

Managing conflicts of interest

Preventing and managing conflicts of interest in the public sector is crucial to help governments strengthen and enhance public integrity. Left undetected or inappropriately managed, they can undermine the integrity of public officials, decisions, agencies and governments. If they are left unresolved, they can lead to corruption, as the private interests of public officials may improperly influence the decision-making process, and ultimately allow to be captured by private interests.

Transparency, openness and oversight of revolving door practices are key instruments for reducing conflicts of interest. OECD countries also adopt more targeted measures to manage conflict of interest, such as requiring public officials to disclose their private financial interests and assets, ensuring that these are verified and applying sanctions in the case of non-compliance. Ministers are legally required to disclose their private interests upon entry and any change or renewal in public office in 23 out of 26 surveyed OECD countries (88%), and members of parliament in 26 countries. Top-tier senior civil servants of the executive (first level below the minister) are required to disclose their interests in 20 out of 29 countries (69%), and members of the highest bodies of the judiciary in 18 out of 29 countries (62%). Disclosure of private interests is required across all three branches of government in 17 OECD countries (Table 4.4).

At the same time, many OECD countries lack statistics on the actual implementation of the legal requirements. In practice, the countries with a system in place to oversee compliance with regulatory requirements, and which provided the data, generally perform well. All ministers and MPs submitted their interest declarations during the past six years in Austria, Chile, Finland, Ireland, Latvia, Luxembourg and the United States, and over 95% did so in Australia, the Czech Republic France and Israel. All senior members of the judiciary disclosed their interests in Australia, the Czech Republic, France, Latvia and the United States. Over 95% of top-tier senior civil servants of the executive branch (first level below the minister) provided interest declarations in Chile, Finland, France, Latvia, Mexico, New Zealand, Spain and the United States (Table 4.4).

Verifying the content of private interest declarations can strengthen compliance. Of the 27 OECD countries surveyed, only in Canada, Chile, Japan, Luxembourg, Spain and the United States has the responsible authority verified over 60% of declarations filed over the last two years. In eight countries, the rate is below 60%, and in the remaining nine the data are not available (Figure 4.5).

Enforcing conflict-of-interest requirements is vitally important to deterring non-compliance and ensuring the legitimacy of and trust in integrity systems. Out of 29 OECD countries surveyed, 22 (76%) have defined sanctions in the regulatory framework for breaching conflict-of-interest provisions. In practice, nine of these have issued sanctions

in the past three years for non-compliance with disclosure obligations, non-management or non-resolution of a conflict-of-interest situation (Figure 4.6).

Methodology and definitions

Data were collected through a questionnaire based on the OECD Public Integrity Indicators on Accountability of Public Policy Making. Twenty-nine OECD countries and one accession country (Brazil) responded. Respondents were senior officials responsible for integrity policies in central government. The OECD Public Integrity indicators measure the state of play against the OECD Recommendation on Public Integrity.

Public integrity refers to 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.

A conflict of interest involves a conflict between the public duty and private interests of a public official where the public official has private-capacity interests which could improperly influence the performance of their official duties and responsibilities.

Further reading

OECD (2020), *OECD Public Integrity Handbook*, OECD Publishing, Paris, <https://doi.org/10.1787/ac8ed8e8-en>.

OECD (2017), "Recommendation of the Council on Public Integrity", *OECD Legal Instruments*, OECD, Paris, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0435>.

OECD (2004), "Recommendation of the Council on Guidelines for Managing Conflict of Interest in the Public Service", *OECD Legal Instruments*, OECD, Paris, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0316>.

Figure notes

4.4. Legal requirement: all those affected must submit an interest declaration, at a minimum upon entry and any renewal or change in public office. Declarations in practice: general interest declarations submitted as a percentage of the total required.

4.5. Data for Brazil are not available.

4.6. Inner ring: sanctions for breaches of conflict-of-interest provisions are defined and proportional to the severity of the offence. Outer ring: a range of sanctions has been issued during the past three years in cases of non-compliance with disclosure obligations, non-management or non-resolution of a conflict-of-interest situation. Lack of sanctions does not automatically mean a lack of enforcement; breaches may not have occurred or been detected. Brazil: Yes for inner ring, not available for outer ring.

4.4. Private interest declarations across public functions: Regulations and practice, 2022

	Members of government		Members of Parliament		Members of highest bodies of the judiciary		Newly appointed or reappointed top-tier civil servants	
	Legal requirement	Declarations in practice (last 6 years)	Legal requirement	Declarations in practice (last 6 years)	Legal requirement	Declarations in practice (last 4 years)	Legal requirement	Declarations in practice (last 4 years)
Australia	Yes	100%	Yes	99%	Yes	100%	Yes	N/A
Austria	Yes	100%	Yes	100%	No	N/A	No	N/A
Canada	Yes	N/P	Yes	N/P	No	N/P	Yes	N/P
Chile	Yes	100%	Yes	100%	Yes	52%	Yes	100%
Costa Rica	Yes	N/A	Yes	N/A	Yes	N/A	Yes	N/A
Czech Republic	Yes	100%	Yes	96%	Yes	100%	Yes	N/A
Denmark	No	N/A	Yes	N/A	No	N/A	No	N/A
Estonia	Yes	N/P	Yes	N/P	Yes	N/P	Yes	N/P
Finland	Yes	100%	Yes	100%	Yes	N/A	Yes	100%
France	Yes	100%	Yes	99%	Yes	100%	Yes	96%
Greece	Yes	N/A	Yes	100%	Yes	N/A	Yes	N/A
Ireland	Yes	100%	Yes	100%	No	N/A	Yes	N/A
Israel	Yes	98%	Yes	100%	Yes	N/P	Yes	N/P
Japan	Yes	N/A	Yes	N/A	No	N/A	Yes	N/A
Korea	No	N/A	Yes	N/A	No	N/A	No	N/A
Latvia	Yes	100%	Yes	100%	Yes	100%	Yes	100%
Luxembourg	Yes	100%	Yes	100%	No	N/A	No	N/A
Mexico	Yes	94%	Yes	N/A	Yes	N/A	Yes	100%
Netherlands	Yes	N/P	Yes	N/P	Yes	N/P	Yes	N/P
New Zealand	No	100%	N/P	N/P	N/P	N/P	No	100%
Norway	Yes	N/A	Yes	N/A	Yes	N/A	No	N/A
Poland	Yes	100%	Yes	N/A	Yes	N/A	Yes	N/A
Slovak Republic	Yes	N/A	Yes	N/A	Yes	N/A	Yes	N/A
Slovenia	Yes	N/P	Yes	N/P	Yes	N/P	Yes	N/P
Spain	No	100%	N/A	N/A	No	N/A	No	100%
Sweden	No	N/A	No	N/A	No	N/A	No	N/A
Switzerland	No	N/A	Yes	N/A	No	N/A	No	N/A
Türkiye	Yes	N/A	Yes	N/A	Yes	N/A	Yes	N/A
United States	Yes	100%	Yes	100%	Yes	100%	Yes	99%
OECD Total								
YES	23		26		18		20	
NO	6		1		10		9	
OECD Average								
Declarations (%)		99%		100%		92%		99%
Brazil	Yes	N/A	Yes	N/A	Yes	N/A	Yes	N/A

N/A: data not available: data the country could not provide because it does not exist.

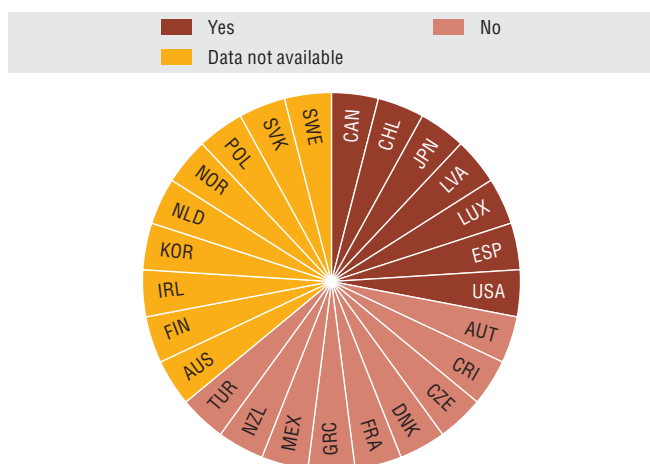
N/P: data not provided: data missing from questionnaire responses.

Source: OECD (2022), Public Integrity Indicators (database), <https://oecd-public-integrity-indicators.org/>.

StatLink <https://stat.link/u0prcg>

4.5. Verifications of private interest declarations in practice, 2022

The responsible authority has verified at least 60% of declarations filed in the last two full calendar years

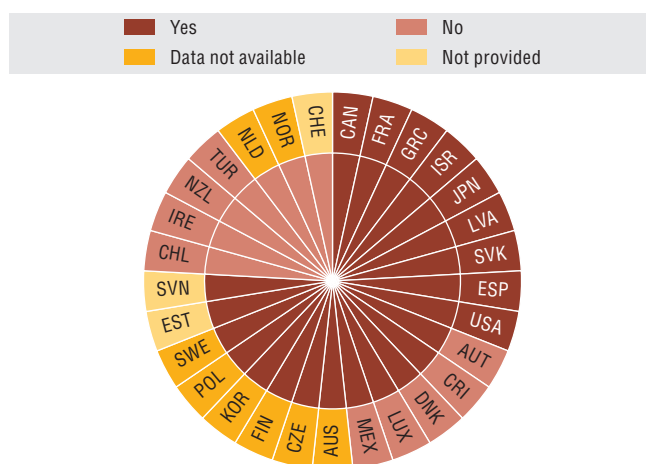


Data not available: data the country could not provide because it does not exist.

Source: OECD (2022), Public Integrity Indicators (database), <https://oecd-public-integrity-indicators.org/>.

StatLink <https://stat.link/kzglp8>

4.6. Sanctions for breaches of conflict-of-interest provisions: Regulations and enforcement, 2022



Note: Inner ring: sanctions are defined; outer ring: sanctions for breaches have been issued in the past three years.

Data not available: data the country could not provide because it does not exist.

Not provided: data missing from questionnaire responses.

Source: OECD (2022), Public Integrity Indicators (database), <https://oecd-public-integrity-indicators.org/>.

StatLink <https://stat.link/skmdvr>



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