Incentives research

Why Policymakers Commit to Transparency:

Legitimacy, Insurance, Monitoring and the Importance of the News Media as Mediator

Gregory Michener

March 2015

GLOBAL INITIATIVE FOR FISCAL TRANSPARENCY

INTERNATIONAL BUDGET PARTNERSHIP
Open Budgets. Transform Lives.

The author would like to thank Juan Pablo Guerrero, Paolo de Renzio, and Sanjeev Khagram for the opportunity to participate in this Global Initiative for Fiscal Transparency (GIFT) working paper series. I am grateful to Alta Folscher for her helpful comments on this think piece. Any inaccuracies or shortcomings are the author's alone.

Index

II. Introduction

By now it has become apparent that not all 'transparency' is transparent, nor is transparency an unalloyed good in all arenas. Transparency may not even lead to greater trust or participation, as the T&A (transparency and accountability) community and Open Government Partnership sloganeers would have us believe.

Yet effective transparency is an indisputable precondition for key accountability processes, let alone healthy markets and better government. In short, it is important enough as a general precondition for quality governance to merit greater commitments from policymakers.

This working paper asks how best to understand policymaker motivations for transparency based on the endogenous incentives generated by distinct democratic political configurations. It then makes a case for investing greater attention in a key exogenous actor that plays a key role in mediating 'incentive streams' – the news media. The final section concludes by questioning some of the most basic assumptions of the T&A movement in order to encourage a reassessment of priorities.

The paper's core argument relates to three incentive streams and political rationales that drive commitments to transparency: the quest for 'legitimacy', the desire to obtain 'insurance' against prospective institutional abuses, and the urgency to engage in 'monitoring' as a means of minimizing dilemmas associated with delegated power and augmenting 'discipline' in the administration of government. It is argued that variations in legislative-executive balances of power and party-based control over government (coalitions or single-parties) have a determinant influence in shaping which incentives matter most for policymakers. The second part of this essay argues that the media has a unique ability to mediate these incentive streams, one that can greatly benefit T&A advocates but that has not been fully explored.

In sum, the paper aims to provide shortcuts for understanding the motivations and incentives that drive commitments to transparency. In so doing it seeks to empower the Global Initiative for Fiscal Transparency (GIFT) and similar initiatives to better leverage the 'who', 'why', and 'when' of coaxing commitments for transparency and more effective policy. These will depend, of course, on whether we are talking about 'micro' or 'macro' fiscal questions, and the stage of the policy cycle in question – from revenue generation, to the pre-budget deliberative process, adoption, execution, reporting, and auditing. It is important to note that this paper is dedicated to the analysis of policymaker motivations, not those of bureaucrats or members of civil society.

.

II. Transparency

As transparency is the general focus (or dependent variable) of this essay, the term ought to be adequately defined. *Effective transparency* is conceptualized as information that is both visible and inferable (Michener and Bersch 2013). Visibility can be measured in terms of two necessary conditions, completeness and findability. Inferability – the extent to which information can be used to draw accurate conclusions – is an additive concept (Goertz 2006) and increases with attributions such as disaggregation, verifiability, and simplification.

This definition rejects conceptualizations of transparency that are minimalist ('publicly accessible information'), metaphorical ('the flow of information'), and correlative (laundry-lists of adjectives: clarity, reliability, frequency, timeliness, etc.). This essay urges GIFT – or any other transparency initiative – to provide robust definitions and measurements for key concepts. A lack of clear definitions and theories has arguably led to the growing prevalence of 'opaque' or 'zombie' transparency, to use Jonathan Fox's terms (2007, 2014). Public information that is unintelligible and full of jargon, or lacks disaggregation or better descriptive details is posing serious challenges to the legitimacy of the movement for greater transparency. Without parameters, the quality and comparability of concepts – such as 'transparency', 'participation', or even 'OGP commitments' quickly become compromised.

III. Policymaker Pressure Points – Motivations and Incentives for Effective Transparency

Systematic appraisals of the motivations and incentives that lead policymakers to commit to effective transparency remain a lacuna in the literature. Recent works, such as those of Berliner (2014), Michener (Michener 2015) and Khagram, Fung and De Renzio (2013) illuminate key factors that *trigger commitments* to transparency. The specification of incentives is mostly implied, unsystematized, or stresses one motivation (e.g. insurance) to the neglect of others.

Furthermore, advocates tend to focus on exogenous incentives for transparency, such as international initiatives or the pressure of NGOs and 'coalitions'. It is critical to remember, however, that the strength of transparency statutes *de jure* and *de facto* ultimately depends on parliaments and chiefs of state. International actors and domestic social accountability movements may apply formidable pressure for transparency. Yet the extent to which transparency statutes emerge robust from the legislative process ultimately depends on conditions endogenous to the deliberative powers of government. Similarly, effective transparency in *practice* occurs when parliaments and chiefs of state steer the bureaucracy in the direction of greater openness. A better understanding of the incentives that influence chiefs of state, cabinets, and parliaments, including governmental allies and oppositions, can help advocates of fiscal transparency nudge, coax, and lead policymakers in the right direction.

The idea behind this section is to examine policymakers' motivations and incentives within a simplified interpretation of the principal democratic executive-legislative configurations. Three out of four broad types of governments receive attention: single or few-party (henceforth referred to as 'single-party') *minorities*, single-party *majorities*, and larger coalition *majorities*.[1] Larger coalition *minorities* are exceedingly rare and have been excluded for the sake of brevity. Each political configuration possesses its own ideal-typical set of motivations and each incentive can produce varying levels of commitment.

---

[1] 'Larger coalitions' are defined as those consisting of three or more parties, although the number could also be set at four. For a discussion of this threshold, see Michener (2014).

The literature on transparency makes clear that there are three categorical motivations for high-level commitments to greater transparency, containing both symbolic and instrumental rationales:

1. **Legitimacy** – To improve domestic or international legitimacy.
2. **Insurance** – To guard against prospective competing officeholders manipulating resources and institutions in relative secrecy.
3. **Monitoring** – To monitor the political and bureaucratic administration of government, as a deterrent and a 'disciplining' mechanism to promote greater efficiency.

Public interest motivations may be subsumed by any one of the above, and thus is not included as a standalone motivation for transparency commitments. While the last two incentives are similar, the essential difference is that 'monitoring' aims to enhance surveillance of government in the now, whereas the rationale behind 'insurance' incentives is to ensure that transparency provisions will be robust enough to constrain contending officeholders who have yet to assume power. As the following discussion will make clear, it is often a mix of these incentives that prompts policymakers to act on transparency.

IV. The Legitimacy Motivation

Each one of the triggers for commitments to fiscal transparency described by Khagram, Fung and De Renzio (2013) – political transitions, fiscal and economic crises, corruption scandals, and external influences (including norms) – imply the 'legitimacy motivation': breaks with the past (transitions), prospective blame avoidance and reputational reparations (financial or corruption-induced crises and scandals), and regional or international reputation management (external influences and norms). Yet the types of domestic and international legitimacy – falling into symbolic and instrumental taxonomies – encompass multiple rationales and are highly context-specific.

Consider inferences from single-party minority governments, which have long been considered institutional configurations amenable to greater transparency and accountability (e.g. Alt, Lassen, and Rose n.d.; Geddes 1994; Michener 2011, 2015). Transparency reforms can represent significant symbolic legislative victories for leaders hamstrung by the gridlock of minority or 'divided' government. A president or prime minister may commit to transparency because they seek the sympathy and approval of the media, advocates, and citizens for any number of reasons. One important rationale is that leaders seek public approval and support as a means of overcoming opposition resistance in other legislative policy areas. They may achieve the same end by offering strong transparency commitments as a sort of concession or 'peace offering' to the opposition.

The U.S., British, and Mexican examples, among others, have shown that oppositions do not just acquiesce to transparency but actively seek them out –often in the face of executive recalcitrance. In the wake of a scandal or crisis, opposition parties or key opposition legislators may capitalize on media agendas to advance pro-transparency agendas (see for example Schneider and España-Najéra 2013). As will later be discussed, the media can be a crucial ally in this regard.

Opposition parties often see transparency as a means of increasing scrutiny and revealing malfeasance or mismanagement (Michener 2015; Michener and Worthy 2014). While this rationale points to monitoring motivations, opposition parties may also support transparency to enhance their own legitimacy. After all, opposition parties are frequently blamed for paralyzing legislative progress and frustrating effective governance more generally. It is to their credit if they can help advance significant transparency legislation.

Whereas opposition and government leaders under single-party minorities tend to be driven by legitimacy motivations at home, the leaders of single-party *majority* governments, such as Argentina or Senegal, may be less concerned with domestic reputations. Chief executives can prove their effectiveness through other legislative means – by providing citizens with the public and private goods deemed necessary. As Wehner and De Renzio (Wehner and De Renzio 2011) show, majorities are negatively correlated with budget transparency. Michener (2011, 2015) also provides inferences and evidence to show that single-party majorities have been transparency averse.

Single-party majorities can nonetheless be motivated to supply transparency through motivations to obtain *international* legitimacy. Countries in this category appear to include Russia, Uganda, and South Africa, which exhibit medium to high levels of fiscal transparency. South Africa's post-apartheid governments, for example, have supplied high levels of budget transparency despite consecutive ANC majorities. South African civil society remains weak on the issue of budgetary transparency, indicating that the agenda has been primarily government-driven (Friedman 2013, 55). The evidence thus suggests that leaders are concerned about signaling the administrative and democratic commitments of the post-apartheid regime by meeting global benchmarks. South Africa's FOI law provides a suggestive parallel. It scores quite high on the Right to Information Rating[2] yet great gaps remain in the implementation and application of the FOI law (Darch 2013; Darch and Underwood 2005; Friedman 2013, 53).

Under single-party majorities, we should be more likely to find 'window-dressing' transparency as opposed to effective transparency. As most evaluative instruments look only superficially into the question of *de facto* transparency's 'quality' – at what information is disclosed, but not its quality – this hypothesis still needs further research. In effect, GIFT might place greater emphasis on evaluating the substantive quality of fiscal transparency. Benchmarks such as the eight principles of Open Data can provide adaptable yardsticks for assessing different facets of budgetary transparency.[3]

Motivations for international legitimacy are also driven by incentives such as international aid or loans. Countries such as the Philippines, Honduras, and the Dominican Republic – a few recent top performers in 2012-14 Open Government

---

[2] Scoring 109 out of a possible 150 points and placing 17th in the world. Refer to http://rti-rating.org/country_data.php .

[3] The Transparency Audit Network (http://transparencyaudit.net), based at the FGV Rio de Janeiro, is currently piloting active transparency assessment methodologies derived from these eight principles.

Partnership fiscal transparency commitments – might fit this profile. In part, these countries adopt transparency reforms to enhance their legitimacy as worthy receptors of credit or foreign assistance. Similarly, autocratic or electoral authoritarian states, such as Russia, may implement transparency reforms as a means of attracting investment (instrumental) or ameliorating poor reputations (symbolic).

While legitimacy motivations are ubiquitous and incentives can be engineered and leveraged by advocates, the danger is that reliance on symbolic rationales results in 'window-dressing transparency' (Michener 2011). A country may conceivably adopt budget transparency or freedom of information (FOI) reforms that conform to *de jure* international standards but are poorly implemented. 'Transparent' information may be difficult to access or of poor quality – in non-computable formats, out-of-date, laden with unintelligible jargon, and lacking simplifying heuristics or explanatory cues. In short, adopting transparency based on 'legitimacy incentives' is little guarantee of effective transparency.

V. The Insurance Motivation

Both monitoring and insurance motivations that drive policymakers to commit to transparency are much more contextually specific and instrumental than those associated with legitimacy. ‘Insurance theories’ (Moe 1990), which imply the desire to insulate institutions against prospective political interference, are generally associated with reforms affecting the judiciary (e.g. Bill Chavez 2004; Finkel 2008; Ginsburg 2003), and central banks (Boylan 2001; Moser 1999), among other institutions.

Of the triggers specified by Khagram et al (2013), political transitions are often accompanied by both monitoring and insurance motivations. When Mexico’s President Vicente Fox assumed office, ending more than seven decades of one-party rule, one hypothesized incentive for enacting a strong freedom of information (FOI) law was to deploy monitory mechanisms to scrutinize a bureaucracy that had been ‘colonized’ by the long-ruling PRI. A strong law would also insure the state against prospective covert misuses of its resources, should the opposition come back to power.

The most common preconditions for ‘triggering’ insurance motivations are transitions, political competition among programmatic parties (as opposed to parties that are mere electoral vehicles or non-programmatic catchall parties), and regular electoral alternation (see for example, Melo, Pereira, and Figueiredo 2009). The uncertainty of electoral outcomes (which party will win elections) ought to prompt officeholders to insulate institutions against their possible manipulation by competitors – should they be voted into office. In other words, the current government adopts strong transparency to ensure that rules and precedents constrain future officeholders.

Because insurance motivations are instrumental rather than symbolic, they may result in stronger commitments to effective transparency than legitimacy motivations. Put differently, insurance incentives are usually triggered by factors such as institutionalized political competition and are thus durable, reliable motivators for transparency. The desire to insulate government institutions against the meddling of future officeholders is a constant – as likely to motivate policymakers under minority governments as majority governments, given regular patterns of partisan alternation.

By contrast to the motivation to insure institutions against interference, legitimacy is a less reliable driver of commitment because it tends to be strongly influenced by innumerable aspects of the political and economic context, which may change from one minute to the next. Legitimacy motivations are typically also rooted in concerns surrounding outward appearances, rather than hard rules and practices that can constrain competitors.

VI. The Monitoring Motivation

The motivations to monitor political and bureaucratic agents is rooted in instrumental concerns, and exerts the strongest influence under specific institutional configurations. In particular, when executive cabinets are governed by a large number of parties, scholars have shown that chief executives will pursue monitoring strategies (Andeweg 2000; Carroll and Cox 2012; Kim and Loewenberg 2005; Lupia and McCubbins 2000; Martin and Vanberg 2004; Michener 2015; Thies 2001; Vieira 2013). The logic is that cabinet ministers allied with the chief executive but not belonging to the same political party may have incongruent objectives, unproven competence, or perverse intentions. In short, coalition politics poses threats to the policy goals, administrative reputations, and fiscal objectives of chief executives (Sartori 2005). In turn, chief executives and their confidants support transparency and monitoring strategies to deter maladministration and hedge against the negative externalities of irresponsible allies.

The monitoring motivation can help explain why certain countries appear to 'punch above their institutional weight' in transparency rankings, such as Brazil, India, and Indonesia (Michener 2015). All of these countries rank within the top twenty in both the Open Budget Survey and the Right-to-Information Rating and are governed by large multi-party cabinets, where 'delegation dilemmas' are omnipresent (see for example, Melo, Pereira, and Werneck 2010).

Large coalitions promote the sort of internecine competition and tattle-tale rivalries that result in frequent scandals (Balán 2011). Frequent ministerial turnover, due to revolving coalition partners, means that bureaucrats are less loyal to their political masters and more likely to disclose sensational information. Resulting scandals, of course, represent a key trigger for good governance reforms, as noted by Khagram, Fung and De Renzio (2013), among others. It is no surprise, then, that Wehner and De Renzio (2011, 104) find that party fragmentation is associated with more robust fiscal transparency indicators.

VII. Fire Alarms or Police Patrol Monitoring? The Political Calculus

Monitoring motivations can lead to different levels of effective transparency and accountability, depending upon whether they involve “fire alarm” or “police patrols” (McCubbins and Schwartz 1984). If the threat of monitoring is real and consistent in the sense of routine “police patrols” – accomplished through a credible oversight agency or auditing institution – we might assume high levels of effective transparency and accountability.

Yet perhaps the most significant dilemma encountered in multiparty cabinets is the willingness of the chief executive to cast a blind eye to maladministration. This willingness to cast a blind eye is presumably conditioned by several variables, foremost among them, the predispositions of leaders and the precariousness of coalition party support in parliament. In countries where the monitoring incentive is strongest, such as Brazil, accountability is constrained by a legislative and political calculus.

As described in Michener (2015), six corruption scandals in different ministries forced the ouster of coalition *politicos* during Brazilian President Dilma Rousseff’s first year in office (2011). Subsequently, however, the purge stopped and few ministerial-based corruption scandals have surfaced since. The inference is that Rousseff sent a message to both the public at large and her cabinet in year one, but as her popularity and support in Congress waned she became increasingly motivated to appease allied parties rather than expose their ministerial improprieties and antagonize them.

As a rule, the same dynamic holds across Brazil’s states and municipalities. Comptrollers and auditor generals, which are ultimately controlled by the executive, suppress what they find by order of governors and mayors, who tend to privilege coalitional coherence and legislative flow over accountability. When improprieties are exposed, it is usually because the federal level of government – typically the comptroller general [CGU] or audit courts [TCU] – have audited and exposed improprieties within other levels of government (state or municipal).

One solution may be to nudge countries in the direction of Mexico, which has invested heavily in creating ‘autonomous’ institutions that have jurisdictional powers across levels and branches of government. The issue of jurisdictional authority is obviously less of a concern in unitary political systems, but in federal systems advocates of accountability are seriously constrained. Another alternative is to convince institutions that are already ‘autonomous’ – such as Brazil’s Public Ministry (Ministerio Público) – to assume broader, more national auditing responsibilities. Ultimately, however, the only real cure is national political reform to create more moderate party systems and electoral systems that promote greater accountability.

VIII. Too Few Monitors

As it stands, the introduction of transparency mechanisms has permitted greater monitoring, but in countries such as Brazil – with coalitions and large multiparty cabinets – monitoring results primarily in fire alarm rather than police patrol formats. In other words, it serves principally as a deterrent to maladministration rather than a constant check. It is true that FOI laws and 'transparency portals' contain active transparency obligations that help advocates engage in "police patrol" activities. The problem in Brazil, as in other countries, is too few patrols. A profusion of transparency and too few eyes is a growing challenge for advocates, as almost all transparency scholars have noted. To take the example of budgetary executions, once or twice a semester I ask my undergraduate students to find "something that looks irregular or incredible" on Brazil's Transparency Portals. Before 15 minutes are up, they have found $US 3 million dollar soccer fields bought with public money in rural parts of rural states or continuous daily maximum ATM cash withdrawals by military personnel without any explanation provided whatsoever.

The insight here is not only that transparency is insufficient on its own, but that effective monitoring necessitates incentives for citizens, journalists, and advocates to look for and report irregularities in money spent or received, misplaced priorities or botched outcomes. One way to promote this sort of behavior – which is the route taken by most social audits – is through hands-on educational campaigns that pique citizen curiosity into how government spending benefits or deprives them of essential services. Other strategies include the funding of non-profit news organizations, and research-based academic initiatives. Whichever route is taken, effective monitoring will depend on two factors. First, whistleblowing channels must be accessible and credible. And second, justice systems must not default to delay and impunity, both of which discourage denunciations and put whistleblowers in danger's path.

Monitoring is becoming an important endogenous practice in political systems around the world, especially as party systems around the world continue to fragment, creating the need for larger coalitions that heighten delegation dilemmas. It is important to consider monitoring as an exogenous intervention as well; more advanced and accessible technology have made 'hidden camera' type revelations increasingly common (Bauman and Lyon 2012).

IX. A Call for Greater Attention to Political Variables

As the above discussions suggest, political motivations and incentives for transparency can operate and interact in complex and subtle ways. The analysis of political configurations, including the balance of power in parliament and within executive cabinets, provides an important shortcut for inferring incentive structures.

Advocates at both the international and domestic levels should pay heed to the underlying politics of transparency. Juan Pablo Guerrero, the Director of GIFT, cautions that advocates often spend energy wooing middle and top-level career bureaucrats, whose commitments to professionalism in public service and fiscal transparency end up stymied by politically-constrained managers (2014). It is the politicians and political managers that must be swayed. And they respond best at key moments during the political cycle (e.g. Puddephatt 2009), typically at the beginning and end of governments.

X. The News Media – The Neglected Political Actor

One actor that is particularly well suited to making sure politicians respond to demands for greater transparency and accountability is the news media. The media not only effectuates its own investigations, editorial lines, or policy analyses, it also serves a fundamental role in projecting advocates, political entrepreneurs, and the political opposition into the public sphere. As argued by Grigorescu (2003), the news media also plays a fundamental role in motivating domestic commitments to transparency through its coverage of international initiatives (e.g. GIFT), which advocate for greater openness. Research also suggests that the volume of media coverage devoted to transparency impacts the strength of transparency laws and commitments (Bertoni 2011; Michener 2009a, 2009b).

As an actor, a free and independent media is the most powerful driver of transparency commitments aside from competitive political systems. The cornerstone of this logic is that the media is the gatekeeper of all major political incentive streams. It has the power to increase or diminish perceptions of domestic and international legitimacy, and as a watchdog it can validate 'monitoring' strategies by calling attention to misbehaving political parties or bureaucrats. An independent media also buttress the logic behind 'insurance' incentives by guarding against the illegal manipulation of state resources. For governments eager to strengthen transparency or accountability institutions, the media's gatekeeping function – i.e. what it decides to cover or not cover – may determine the difference between reform successes or failures.

The fields of political science, international relations, and public administration have done a disservice to policy advocates by underestimating the influence of the media or rendering its agency indistinguishable (and therefore unmeasurable) from monolithic analytical constructs such as 'civil society'. Where international organizations lobby politicians, they should be spending just as much time persuading, training, or attracting the attention of media professionals.

Why has the advocate and academic community underinvested in the media as a driver of transparency, participation, and accountability? First, my research suggests that attempts to influence the media, or media 'support' for some cause are seen by certain individuals as cardinal infringements upon the 'role' of the media as an 'objective' mediator of information. Second, international advocates are often wary of souring real or prospective relationships with high-level policymakers because of excessive or antagonistic media coverage of their demands. Both of the above concerns provide relatively weak arguments for overlooking the media as a driver of commitments. Politicians take full advantage of the media to project their messages, and advocates of transparency should do the same.

Finally, many argue that the media is becoming increasingly irrelevant because of the internet. This claim is empirically incorrect. Newspaper circulation numbers are way up in the developing world from a decade ago and unique visitors to newspaper webpages around the world have had an incalculable multiplier effect on news consumption. The content of influential newspapers is reproduced and discussed online and offline. In Brazil, newpapers and magazines such as the *Folha de São Paolo* and *Veja* influence the news media agenda for Television and radio. When monopolistic media outlets attempt to downplay, ignore, or misrepresent events, as Brazil's *Globo* is viewed to have done at the beginning of 2013 protests, social media forces these companies to right their ships.

What is true, however, is that certain types of journalism are under threat by the financial pressures brought about by competing technologies. Such is the case with 'beat' reporting, which involves the sort of detailed journalism that could have prevented outrageous incidents of budgetary and fiscal corruption, as occurred in Bell, California (On The Media 2014). Beat reporting is essential to checking numbers, and especially critical to the deliberative and executive phases of budget planning and disbursements. In this sense, the media deserves even greater attention from well-resourced transparency advocates.

In short, an independent press represents perhaps the most important and influential potential ally of T&A advocates, including GIFT, and such a press has every reason to support transparency policies. Information is, after all, the lifeblood of the news trade.

Admittedly, neither the relationship of the media to transparency, nor the benefits of media support for transparency are uniformly straightforward (Puddephatt 2009, 40). On the first point, the Open Budget Survey ranks Russia one of the ten countries with the most open budgets, yet this same country ranks 'not free' in the 2014 Freedom House ranking of press freedom.[4] Three more countries in the top twenty (Brazil, Bulgaria, and Uganda) score 'partly free'. Some also claim that media support for transparency may do more harm than good. Analyzing countries across Africa, for example, Ojo (2010,

[4] http://cf.datawrapper.de/s4MnR/6/

2011, 43–44) points out that the news media is often “feared and hated” by government, and that media support for transparency has ostensibly had an inverse effect on the adoption of freedom of information laws. On the other hand, it is difficult to find ways forward in countries where questioning government is frequently viewed as “enmity” (Darch and Underwood 2010, 209).

XI. Final Reflections on T&A Assumptions and Directions

As Khagram, Fund, and De Renzio argue in *Open Budgets* (2013), transparency is not an end in itself, but merely a precondition for effective participation and accountability. As their 'funnel' diagram illustrates (p.40) not all transparency leads to participation, and not all participation leads to accountability. The basic causal logic of transparency + participation = accountability is in many ways *the* T&A movement's paradigmatic assumption, it even headlines in the Open Government Partnership's inaugural video.[5] But as with all assumptions, it should be constantly reassessed. In this final section I close the current working paper by making tentative advances in this direction.

'Participation' drives all sorts of policy commitments. As defined by Welch (2012), who uses four well known authors as supporting references, participation is the "involvement of one or more stakeholders in decision-making or policy in such a way that the stakeholder input is considered during the decision-making process and influences the decision outcome." We see a clear tendency towards prioritizing this sort of 'decision-making participation' in the T&A movement – particularly among proponents of fiscal transparency. Yet the question to be asked is whether our focus on decision-making participation is distracting us from other equally important forms of participation.

After all, such a focus places attention on one particular stage of the policy cycle – policy formulation – and thus neglects other critical stages, such as revenue generation (tax transparency now!), execution, enforcement, and evaluation. A one-policy-stage focus on participation makes it easier for governments to 'game' evaluations – by focusing on getting a law or budget right, for example, and then flubbing revenue generation, execution, enforcement, or evaluations.

An inordinate focus on 'decision-making' participation also over-determines the importance of one type of participation relative to others. An equally valid form of participation in the policy process is to hold officials to account (*ex post* accountability). Yet the primordial concern within the T&A community has tended to be 'prevention' or *ex ante* accountability, rather than 'remediation' or *ex post* accountability. Activating legal enforcement retrospectively, however – through investigations and successful

[5] https://www.youtube.com/watch?v=Bq_ZWl1ZXA0

prosecutions – probably does just as much to deter corruption and bad decision-making as preventive measures, such as *ex ante* transparency. The rule of law always faces a twin challenge – prevention *and impunity.* Unpunished bad behavior provides incentives for repeat-offenders and emulators.

Balancing prevention and remediation (prospective and retrospective accountability), should be a goal of organizations such as GIFT because it heightens credibility and legitimacy among all types of advocates. These forms of participation – whistleblowing and the pursuit of retributive justice – are surely as important as decision-making participation, but receive comparably less attention, particularly among the T&A donor community. Instead, this community has tended to support glossy 'prevention' campaigns. In places where uninvestigated, unprosecuted, and uncondemned instances of graft and corruption persist, these campaigns often smack of frivolity and wastefulness.

Upon closer examination, decision-making participation is considered important because of causal assumptions about the role of participation in relation to transparency and accountability (Fox 2007). Participatory budgeting, for example, necessarily implies budgetary transparency. But contrary to popular assumptions, greater transparency may not necessarily trigger participation. According to an extensive empirical analysis of 500 local US governments (Welch 2012), the relationship between participation and transparency is unidirectional: greater participation leads to more transparency, but higher levels of transparency do not inevitably lead to more participation. In effect, Welch speculates (2012, 108) that increases in active transparency may be associated with decreasing amounts of participation, as citizens assume that governmental responses to demands have already been met. In writing this essay from my vantage point in Brazil, this observation appears to make quite a lot of sense, although it certainly requires further testing.

A last assumption examined here, and one that is germane to T&A rhetoric – made explicit in the previously cited OGP video – is the virtuous connection between 'openness and trust'. Recent experimental work shows that transparency has a determinately negative effect on trust in government across different cultures (Grimmelikhuijsen et al. 2013). So while transparency in the budget process is important, it actually promises to worsen our trust in government, rather than strengthen it – contrary to what most proponents of fiscal transparency argue. Furthermore, research indicates that an increase in transparency in "highly corrupt" countries tends to lead to the sort of "resignation" that stifles participation, rather than the "indignation" that fuels it (Bauhr and Grimes 2013). Clearly, these inferences on transparency indicate that ‘sequencing’ is important, and that focusing on transparency may bear greater fruits at the intermediate and later stages of development.

What is clear is that absent local demands for transparency, there are few guarantees about external interventions. The World Bank’s attempts to engineer support for FOI in Honduras (Bellver, Mendiburu, and Poli 2008), a country with little domestic advocacy for transparency, effectively stoked resistance among key support sectors – such as the media – and led to a law with serious flaws and scarce social buy-in (Michener 2014). The same has occurred in several other countries around the world, including Pakistan (Michener 2011, 157).

It is clear that a certain degree of citizen participation is key for elements of governmental accountability at all stages of development. Yet Welch’s inference on the relationship between participation and transparency begs the question of how to stimulate more participation and what sorts of participation are most effective in promoting sound fiscal practices and good government.

In effect, we need to better understand the marginal benefits of different types of interventions. Rather than lobbying governments for greater transparency, resources may be better spent on education (writ large), or training citizens about the budget process, or on promoting curiosity-enhancing comparisons among jurisdictions and countries. Educated citizens tend to be more active, and it is their activities that drive demands for transparency and good government.

Works Cited

Alt, James E., D. D. Lassen, and Shanna Rose. “The Causes of Fiscal Transparency: Evidence from the American States.” *2006*.

Andeweg, Rudy B. 2000. “Ministers as Double Agents? The Delegation Process between Cabinet and Ministers.” *European Journal of Political Research* 37(3): 377–95.

Balán, Manuel. 2011. “Competition by Denunciation: The Political Dynamics of Corruption Scandals in Argentina and Chile.” *Comparative Politics* 43(4): 459–78.

Bauhr, Monika, and Marcia Grimes. 2013. “Indignation or Resignation: The Implications of Transparency for Societal Accountability.” *Governance*: n/a – n/a.

Bauman, Zygmunt, and David Lyon. 2012. *Liquid Surveillance: A Conversation*. 1 edition. Cambridge, UK ; Malden, MA: Polity.

Bellver, Ana, Marcos Mendiburu, and Maria Poli. 2008. *Let the Sunshine In: The Making of the Transparency and Access to Information Law in Honduras*. Washington, D.C: World Bank. http://www1.worldbank.org/prem/PREMNotes/premnote118.pdf (July 23, 2009).

Berliner, Daniel. 2014. “The Political Origins of Transparency.” *Journal of Politics* 76(2): 479–91.

Bertoni, Eduardo. 2011. *“Libertad de Información ¿Tres Palabras Inofensivas? Leyes de Acceso a La Información Y Rol de La Prensa.”* Washington, D.C.: World Bank Institute.

Bill Chavez, Rebecca. 2004. “The Evolution of Judicial Autonomy in Argentina: Establishing the Rule of Law in an Ultrapresidential System.” *Journal of Latin American Studies* 36(03): 451–78.

Boylan, Delia M. 2001. *Defusing Democracy: Central Bank Autonomy and the Transition from Authoritarian Rule*. Ann Arbor: University of Michigan Press.

Carroll, Royce, and Gary W. Cox. 2012. “Shadowing Ministers Monitoring Partners in Coalition Governments.” *Comparative Political Studies* 45(2): 220–36.

Darch, Colin. 2013. “Statistics, Indicators and Access to Information in African Countries.” In *Access to Information in Africa: Law, Culture and Practice*, eds. Fatima Diallo and Richard Calland. Leiden: Brill, 109–27.

Darch, Colin, and Peter G. Underwood. 2005. “Freedom of Information Legislation, State Compliance and the Discourse of Knowledge: The South African Experience.” *The International Information & Library Review* 37(2): 77–86.

Darch, Colin, and Peter G Underwood. 2010. *Freedom of Information and the Developing World*. Oxford: Chandos Publishing.

Finkel, Jodi. 2008. *Judicial Reform as Political Insurance: Argentina, Peru,and Mexico in the 1990s*. Notre Dame, Ind: University of Notre Dame Press.

Fox, Jonathan. 2007. “The Uncertain Relationship between Transparency and Accountability.” *Development in Practice* 17(4): 663–71.

———. 2014. *Speaking of International T/A Initiatives and CSO-Researcher Dialogue...* http://www.transparency-initiative.org/wp-content/uploads/2014/03/Think-Piece.-International-TA-interventions.-Fox.pdf.

Friedman, Steven. 2013. “What We Know Can’t Hurt Them: Origins, Sources of Sustenance, and Survival Prospects of Budget Transparency in South Africa.” In *Open Budgets: The Political Economy of Transparency, Participation, and Accountability*, eds. Archon Fung, Paolo De Renzio, and Sanjeev Khagram. Washington, DC: Brookings Institution Press, 51–75.

Geddes, Barbara. 1994. *Politician’s Dilemma*. Berkeley: University of California Press.

Ginsburg, Tom. 2003. *Judicial Review in New Democracies*. Cambridge, MA: Cambridge University Press.

Global Initiative for Fiscal Transparency (GIFT). 2014. “Analysis on OGP Commitments in Fiscal Transparency and the Opportunities for Public Participation in Budget Making.” Presented at the World Bank, Washington. https://worldbankva.adobeconnect.com/_a833642795/p68ryw5evgk/?launcher=false&fcsContent=true&pbMode=normal.

Goertz, Gary. 2006. *Social Science Concepts: A User’s Guide*. Princeton, N.J: Princeton University Press.

Grigorescu, Alexandru. 2003. “International Organizations and Government Transparency: Linking the International and Domestic Realms.” *International Studies Quarterly* 47(4): 643–67.

Grimmelikhuijsen, Stephan, Gregory Porumbescu, Boram Hong, and Tobin Im. 2013. “The Effect of Transparency on Trust in Government: A Cross-National Comparative Experiment.” *Public Administration Review* 73(4): 575–86.

Khagram, Sanjeev, Paolo De Renzio, and Archon Fung. 2013. “Overview and Synthesis: The Political Economy of Fiscal Transparency, Participation, and Accountability around the World.” In *Open Budgets: The Political Economy of Transparency, Participation, and Accountability*, eds. Sanjeev Khagram, Archon Fung, and Paolo De Renzio. Washington, DC: Brookings Institution Press, 1–50.

Kim, Dong-Hun, and Gerhard Loewenberg. 2005. “The Role of Parliamentary Committees in Coalition Governments Keeping Tabs on Coalition Partners in the German Bundestag.” *Comparative Political Studies* 38(9): 1104–29.

Lupia, Arthur, and Mathew D. McCubbins. 2000. “Representation or Abdication? How Citizens Use Institutions to Help Delegation Succeed.” *European Journal of Political Research* 37(3): 291–307.

Martin, Lanny W., and Georg Vanberg. 2004. “Policing the Bargain: Coalition Government and Parliamentary Scrutiny.” *American Journal of Political Science* 48(1): 13–27.

McCubbins, Mathew D., and Thomas Schwartz. 1984. “Congressional Oversight Overlooked: Police Patrols versus Fire Alarms.” *American Journal of Political Science* 28(1): 165–79.

Melo, Marcus André, Carlos Pereira, and Carlos Mauricio Figueiredo. 2009. “Political and Institutional Checks on Corruption.” *Comparative Political Studies* 42(9): 1217–44.

Melo, Marcus André, Carlos Pereira, and Heitor Werneck. 2010. “Delegation Dilemmas: Coalition Size, Electoral Risk, and Regulatory Governance in New Democracies.” *Legislative Studies Quarterly* 35(1): 31–56.

Michener, Gregory. 2009a. “Freedom of Information Legislation and the Media in Latin America.” *Freedominfo.org Features*. http://freedominfo.org/features/20090519.htm.

———. 2009b. “Lessons from Media Coverage for the Right-to-Know in Latin America.” *Freedominfo.org Features*. http://freedominfo.org/features/20090619.htm.

———. 2011. “FOI Laws Around the World.” *Journal of Democracy* 22(2): 145–59.

———. 2014. “Assessing Freedom of Information in Latin America 10 Years Later - How Politics Shapes Transparency.” *Forthcoming, Latin American Politics & Society*.

———. 2015. “How Cabinet Size and Legislative Control Shape the Strength of Transparency Laws.” *Governance* 28(1): 77–94.

Michener, Gregory, and Katherine Bersch. 2013. “Identifying Transparency.” *Information Polity* 18(3): 233–42.

Michener, Gregory, and Ben Worthy. 2014. “A Framework for Conceptualizing the Uses of Freedom of Information Laws.” *Administration & Society*.

Moe, Terry M. 1990. “Political Institutions: The Neglected Side of the Story.” *Journal of Law, Economics, and Organization* 6: 213.

Moser, P. 1999. “Checks and Balances, and the Supply of Central Bank Independence.” *European Economic Review* 43(8): 1569–93.

Ojo, Edetaen. 2010. *Freedom of Information: Current Status, Challenges and Implications for News Media*. Brisbane: UNESCO.

———. 2011. “Some African Experiences.” In *The Right to Know*, New York: UNESCO.

On The Media. 2014. *The Cautionary Tale of Bell, California*. http://www.onthemedia.org/story/cautionary-tale-bell-california/?utm_source=sharedUrl&utm_medium=metatag&utm_campaign=sharedUrl (February 7, 2015).

Puddephatt, Andrew. 2009. *Exploring the Role of Civil Society in Formulation and Adoption of Access to Information Laws: The Cases of Bulgaria, India, Mexico, South Africa and the United Kingdom*. Washington, D.C.: World Bank Institute.

Sartori, Giovanni. 2005. *Parties and Party Systems*. Essex, U.K.: European Consortium for Political Research (ECPR) Press.

Schneider, Aaron, and Annabella España-Najéra. 2013. “Guatemala: Limited Advances within Advancing Limits.” In *Open Budgets: The Political Economy of Transparency,* *Participation, and Accountability*, eds. Sanjeev Khagram, Archon Fung, and Paolo De Renzio. Washington, DC: Brookings Institution Press, 158–82.

Thies, Michael F. 2001. “Keeping Tabs on Partners: The Logic of Delegation in Coalition Governments.” *American Journal of Political Science* 45(3): 580–98.

Vieira, Marcelo Martins. 2013. “Controle Político Da Burocracia No Presidencialismo de Coalizão.” Doctoral Dissertation. Universidade do Estado do Rio de Janeiro.

Wehner, Joachim, and Paolo De Renzio. 2011. “Citizens, Legislators, and Executive Disclosure: The Political Determinants of Fiscal Transparency.” *World Development* 41: 96–108.

Welch, Eric W. 2012. “The Relationship Between Transparent and Participative Government: A Study of Local Governments in the United States.” *International Review of Administrative Sciences* 78(1): 93–115.