

Transparency International Anti-Corruption Helpdesk Answer

Denmark

Overview of corruption and anti-corruption

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Denmark is not generally associated with corruption. It performs very strongly in international measures of corruption, and most experts agree that its public sector exhibits a high level of integrity. Survey data of citizens' and businesses' experience with corruption reflect this situation, with low rates of reported bribery.

Nevertheless, Denmark does have its own corruption challenges. Recent scandals have thrust the country into the spotlight, such as the major anti-money laundering case in the largest Danish bank (Danske Bank). Recurring problem areas include private sector corruption and political financing, and Danish overseas territories present certain risks.

Denmark has a well-established system to deter, detect and sanction corruption. However, there are some gaps in the legislative framework, particularly in the areas of supervision of asset declaration of members of parliament, conflict of interest and lobbying, limited investigation of foreign bribery, non-transparent political financing and limited whistleblower protection.



Query

Provide an overview of corruption and anti-corruption efforts in Denmark

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Caveat

Denmark is notably absent from many international surveys and indices related to corruption, transparency and private and public sector integrity.

Overview of corruption in Denmark

Background

The history of the modern democratic Danish state begins formally with the end of the absolute monarchy in 1849 in favour of a constitutional monarchy. The 1849 constitution establishes the monarch as the head of state and grants a democratically elected parliament the power to choose a prime minister to undertake the role of head of government. In the early 20th century, several labour and market reforms were implemented that established the basis of a welfare state in Denmark.

Since 2007, Denmark comprises of five administrative regions (*regioner*, in Danish) and 98 municipalities (*kommuter*). The five regions are administrated by regional councils responsible for the national health service, social services and regional development (Danish Regions 2012), while the municipalities are administered by

Main points

- As a result of its particular historical trajectory, Denmark exhibits a very high level of public sector integrity, with low rates of reported bribery.
- Recent scandals – most notably involving Danske Bank – have nonetheless exposed weaknesses in the country’s integrity system, particularly as regards the private sector.
- Gaps in the legislative framework relate to issues such as conflict of interest, lobbying, political financing and whistleblower protection

municipal councils responsible for urban public services, like waste collection, water and sanitation. There are also two autonomously administered areas: the Faroe Islands, which was granted home rule in 1948; and Greenland, which was granted home rule in 1979 and further autonomy in 2009. In 1973, Denmark became part of the European Economic Community (later the European Union), and has retained its own currency, the krone.

Denmark is a high-income mixed economy, with a high GDP per capita (OECD 2018). Danish exports are dominated by manufactured goods and fuels, while agricultural goods account for about 22.7 per

cent of exports (OECD 2016). The country's 5.7 million inhabitants enjoy a high standard of living, with a human development index score of 0.929, which places Denmark 11th in the world (United Nations Development Programme 2018). Poverty rates, as per Eurostat data, are low, at approximately 3.1 per cent in 2017, and economic inequality is also low, with a Gini coefficient of 28.2 in 2015 (World Bank 2018).

The international and domestic surveys and other diagnostics that include Denmark show that corruption in the country is not widespread, though not entirely unknown. A high degree of human development, press freedom, literacy and low inequality contribute to low levels of corruption (Chêne 2011). Mungiu-Pippidi and Frisk Jensen consider Denmark's long history of anti-corruption policies, stemming from the 17th century, as well as a tradition of entrenched, civil service composed (largely) of meritocratically appointed, non-nobles that swore loyalty to the Danish government (these being, first, the crown, and later, the parliament) (Mungiu-Pippidi 2013; Frisk Jensen 2014).

As a result, Denmark embraced the principles of "ethical universalism", that is, the belief that the same rules apply equally to everyone when public resources are concerned, since before the establishment of the modern democratic state. Furthermore, from the 19th century on, as per the constitution, the private wealth of the monarchy was formally separated from public funds, thus creating a formal separation between public funds and the private interests of the governor (Mungiu-Pippidi 2013).

Extent of corruption

Denmark is currently ranked 2 of 180 countries on the 2017 Corruptions Perceptions Index

(Transparency International 2018a) with a score of 88 on a scale that ranges from 0 (most corrupt) to 100 (least corrupt). This strong performance is also illustrated by the 2017 World Governance Indicators: Denmark performs in the top 90 percentile on five of the six indicators and, noticeably, is in the 99 percentile for control for corruption (where zero corresponds to the lowest rank and 100 to the highest) (Kaufmann and Kraay 2018).

Perhaps due to Denmark's strong performance in the most widely cited corruption measurements, few studies or statistical analyses have examined the nature or extent of corruption in Denmark (European Commission 2014). The latest round of Transparency International's Global Corruption Barometer, for example, does not include Denmark in its sample. Data from the European Commission, however, shows that bribery is only a marginal issue in the country, with only 6 per cent of Danish businesses reporting having paid a bribe in the last three years (European Commission 2017b). There is also a widespread notion that petty bribery is not acceptable: the 2008 European Values Survey shows that 88.8 per cent of Danish respondents believed accepting a bribe was never justified (EVS 2016)

On the other hand, according to a special Eurobarometer survey from 2017, 22 per cent of Danes surveyed considered the problem of corruption to be widespread (European Commission 2017a). The Eurobarometer survey also found that 40 per cent of Danish respondents believed that there is corruption in local institutions and 41 per cent shared the same vision for national public institutions. Despite this relatively high rate of *perceived* corruption, only 3 per cent of Danes surveyed responded that they had personally *experienced* corruption (European Commission 2017a). When surveying businesses,

only 12 per cent of respondents of the Eurobarometer survey believe corruption to be widespread in the country (European Commission 2017b).

Forms of corruption

Bribery and extortion

Bribery is not a common practice in daily life or in business dealings in Denmark. In the 2013 Global Corruption Barometer, only 1 per cent of respondents in Denmark stated that they had paid a bribe (Transparency International 2013). Businesses rarely report being pressured to pay bribes; only 4 per cent of the Danish businesses believe that corruption is a problem for their company when doing business (European Commission 2014).

Nevertheless, a recent scandal illustrates that Denmark is not immune to bribery. In June 2018, there was a verdict in the case of a technology company, ATEA, which allegedly donated phones, paid vacations and provided other gifts to public sector information technology (IT) managers and employees, to the value of €175,000 to, allegedly, favour ATEA in public procurement processes (Budd 2018; Ellehuus 2018). Initially, 50 public servants were arrested in connection with the case (Alhoej 2016).

In another case of private sector corruption, members of Hvidovre IF football club were found to have fixed matches in 2010 and earned 900,000 kroner (around €120,000) from betting, which earned a gambling organisation in the Philippines between 2 and 3 million kroner (€270,000 to €400,000) (The Copenhagen Post 2014). The case has led to reforms of Danish law to curb match-fixing (O'Connor 2015) and further lobbying by the Danish government in the EU to approve the Macolin Convention which aims to regulate match-

fixing in the EU (Expert Group Good Governance 2015).

Public services and regulation

Denmark is ranked 3rd in the World Bank's Ease of Doing Business survey, with a score of 84.06, and is considered to have very few barriers to accessing permits and licences for businesses (World Bank 2017). Bribery when applying for permits and licences is also low. According to the 2013 Global Corruption Barometer, only 2 per cent of citizens interacting with registry and permit services paid a bribe. This was, however, the sector with the highest proportion of bribes paid (Transparency International 2013).

In early 2017, it was discovered that the Ministry of Environment and Food allegedly turned a blind eye to Danish fishing companies who exceeded EU fishing quotas (Bolongaro & Smith-Meyer 2017). A report by the national audit office claims that since 2000, the ministry had falsified data and falsely registered transferable quotas so that Danish fishing companies could clandestinely exceed EU fishing quotas (Barrett 2017). As of 2017, two civil servants and numerous fishing companies had been investigated by the police (Bolongaro & Smith-Meyer 2017).

Tax evasion and money laundering

Denmark has implemented many measures to increase the transparency of its financial system, but recent developments have shown vulnerabilities that open the door to tax evasion and money laundering.

The Financial Action Task Force (FATF) considers Denmark to have a good legal and political framework to curb money laundering, but notes that the country lacks a comprehensive strategy to combat money laundering and tax evasion (FATF

2017). A 2017 report by FATF estimated that potential money laundering to be in the realm of €2.8 billion (FATF 2017). The European Commission estimates that 16.7 per cent of the population of Denmark is partially evading taxes (Barrios et al. 2017).

In terms of corporate taxation, the country is ranked 61 out of 112 countries and territories in the Financial Secrecy Index (Tax Justice Network 2018). Despite taking actions to openly publish corporate tax obligations, de facto loopholes still exist, for example, in the form of limited liability partnerships, which, in recent years, have been used by corporations to hide profits (Tax Justice Network 2018).

Currently, Danish banks are at the centre one of Europe's largest cases of money laundering. In late 2017, as part of the "Azerbaijani Laundromat" publication, the Organized Crime and Corruption Reporting Project (OCCRP) revealed that, between 2012 and 2014, two Danish banks operating in Estonia, Danske Bank and Nordea, handled up to €2.4 billion from suspicious Azerbaijani sources (Rettman 2018; Transparency International 2018b).

Further investigation by the OCCRP found that Danske Bank officials allegedly turned a blind eye to warning signs about the origins of a €7 billion slush-fund managed by the bank (Laurent 2018; Transparency International 2018b). In September 2018, Promontory Financial, hired by the bank to investigate these cases, found that the bank had handled up to €28 billion in suspicious funds from Eastern Europe (Rettman 2018). The bank later admitted that it had done business with at least 6,200 suspicious clients – allegedly including the Russian president's family – involving a total of US\$230 billion, though it should be noted that all of these suspicious transactions are not related to

Eastern European clients (Transparency International 2018b; Garside 2018).

Further investigations by Danish and European authorities allegedly found a money laundering trail from Russia, Azerbaijan and Ukraine, through companies from Cyprus, the British Virgin Islands and the Seychelles and other jurisdictions with high bank secrecy, into major European financial headquarters (Garside 2018). Transparency International and Corruption Watch urged City of London officials to investigate possible links with the Danske Bank scandal (Withers 2018). The European Commissioner for Justice has called the case the "biggest case of money laundering in European history" (Neate & Rankin 2018).

Main areas affected by corruption

Though corruption in Denmark is perceived to be relatively uncommon, some sectors and areas have shown to be more vulnerable to corruption. The literature on corruption in Denmark shows that there are significant corruption risks in the private sector, political and electoral financing, and in the overseas territories of the Faroe Islands and Greenland.

Private sector corruption

As with most countries with low perceived levels of corruption in the public sector, the Danish private sector constitutes the country's biggest corruption challenge. More than a third of Danish respondents to the 2013 Global Corruption Barometer considered private companies to be corrupt (Transparency International 2013), while 39 per cent of Danish respondents to the 2017 Eurobarometer survey held a similar opinion (European Commission 2017a). In a 2016 survey

from Greenland, trust in businesses was low, at 22 per cent (TI Greenland 2016).

Denmark is considered to have a robust and diligent system of state-supported corporate social responsibility (Lindgreen 2004). Both the Danish Trade Council and the Danish Commerce and Companies Agency (DCCA), as well as several private groups, such as the Confederation of Danish Industries and the Danish Council on Corporate Social Responsibility, provide Danish companies with guidance in the development of corporate social responsibility (CSR) plans (Lindgreen 2004). The state requires large companies to publish reports on their corporate social responsibility plans in their financial statements (Vallentin 2015; Transparency International 2015a; Erhvervsstyrelsen 2016).

Despite being lauded, critiques of the system generally centre on a frequent lack of business anti-corruption policies and whistleblowing procedures (Transparency International 2015a). Encouragingly, a new measure entitled the Fight against Facilitation Payments Initiative (FAFPI) is meant to promote reporting of facilitation payments in the private sector (Transparency International 2018c). This tool establishes an anonymous channel whereby companies can declare instances of where and when they encounter demands for facilitation payments to track risk areas.

A 2016 Transparency in Corporate Reporting (TRAC) Report on the Danish private sector's 30 biggest listed and non-listed companies by TI Denmark and the Copenhagen Business School (CBS) found that 6 out of 30 scored lower than 50 per cent on indicators that showed transparency in anti-corruption policies, 6 out of 30 companies are not fully transparent about their organisational structures and 22 out 30 do not disclose relevant

country-by-country information about their operations (TI Denmark 2016).

Furthermore, the same TRAC report notes that some Danish companies have been operating globally for some years, and may have operations in place that may already be at risk of corruption, including a diverse workforce that may not be in tune with Denmark's high standards for integrity (TI Denmark 2016) Another 2009 study of 650 of Denmark's 1000 largest companies concluded that two-thirds of these had not implemented any CSR policies (Nielsen & Frederiksen 2015).

Foreign bribery is a particular concern as, despite having a small population, Denmark makes up 0.8 per cent of global exports. One survey of Danish companies found that almost 50 per cent of respondents believed it necessary to bribe and break formal rules to do business abroad (European Commission 2014). Similarly, the 2017 Eurobarometer Survey found that 23 per cent of Danish respondents believed corruption to be part of the business culture of Denmark (European Commission 2017a). As per actual experiences with bribery, a 2011 survey of Danish businesses found that 29 per cent of respondents had encountered some form of corporate crime (PwC 2011 in TI Denmark 2012a)

While Denmark has signed up to several foreign bribery conventions, it does very little to enforce these norms on offences abroad. Transparency International's 2018 Exporting Corruption report placed Denmark in the lowest tier of enforcement of foreign bribery (Transparency International 2018c).

A report by the European Commission noted that, of 13 cases of foreign bribery brought to Danish courts, none concluded with a formal prosecution, as they were either dismissed or settled out of

court (Delna TI Latvia 2016; European Commission 2014). A 2013 report by the OECD noted that, of these cases, “several were closed without adequate investigation or sufficient efforts to secure foreign evidence” (OECD 2013). Moreover, the settlements were not carried out in a transparent manner, adding uncertainty about the true deterrents to corruption applied to Danish companies (Transparency International 2015a).

A subsequent OECD report was slightly more encouraging, finding that, of a further three cases which had been opened, one resulted in a guilty verdict (OECD 2015).

However, Denmark does not publish statistics on foreign bribery, investigations, cases commenced or cases concluded, though important Danish court decisions are published in the pay-for-access official judicial journal (*Ugeskrift for Retsvæsen*) (Transparency International 2018c).

There are a number of notable cases of alleged foreign bribery in the last decade. These cases include the Bukkehave Corporation A/S, who received a lenient US\$1.8 million fine for allegedly breaching a UN oil-for-food embargo in Iraq (Langsted 2009). Similarly, in 2015, a Danish pharmaceutical company settled out of court for US\$436,000 after allegedly bribing United Nations contractors in the Democratic Republic of the Congo to secure a contract worth US\$143 million (Fitzgibbon & Chavkin 2017, OECD 2013). More recently, in 2017, the World Bank barred Danish company Consia Consultants APS for the alleged bribery of Vietnamese officials (Transparency International 2018c). In May 2015, Brazilian authorities requested that the Danish Public Prosecutor investigate Maersk, a Danish transport company, for alleged bribery as part of the “Operation Car Wash” investigations (Transparency International 2018c).

Political financing

Political and electoral financing in Denmark is seen as an area of concern due to a lack of general regulation of political financing. According to the 2013 Global Corruption Barometer, 30 per cent of Danish respondents believe political parties to be corrupt (Transparency International 2013), while the 2017 Eurobarometer found that 40 per cent of respondents thought political parties are corrupt (European Commission 2017a).

Campaign and party financing in Denmark are regulated by the Accounts of Political Parties Act and the Public Funding Act. Party accounts are considered to be relatively transparent as regards contributions from the state and donations of more than 20,000 kroner. Nevertheless, there are still some loopholes in the regulation of party financing. First, political parties do not have to disclose details about the contributors if the donations are lower than 20,000 kroner (around US\$3,100). This means that parties, especially at the local level, often receive donations of 19,999 kroner, and thus do not report on the sources (TI Denmark 2012b), and even more seriously, the law permits companies to establish or join business clubs and thereby donate while staying anonymous. Furthermore, Denmark has few restrictions on financing from foreign sources or from legal persons, and does not have a restriction on donations in kind.

Furthermore, lobbying is not regulated by Danish law. Lobbying companies or companies that undertake lobbying on a regular basis do not have to disclose their activities or lobbying expenditures; politicians, companies and parties can choose to disclose lobbying on good faith (European Commission 2014). This is a notable weakness, as an American consultancy firm reported in 2009 that access to Danish regulators

was easier than in the rest of Europe (Delna TI Latvia 2016).

Overseas territories

Denmark has two overseas territories that have a large degree of political and administrative autonomy: Greenland and the Faroe Islands. These territories belong formally to the Danish Realm but are autonomous home-ruled territories, not forming part of the EU. The existence and legal status of these territories are key elements for the governance of the Danish Realm, and yet it presents particular corruption challenges.

Greenland, for example, voted in a referendum in 2008 for more autonomy from Denmark. Under the new scheme which came into effect in 2009, Greenland gradually assumes responsibility for policing, the judiciary, company law, accounting, auditing, mineral resource activities, immigration and border controls, the environment and financial regulation. There are still strong links between Denmark and Greenland in business and administration, including large subsidies from the National Government (Lees 2014).

A 2016 survey undertaken by TI Greenland showed that 63 per cent of respondents found that the government was not doing enough to combat corruption (TI Greenland 2016). In a notable case in 2014, the prime minister of Greenland was forced to step down after allegedly using €14,000 of public funds to cover personal travel expenses (Lees 2014).

Regarding corruption and governance, a 2012 study commissioned by TI Greenland concluded that “administrative staff in the public sector often have to deal with an incoherent and confusing system of rules and legislation. This applies to the fishing industry, taxation, social services as well as housing and procurement. It can result in arbitrary

decisions and pave the way for irregularities and, ultimately, corruption” (TI Greenland and Nordic Consulting Group A/S 2012). This is echoed by the director of TI Greenland who believes that Greenland’s biggest corruption challenges are “nepotism, favours and important decisions made in very small circles with a lack of transparency” (Transparency International 2015b).

Due to this autonomy, Greenland has not been obligated to adopt many of the regulations and anti-corruption rules as Denmark, which puts the territory at risk of corruption. The OECD notes that foreign bribery regulations do not extend to Greenland (OECD 2013). This, coupled with different financial regulations regarding money laundering, makes Greenland a potentially attractive jurisdiction for companies that want to do business with Denmark but wish to avoid the full weight of Danish money laundering laws (OECD 2013).

Furthermore, Greenland also faces some vulnerabilities to corruption in public procurement and extractive industries. A 2014 PEFA report found that, despite performing well in most aspects of public financial management, Greenland performed poorly in terms of transparency, competition and complaints mechanisms in procurement (PEFA 2014). It should be noted that a 2012 study commissioned by TI Greenland found that the legal framework of public procurement does not leave much room for political interference or lobbying, but noted low levels of proactive transparency of public contract bidding (TI Greenland and Nordic Consulting Group A/S 2012). The study also notes that, while information is published, there is no consistency to where and in which formats this information is published.

The biggest risk identified by experts is from extractive industries. Greenland is estimated to

have 25 per cent of the world's rare earth metals and has seen enormous growth in the extractive sector in the past decade (Lees 2014). This growth, however, has not been accompanied by efforts to make extractive industries accountable or to ensure that the profits of the extractive sector are reincorporated into the country which, despite considering extractive industries a backbone of their future plans for independence, maintains a very lax control of corporate social responsibility, finances and profits of these companies.

It should be noted that in 2015, Greenland's Ministry of Mineral Resources published a comprehensive anti-corruption policy to limit corruption in the extractives sector. The policy establishes tough rules on bribery, receiving gifts, conflicts of interests, nepotism and favouritism (Strauss Sorensen & Kibsgaard 2015; Uldum & Ministry of Mineral Resources 2015).

The Faroe Islands, the second of Denmark's overseas territories, gained home rule in the 1940s and have political and administrative autonomy over their territory. The Faroe Islands' mineral resources are not as abundant as Greenland's, but face similar vulnerabilities to corruption and illicit financial flows as its sister territory to the north. For example, Faroese companies effectively circumvented EU sanctions on trade with Russia as they are not part of the European Union (Leo 2018).

Legal and institutional anti-corruption framework

Overview

Denmark has a long history of anti-corruption legislation and public sector integrity. Bribery has been formally penalised since the 17th century and ethical standards for public sector employees were

established in the 19th century (Mungiu-Pippidi 2013; Frisk Jensen 2014). Today, the public sector in Denmark is considered to have a very high degree of transparency in its operations, offering easy access to information about the institutions and high levels of proactive transparency (Transparency International 2012a), though there are important concerns about the state of reactive transparency (Transparency International 2012a, Krunke 2015).

Despite the corruption challenges outlined above, the country and its overseas territories have a relatively well developed legal and political framework to counter corruption.

Legal framework

International conventions

Denmark is party to the United Nations Convention against Corruption (UNCAC). It has also ratified the Council of Europe's Criminal Law Convention on Corruption. Denmark is party to the Council of Europe Group of States against Corruption (GRECO) agreement, although the country has recently been placed on-notice as they are considered to be non-compliant due to a lack of significant measures to remedy problem areas (Council of Europe 2018). In addition, Denmark ratified the OECD Convention on Bribery Loopholes (Department for Human Rights/Ministry of Foreign Affairs 2013) and the OECD Anti-Bribery Convention (TI Denmark 2012a).

In 2011, Denmark joined the Open Government Partnership. The government and several civil society organisations have developed two action plans (a 2013-2014 plan and a 2017-2019 plan).

Domestic legal framework

Criminalisation of corruption

Corruption in Denmark is criminalised under sections 122 and 144 of the Criminal Code. “Secret commissions” are criminalised in section 299(2) (Langsted 2009). The code’s travaux préparatoires include a defence of the paying of “token gratuities” to foreign public officials in a country with “very special conditions” including in cases where it may be unlawful. The travaux préparatoires are not legally binding but courts are asked to consider them in making judgements (OECD 2013). Finally, Danish anti-bribery legislation still does not cover trading in influence (Transparency International 2018c).

In addition, since 2007, Denmark has a code of conduct for public officials that deals with practical aspects describing situations that may arise in the public administration including fundamental values and principles, freedom of expression, duty of confidentiality, impartiality and the acceptance of gifts (European Commission 2014). The parliament obliges ministers to publish information monthly on their travel spending and gifts.

Finally, money laundering as an offence is penalised in section 290 of the penal code (OECD 2013) and a new 2017 Danish Anti-Money Laundering Act also establishes further regulation and penalisation for money laundering crimes (Transparency International 2018c).

In the Faroe Islands and Greenland, blackmail, bribery, abuse of confidential information, abuse of a public office are criminalised under section 122 of the Faroese legal code and chapter 23 of the Greenlandic penal code, respectively.

Political party and campaign financing

Campaign and party financing in Denmark are regulated by the Accounts of Political Parties Act and the Public Funding Act. These laws create basic regulations, like the public nature of party finances and the mandatory disclosure of all donations above €2,700. Yet there are no limits on donations from abroad, from legal persons or from anonymous donors, and there are no restrictions on the amounts that they may donate (European Commission 2014).

Access to public information

Denmark grants access to information to public documents that are not of a confidential nature. The Access to Public Administration Files Act of 1970 and a 2014 Public Records Act regulates access to information in the public sector (Transparency International 2012b). While there is little constitutional basis for access to public information, the right to information is regulated by statutory law and by the European Convention of Human Rights (Krunke 2015).

The 2014 Public Records Act initiated important reforms in proactive transparency, as this relates to public documents, procurement documents and budget documents (Krunke 2015). Nevertheless, current laws exempt a wide range of documents from public access, and there is a general administrative culture where exemption provisions are used to deny disclosure (Transparency International 2012a, Krunke 2015). Furthermore, a 2012 National Integrity System assessment report by Transparency International found that deadlines for releasing or disclosing documents are not respected (Transparency International 2012a).

Access to public institutions’ documents in Greenland is governed by the general rules of the

Act on Public Access to Documents in Administrative Files, and chapter 4 of the Case Processing Act. With the exception of preparatory documents, confidential information about individuals and documents deemed to endanger the safety or foreign interests of Greenland, all information is considered public and must be granted within ten working days (TI Greenland and Nordic Consulting Group A/S 2012).

Conflicts of interest and asset declaration

Danish civil servants are not obliged to present sworn declarations of assets to a public authority or to provide disclosures of conflicts of interests. It is however mandatory for members of parliament (since 2016) to present sworn asset declarations and conflict of interest declarations, and these are published on the parliament's homepage. The legitimacy of the disclosures is however based on good faith, the information is not verified or controlled, and non-compliance with submitting declarations is not sanctioned (see European Research Centre for Anti-Corruption and State-Building 2017).

“God adfærd i det offentlige” (Good behaviour in the public sector) is a guideline introduced in December 2017 that covers gifts, business entertainment and conflicts of interest for employees in the public sector. The new guideline was a revision of the guideline first published in 2007 (Moderniseringsstyrelsen 2017).

The situation is similar in Greenland, where members of the executive and legislative branches are not obliged to present conflicts of interest or declarations of assets. As of 2011, the Inartsisartut (parliament) established a register where members can voluntarily declare assets, alternative incomes and conflicts of interests. As of 2012, only 17 of the 31 members of the Inartsisartut had chosen to voluntarily declare assets (TI Greenland and

Nordic Consulting Group A/S 2012). As the prime minister and his cabinet are also members of parliament, they can also report assets and conflicts of interest through this register.

Whistleblowing

Denmark lacks a comprehensive strategy or law to protect whistleblowers from retaliation for speaking out. The framework for whistleblowers that is currently laid down is section 227 of the constitution that guarantees freedom of expression and employees' right, and duty to inform the public about irregularities (TI Denmark 2012c), as well as a 2014 law that protects whistleblowers in the financial sector from dismissal (OECD 2015). Denmark's code of conduct for public servants provides guidelines when public employees are entitled to freely disclose non-confidential information to the press and other actors (European Commission 2014). Furthermore, penal code 152(e) states that public employees must legitimately convey confidentiality information with “obvious societal interest” (TI Denmark 2012c).

The Danish Labour Code does not specifically refer to whistleblower protection. It does, however, offer protection against unfair dismissal, but the burden of proof is on the employee (European Commission 2014).

The 2012 NIS study cites a survey of 2,500 Danish public employees, where 30 per cent of those who had publicly voiced concern about the workplace “were faced with subsequent problems, such as being perceived as disloyal to their employers or being explicitly warned not to make future comments” (Transparency International 2012b). Similarly, a 2012 study by a labour union concluded that between 2008 and 2012, there has been an increase of public servants who fear retaliation if they blow the whistle (TI Denmark

2012c). The chairman of the second largest union in Denmark HK criticised whistleblower systems in 2017 and explained the reason for not having one as: "...we have a trust-based system. We do not have anything to hide". Following this line, many Danish unions have been against introducing whistleblower systems (Randeris Kristensen & Bendtsen 2017).

Institutional framework

Denmark has a number of institutions with the mandate to tackle corruption, promote transparency and monitor public sector integrity.

Public Prosecutor for Serious Economic and International Crime (SØIK)

The Public Prosecutor for Serious Economic and International Crime is the main body responsible for investigating corruption, including bribery of officials abroad. Its multidisciplinary team is composed of both prosecutors and investigators. Established in 1973, the public prosecutor falls under the Ministry of Justice and is commissioned with investigating corruption crimes.

It should be noted that the SØIK is not an anti-corruption agency per se but does report on economic crimes and has made recommendations to government ministries on public policy (UNODC 2006). The public prosecutor is also tasked with producing national risk assessments for money laundering (Left Liberal Alliance et al. 2018).

The public prosecutor's performance is considered to be adequate in investigating domestic cases of corruption, but has been criticised for its handling of cases of foreign bribery. In a 2013 OECD report, the SØIK was noted for having thrown out cases and choosing not to prosecute because of insufficient evidence without carrying out a preliminary investigation (OECD 2013).

The Faroe Islands have incorporated a public prosecutor similar to Denmark's.

National audit office (Rigsrevisionen)

The national audit office was established by the Auditor General Act of 2012 to examine the expenses mandated by parliament and of the accounts of state companies. The national auditor is chosen by the speaker of the parliament and approved by committee in the parliament. The office is accountable to the Danish Public Accounts Committee, to which it must present all audits and annual performance reports (Rigsrevisionen 2018).

In Denmark, ministries are legally obliged to respond to criticism raised through the auditing process by the national audit office. This obligation compels the government to act on audit reports and to ensure the findings are made public (Transparency International 2012b).

Money Laundering Secretariat (MLS)

The MLS is the national financial intelligence unit, responsible for analysing potential money laundering, financing of terrorism and illicit financial flows. The MLS may request and obtain additional financial information held by the private sector through a court order, but usually relies on nationally held information through registers and banking reports (FATF 2017). FATF notes in its evaluation that the MLS lacks human resources, as it must share its analysts with other government agencies (FATF 2017).

The Danish parliamentary ombudsman

The Danish parliamentary ombudsman is a position chosen by parliament for a ten-year mandate (Folketingets Ombudsmand 2018a). The ombudsman may bring forward criticism or failings in public policy, and may recommend that the authorities

reopen cases or give commentary on decisions to change the verdict of closed cases.

The ombudsman also receives complaints about the state of institutions and the judiciary from citizens and public employees. The office receives between 4,000 and 5,000 complaints annually. Furthermore, the ombudsman's monitoring division visits a large number of public institutions, such as prisons, psychiatric institutions and social care homes. The ombudsman has a staff of 100 (Folketingets Ombudsmand 2018b).

The framework of the Danish ombudsman has been transposed to the Greenlandic ombudsman. The Greenlandic ombudsman is chosen by parliament and is mandated to control the administration of government and the municipalities. A 2012 study found that the Greenlandic ombudsman regularly travelled to municipalities and has regularly presented reports and recommendations to different areas of government, yet there is relative inaction on her recommendations at the time of writing the study (TI Greenland and Nordic Consulting Group A/S, 2012).

Other stakeholders

Media

According to Reporters Without Border's 2018 World Press Freedom Index, Denmark is ranked 9 out of 180 countries, with a score of 13.99 (Reporters Without Borders 2018).

Furthermore, in the 2016 Eurobarometer Special Report on Media Pluralism and Democracy, 61 per cent of Danish respondents consider media in their country to be free of political and commercial interest (European Commission 2016). On the other hand, the 2013 Global Corruption Barometer found that 30 per cent of Danes believed media

organisations in their country to be corrupt (Transparency International, 2013).

Civil society

Freedom of association and assembly are constitutionally guaranteed rights, which are respected in the country (Freedom House 2018). Denmark has an active civil society which is regularly consulted on matters of transparency, governance and anti-corruption. Civil society organisations have actively participated in the formulation of both national Open Government Partnership action plans (Open Government Partnership 2018).

Civil society organisations that deal with corruption range from large, nationwide organisations, like TI Denmark, to smaller focused and event specific movements at the local and territorial level. In the case of Greenland, there is not a strong tradition of NGOs in the country, although the few in existence, including TI Greenland, claim to have easy access to government and regularly participate in policy formulation (TI Greenland and Nordic Consulting Group A/S 2012).

However, a 2012 NIS report by Transparency International found that short consultative processes in most participatory public policy formulation hinders participation by civil society organisations (FATF 2017).

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