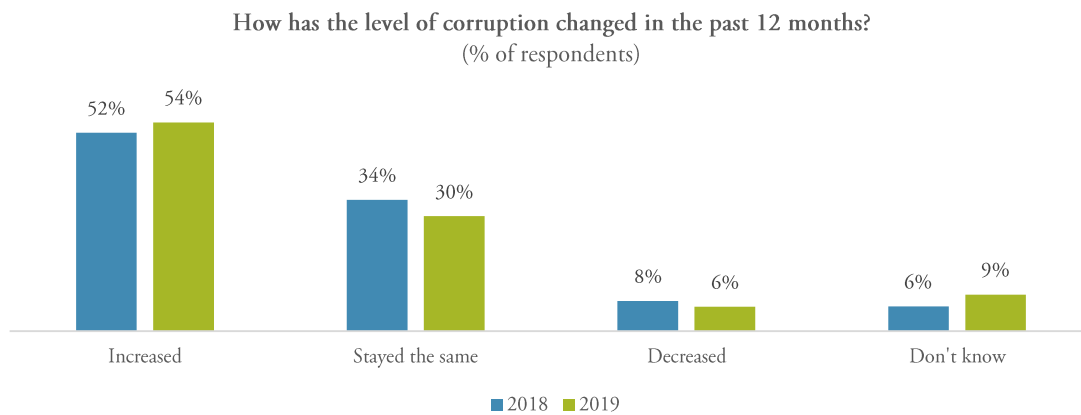
We asked people a number of questions to assess their opinion about the scale of corruption in Aruba. First of all, we wanted to find out how widespread they thought the problem of corruption was in Aruba. For a second year in a row, a great majority (81 percent) of respondents mentioned that the problem of corruption was widespread. A minority (14 percent) of respondents said that the problem of corruption was rare, while just 1 percent mentioned that there was no corruption.



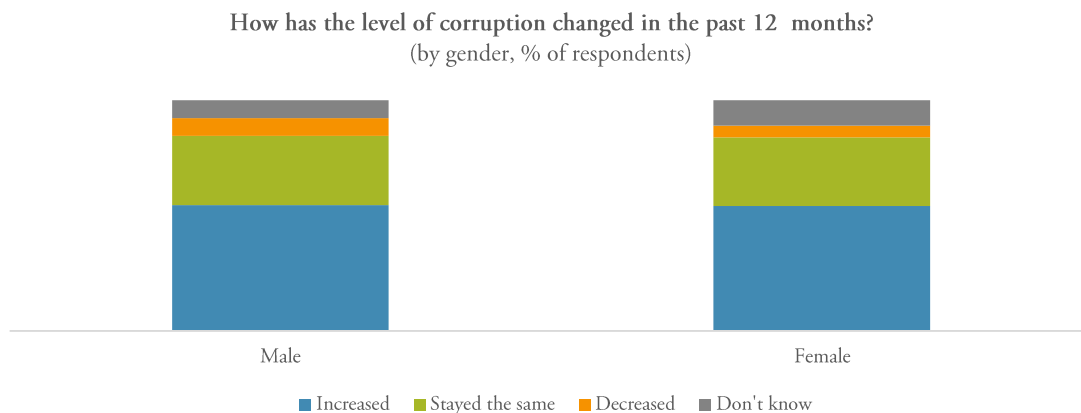
According to the survey results, respondents aged 35 years or older perceived corruption to be more widespread in Aruba than younger respondents. Moreover, men and women had the same opinion about the prevalence of the problem of corruption in Aruba.



Second, we investigated how residents thought the level of corruption had changed over the past 12 months prior to the survey (i.e., the period of November 2018 – October 2019), whether it had increased, decreased or stayed the same. The results are comparable to those of the Corruption Survey 2018. About half of respondents believed that the level of corruption increased, while close to one-third of respondents thought that the level of corruption stayed the same. Just 6 percent of respondents said that corruption decreased in the 12 months prior to the survey.

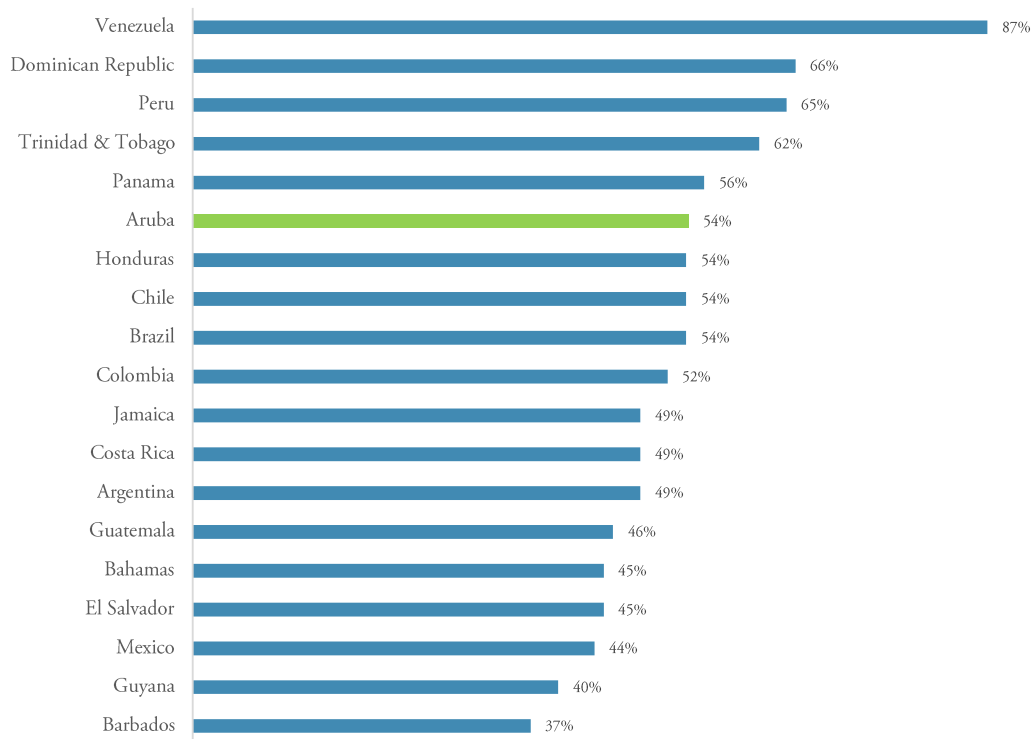


There was almost no difference between the perception of men and women with regard to the changes in the level of corruption. Moreover, there was also no significant difference in the percentages of respondents in the three age categories (i.e., 18-34 years, 35-54 years, and 55+ years) noting that corruption had increased.



Consistent with a cross-country comparison, the percentage of Aruban residents thinking that the level of corruption had increased in the past 12 months prior to the survey was close to the average for selected Latin American and Caribbean countries. On average, 53 percent of those surveyed in selected countries in Latin America and Caribbean¹ (excluding Aruba) noted that the level of corruption had increased, compared to 54 percent in Aruba.

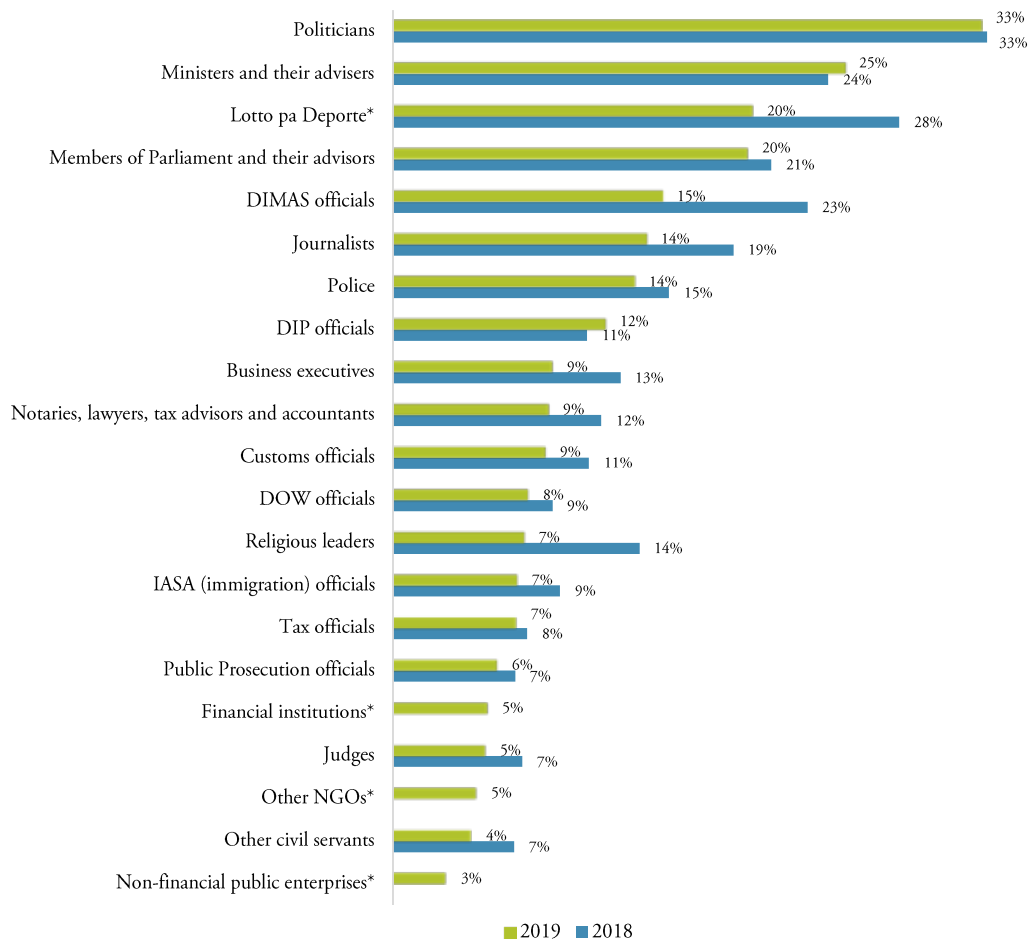
Percentage who thought that the level of corruption had increased:
a cross country comparison



¹ Note that data for all countries (except Aruba) are from the 'Global Corruption Barometer Latin America & Caribbean 2019: Citizens' views and experiences of corruption' of Transparency International.

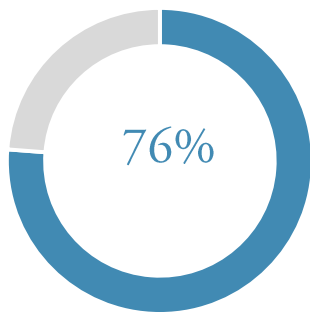
Third, we asked people who (i.e., institutions and groups in society) were involved in corruption in Aruba. According to the survey results, one-third of respondents believed that politicians were the most corrupt, while one-quarter of those surveyed noted that ministers and their advisers were corrupt. Lotto pa Deporte was perceived to be the third most corrupt institution. About one in five respondents mentioned that members of parliament and their advisers were corrupt.

How corrupt are institutions and groups in society?
 (% of respondents saying that most or all are corrupt)

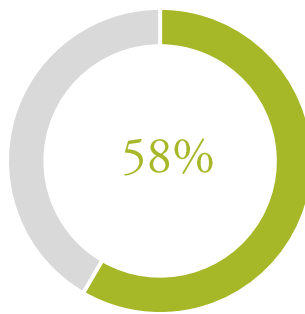


* Management, employees and supervisory board.

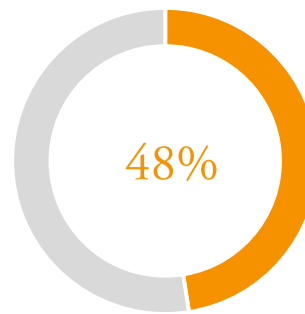
In general, most respondents noted that there was corruption in public institutions in Aruba and that corruption was more common in the public sector than in the private sector. Nevertheless, somewhat less than the majority of respondents mentioned that corruption was part of the business culture in Aruba. A majority of those surveyed (70 percent) thought that bribery and the use of connections were often the easiest way to obtain public services, while most respondents (77 percent) said that too close links between business and politics in Aruba led to corruption.



... of people thought that there was corruption in the public sector



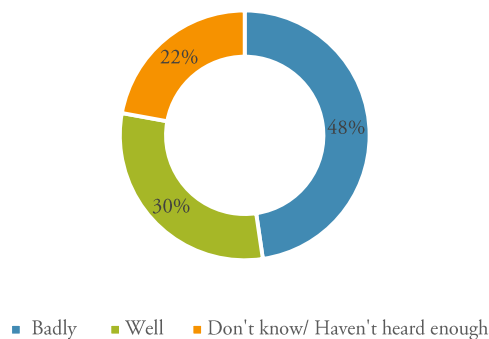
... of people thought that corruption was more common in the public sector than in the private sector



... of people thought that corruption was part of the business culture in Aruba

Fourth, we wanted to find out how well or badly the government of Aruba was doing at fighting corruption according to the respondents. Somewhat less than one-third of the respondents said that the government was doing well at fighting corruption, while almost half of respondents thought that the government was doing badly. With regard to the prosecution of corruption cases, one-quarter of respondents agreed that there were enough successful prosecutions in Aruba to deter people from corrupt practices.

How is the government doing at fighting corruption?
(% of respondents)



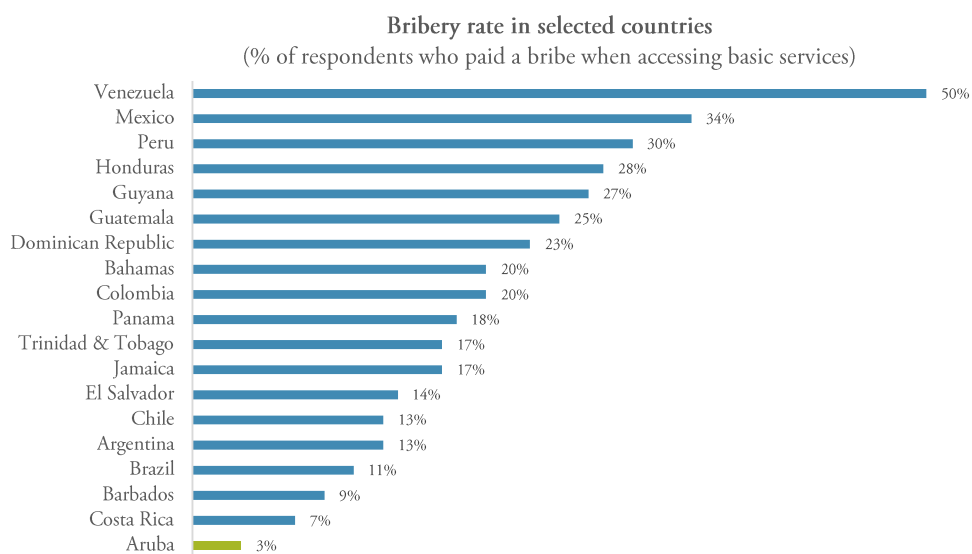
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Chapter 3

Experiences with bribery

To find out about the extent of bribery in Aruba, we asked people about their experiences with bribery in the 12 months preceding the survey when coming into contact with the following (mostly) public services: schools, medical care, government departments issuing identity or official documents and land in long lease, government departments in charge with residence/work or building or business permits, public agencies in charge with social security benefits, public utility companies, police, and courts. If the respondents had accessed these services, they were asked about whether they had paid a bribe, give a gift or do a favor to get services needed that they should have received for free. In the remaining part of this publication, the word bribe is used to refer to bribe, gifts, and favors.

Although somewhat more than one-third (35 percent) of respondents mentioned that they were personally affected by corruption in their daily life, the bribery rate in Aruba was low in accordance with this survey. A small percentage (3 percent) of respondents who had accessed at least one of the services noted that they had paid a bribe. The bribery rate of 3 percent was low compared to selected Latin American and Caribbean countries².



² Note that data for all countries (except Aruba) are from the 'Global Corruption Barometer Latin America & Caribbean 2019: Citizens' views and experiences of corruption' of Transparency International.

Besides asking people about their own acts of bribery, we wanted to find out if they knew someone who had paid a bribe to get services needed that they should have received for free. This is because we expected that most people were not inclined to report their own acts of bribery. Somewhat less than one-fifth (17 percent) of the respondents mentioned that they knew someone who had paid a bribe for at least one type of (mostly) public services mentioned earlier, down from almost one quarter (23 percent) of respondents stating this in the 2018 Corruption Survey. Like in 2018, the highest bribery risk was related to the category “ID, documents, permits”. The latter category comprises three subcategories, i.e., (i) permits, (ii) long lease land, and (iii) ID and other official documents. The bribery rate³ for all three subcategories was 6 percent.

% of respondents who said that they knew someone who had paid a bribe^{4 5}



³ Percentage of respondents noting that they knew someone who had paid a bribe for these services that they should have received for free.

⁴ Do you personally know anyone who had paid a bribe, give a gift, or do a favor for (i) a government official to get an identity document, other official documents, long lease land, a residence permit and/or work permit, a building permit, or a business permit, (ii) a police officer to avoid a problem like passing a check point or avoiding a fine or arrest, (iii) a health worker or clinic/hospital staff to get medical care, (iv) a teacher or school official to get the services needed from the schools, (v) a judge or court official to get assistance from the courts, or (vi) a (member of) the management, an employee or (a member of) the supervisory board of public utilities to get public utility services?

⁵ Not included in this overview is the percentage of respondents who knew someone who had paid a bribe for social security benefits (1 percent).

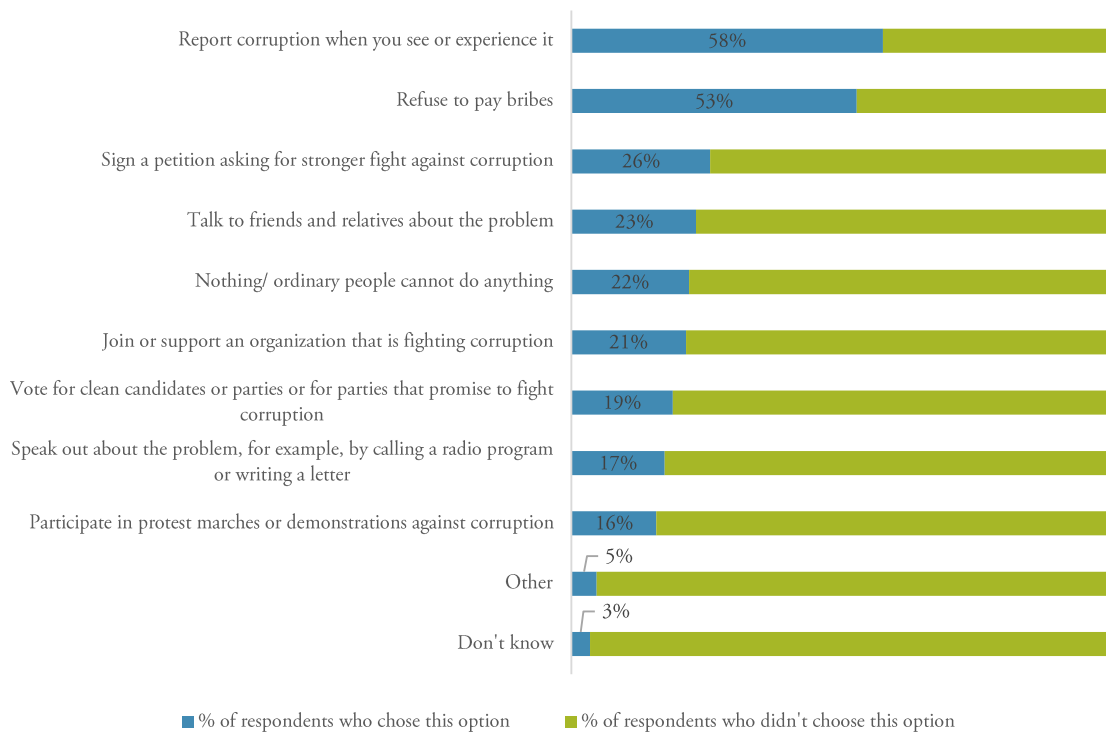
⁶ Including long lease land.

Chapter 4

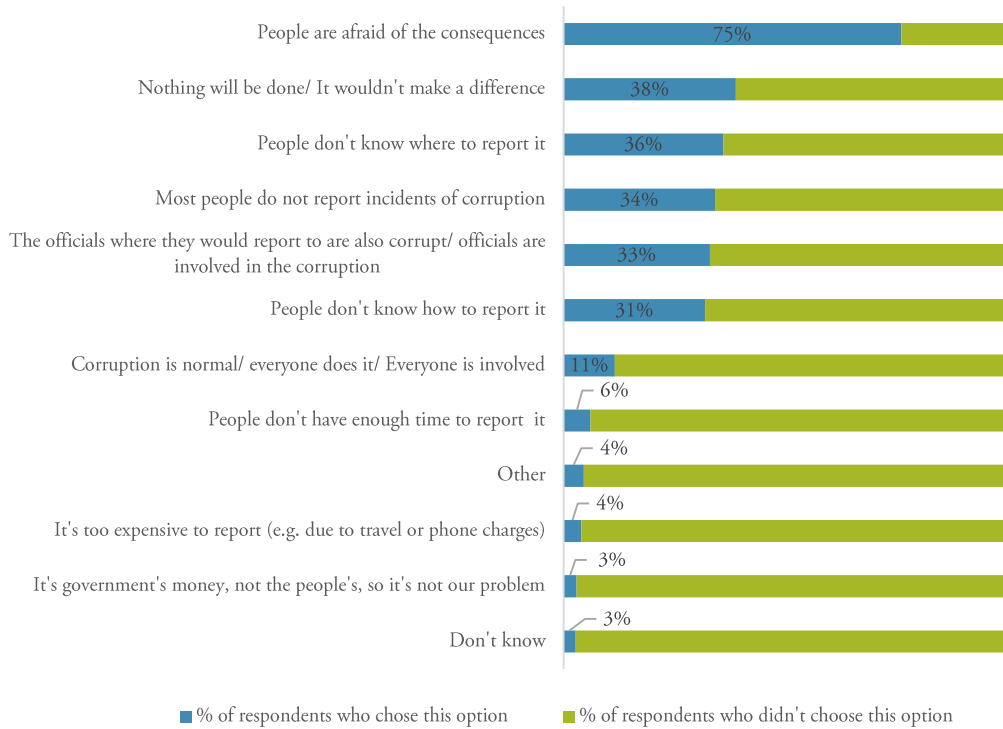
People speaking out against corruption

Most respondents were confident about their own role in fighting corruption. A large majority (i.e., 68 percent) concurred that ordinary people could make a difference in the fight against corruption, whereas close to one-quarter disagreed. We asked them what are the most effective things that ordinary people can do to help combat corruption in Aruba. The top two options mentioned by most respondents are: (i) to report corruption they have seen or experienced or (ii) to refuse to pay bribes. Noticeably, close to one-quarter (22 percent) of respondents said that ordinary people cannot do anything to combat corruption in Aruba.

The most effective things that an ordinary people can do to help combat corruption



Reasons why many people do not report corruption when it occurs

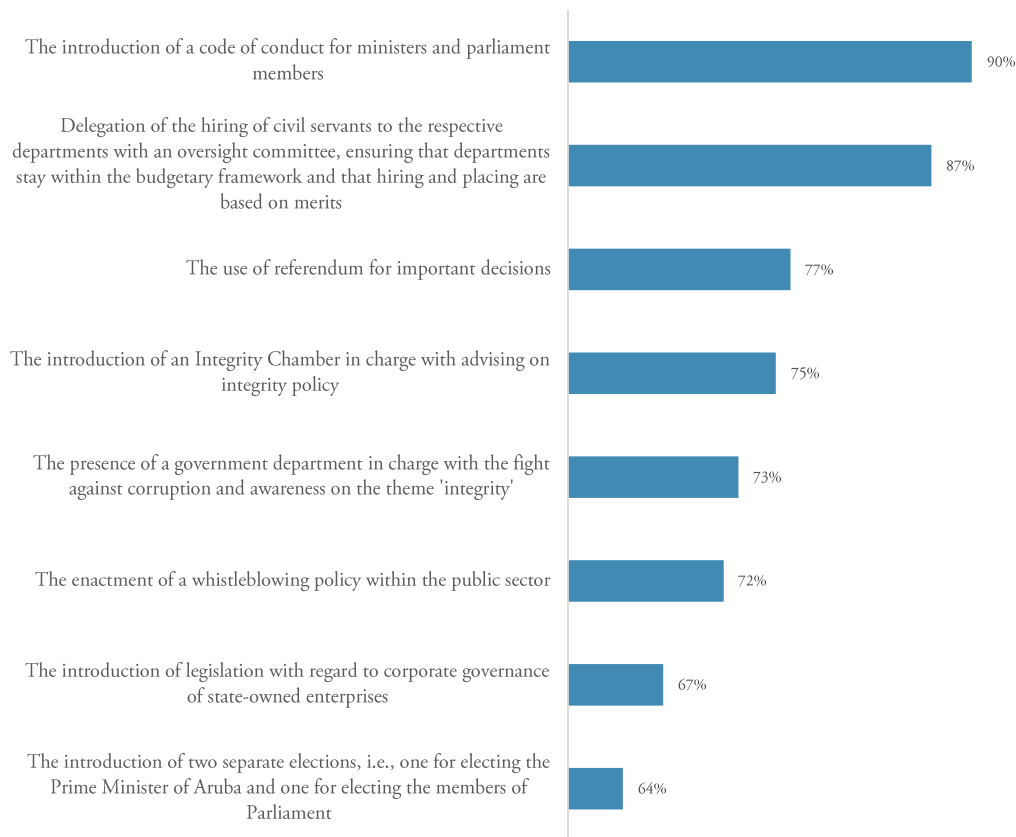


About half of respondents said that in our society it was generally accepted for people to report a case of corruption they had witnessed, whereas a great majority (70 percent) of those surveyed would feel personally obliged to report an act of corruption they had witnessed.

We wanted to find out why people don't report incidents of corruption. Therefore, we asked respondents what they thought were the main reasons why many people do not report corruption when it occurs. The results illustrated that the top three reasons why people didn't report incidents of corruption are: (i) they were afraid of the consequences, (ii) they believed that nothing will be done and that it wouldn't make a difference, and (iii) they don't know where to report it.

Finally, we asked residents about their views on a number of possible actions to mitigate corruption. As mentioned before, according to the survey results ministers and parliament members were among the top 4 most corrupt groups in society. It is therefore no surprise that about nine in ten respondents perceived that the introduction of a code of conduct for ministers and parliament members was necessary, whereas a majority (i.e., 64 percent) of respondents noticed that the introduction of one separate election for electing the Prime Minister of Aruba and one for electing the members of Parliament could help in mitigating corruption. Moreover, close to eight in ten respondents agreed with the use of referendum for important decisions as a tool to mitigate corruption.

Percentage of respondents who agreed with the following actions to mitigate corruption



Addressing corruption is linked to the promotion of integrity. Public integrity refers to the consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritizing the public interest over private interests in the public sector³. Only about one-third (35 percent) of respondents noted that the knowledge of social norms and values within the Aruban community was high. Therefore, it is hardly surprising that 75 percent of respondents said that the introduction of an Integrity Chamber in charge with advising on integrity policy could help reduce corruption. In addition, almost three-quarters (73 percent) of respondents thought that a government department in charge with integrity awareness and the fight against corruption was a necessity.

With regard to business integrity itself, close to seven in ten respondents agreed that the introduction of legislation related to corporate governance of state-owned enterprises could reduce corruption. Corporate governance refers to a system of policies, processes and rules by which a company is directed and controlled. The purpose of corporate governance in state-owned enterprises in Aruba should be to create an environment of trust, transparency and accountability necessary for, among others, promoting efficient and open market, improving public service delivery, and ensuring that public resources are used efficiently and effectively.

Also, the hiring of civil servants seems to be a big issue, since a great majority (i.e., 87 percent) of respondents agreed that delegation of the hiring of civil servants to the respective departments with an oversight committee was one possible action to lessen corruption. Finally, most respondents (72 percent) said that the enactment of a whistleblowing policy within the public sector could mitigate corruption.

³ OECD (2017), OECD Recommendation of the Council on Public Integrity, OECD, Paris.

Chapter 5

Conclusion

The Corruption Survey 2019 measured the public opinion on the level of corruption, experience with bribery, and possible anti-corruption measures. The results of this survey are comparable to those of the Corruption Survey 2018. Like in the case of the Corruption Survey 2018, the findings of this survey indicated that corruption remained a major challenge in 2019. In both surveys, the respondents perceived corruption to be widespread and increasing. The fact that almost half of respondents thought that the government was doing badly in fighting corruption indicates that the government needs to take effective actions to fully eradicate corruption in the public sector. The government of Aruba should put the fight against corruption high on its agenda, because corruption has far reaching negative economic and social repercussions for the Aruban community. It is a prerequisite for the achievement of all sustainable development goals (SDGs) of the United Nations.

In this context, the CBA advises the government of Aruba to implement an effective anti-corruption framework based on international standards and founded on principles of integrity, transparency, and accountability. This framework should focus on, among others, promoting institution building within the public sector. This could be achieved by:

1. Enforcing integrity in the public sector by, inter alia, introducing a code of conduct for civil servants, members of parliament and ministers.
2. Enhancing governance in the public sector by, for instance, adapting the principle of Open Government Data and a corporate governance code for state-owned enterprises.
3. Promoting a merit-based and professional civil service by, for example, implementing a fair and open system for recruitment, selection and promotion of civil servants, as well as enacting a performance based appraisal system.
4. Strengthening the accountability ecosystems by, e.g., ensuring that the Court of Audit, the Council of State, the Central Audit Department, and the Bureau Integrity Aruba have budgetary independence, professional staffing and leadership, and the necessary authorities to perform their tasks.

Mentioned framework should also focus on people empowerment by promoting a whole-of-society culture of integrity, implementing educational programs, and encouraging the active participation of civil society. Moreover, this framework should include the strengthening and introduction of relevant anti-corruption legislation and regulation, as well as the ratification of the United Nations Convention Against Corruption.

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Chapter 6

Methodology

During November through December 2019, the CBA executed the ‘Corruption Survey 2019’ among residents aged 18 and above. Data were collected via face-to-face interviews with individuals at their homes in the language of the respondent’s choice (Papiamentu, Dutch, English, or Spanish).

Sample size

A sample of 3000 addresses in all regions of Aruba was selected at random. The sample was stratified by gender (male and female) and age category. Three age categories were applied in this survey, i.e, 18-34 years, 35-54 years, and 55+ years.

A total of 824 citizens participated in this survey, of which 388 male (47 percent) and 436 females (53 percent)⁸.

Weighting

The results were weighted to be representative for the population of adults living in Aruba. The results have margins of sampling error of +/- 3.4 percentage points for dichotomous questions (for example, yes or no) at a 95 percent confidence level.

⁸ According to data received from the Central Bureau of Statistics, the Aruban population of 18+ years comprised of 47 percent male and 53 percent female at the end of 2019.



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