The cliché is not quite right: information by itself is not power. But it is an essential first step in the exercise of political and economic power. Opening up flows of information changes who can do what. That is why there are few more important struggles in the world today than the battle over who gets to know what.

But the debate over transparency and access to information is more than a power struggle. It is also a war of ideas about what transparency is good for and when secrecy may better serve the public interest. This is no trivial or arcane debate. The arguments for and against transparency reflect fundamental issues about the nature of democracy, good governance, economic efficiency, and social justice, at levels ranging from villages to global institutions.

The debate is encapsulated in part in competing words: “transparency” and “the right to know” versus “privacy” and “national security.” It is showing up in a host of skirmishes, in arenas ranging from the offices of municipal governments to corporate boardrooms.
to the halls of major international organizations. By and large, “transparency”—the term—has been winning the rhetorical debate, so much so that Webster’s proclaimed it the “Word of the Year” for 2003. But the outcome of the fight for widespread access to information is yet to be decided.

Over the past few decades, citizens in all parts of the world have shown themselves to be increasingly unwilling to tolerate secretive decision making. As a result, India, South Africa, the UK, Japan, Mexico, and a host of other countries all have adopted major freedom of information laws; intergovernmental organizations such as the World Bank and the IMF have adopted sweeping new disclosure policies; and hundreds of major multinational corporations have adopted voluntary codes that require them to disclose a wide range of information about their environmental, labor, and other practices.

Citizens are insisting that governments, IGOs, and corporations should disclose more information on many grounds. Often, demands for greater transparency go with a push to crack down on corruption. The name of the leading anticorruption organization is Transparency International. And transparency is indeed a potent weapon in the anticorruption arsenal. An unfortunately large number of officials and executives seem to need that bright light shining on them to deter them from turning public service into a means of private gain.

But the proponents of greater disclosure argue vociferously that transparency is far more than an instrument for cleaning up governments. It is a key component of public policy effectiveness and efficiency. Even the most competent and honest decision makers need feedback on how the policies they have set are working out in practice, feedback that is only possible when information flows freely in both directions.

And information access may provide a key to overcoming the disjunctures of globalization. There is a huge disconnect between the global and regional scales at which problems increasingly need to be solved and rules made, and the national scope of political institutions. Examples abound, from highly integrated global capital markets to manufacturing systems to trade policies to public health. Without free access to information, people in one part of the world have little chance of even knowing about—much less having a say in—decisions made far away that affect them.

Beyond the pragmatic arguments for transparency, we find fun-
damental moral claims. One relates to democracy. As democratic norms become entrenched more widely around the world, it is becoming apparent that a broad right of access to information is fundamental to the functioning of a democratic society. The essence of representative democracy is informed consent, which requires that information about government practices and policies be disclosed. And in democracies, by definition, information about government belongs to the people, not the government.

A human rights argument combines pragmatic and moral claims, seeing access to information as both a fundamental human right and a necessary concomitant of the realization of all other rights. Those of course include the political and civil rights with which freedom of information has long been associated. As Article 19 of the Universal Declaration of Human Rights makes clear, the freedom to speak on public issues is meaningless without the freedom to be informed. Beyond this, advocates increasingly argue that information access is the right that makes possible the achievement of social and economic justice, “one that levers and supports the realization of rights to proper welfare support, clean environment, adequate housing, health care, or education,” in the words of one recent book.²

Yet citizens seeking information—and governments wanting to open up—find themselves up against powerful forces: entrenched habits, protection of privilege, and fear of how newly released information might be used, or misused. Arguments against disclosure abound everywhere disclosure is sought.

Sometimes those arguments are sound. No reasonable person would demand that a government release information about troop movements in time of war, or require that corporations give away trade secrets essential to their business, or insist that individual citizens sacrifice their basic right to privacy.

But the boundaries of what constitutes legitimate secrecy are rarely obvious. No country wants its adversaries to have access to details about the design and potential weaknesses of its weapons—but soldiers whose lives may be threatened by those weaknesses would benefit greatly from having those weapons subjected to public scrutiny before they are needed. Proprietary business information may include data about potentially dangerous flaws in products sold to children, or about production processes that produce unacceptable toxic emissions. Individual privacy claims need to be weighed

[raw_text]
against the need of citizens to know whether their leaders are living lives of suspicious luxury on meager public-sector salaries.

And because information is related to power, reason is only part of the debate over how far disclosure should go and when secrecy should reign. The battles over the right to know versus the right to withhold also reflect bitter struggles over existing patterns of political and economic privilege.

This book contains numerous, wide-ranging stories from the battlefront: the grassroots campaigns waged in India under the slogan “The right to know is the right to live”; China’s top-down effort to “informationize” its economy; the ongoing international NGO campaign to improve the disclosure policies of intergovernmental organizations such as the World Bank and the International Monetary Fund (IMF); the continuing tensions over whether security is best promoted by secrecy or by greater openness. These stories epitomize the enormous range of policy choices now facing national governments, international organizations, corporations, and citizens’ groups. What laws should govern the rights of citizens to have access to government-held information, and how can those laws be meaningfully implemented? To what extent do international organizations, corporations, and citizens’ groups have an obligation to reveal information, and to whom? Who is entitled to know what? And what good does disclosure do?

To start the book off, this introduction defines “transparency” and lays out the theoretical reasoning behind the claim that publicly useful information is generally underprovided. Then it provides the historical context, for the fight to know has a long and significant past. Finally, it lays out the plan of the rest of the book.

The Meaning and Purposes of Transparency

Although the word “transparency” is widely used, it is rarely well defined. There is no consensus on what the definition should be or how transparency should be measured. Such problems are not unique to the transparency phenomenon. For example, many political scientists have made valuable contributions to our understanding of domestic and international politics without being able to pinpoint precisely the meaning of so fundamental a concept as “power.” But
we do need a working definition, something good enough to make for coherent analysis. Of whom is information being demanded? What specific information is needed, and for what purposes?

One reason for the lack of precision is that the term is being used in so many different issue areas. In politics, it is widely used to refer to enabling citizens to gather information on the policies and behavior of their governments. In economics, the Working Group on Transparency and Accountability of the Group of 22 defined it as “a process by which information about existing conditions, decisions and actions is made accessible, visible, and understandable.” In the security field, a United Nations group defined transparency as involving the systematic provision of information on specific aspects of military activities under informal or formal international arrangements.

For the purposes of this book, it is most useful to employ a broad definition: “transparency” refers to the degree to which information is available to outsiders that enables them to have informed voice in decisions and/or to assess the decisions made by insiders.

Such a definition gets us beyond the technological focus common to discussions of the information age. Technological determinists assert that we are facing a future of living in a “transparent society” largely because technology is making it increasingly difficult for anyone to hide from scrutiny. The technology is indeed impressive—private companies are now launching high-resolution imaging satellites and selling the resulting data to the general public, video cameras seem to be recording everything everywhere, and advances in miniaturization are making it increasingly difficult for people to know whether they are being observed by some minuscule monitor.

But even the technological marvels now spreading around the world will not make transparency inevitable. Indeed, some of the same technologies that have fostered the information revolution are being used to control the resulting flow of information. Technology can certainly facilitate transparency, but whether it does so depends on a range of policy choices. And much of the world’s progress toward greater transparency in recent decades has not required particularly sophisticated information technology.

Instead, the kind of transparency that allows outsiders to hold decision makers accountable and have informed say in decisions requires that decision makers release information, both proactively and in response to requests. The disclosures are not necessarily entirely
voluntary, in the sense of being left completely to the discretion of the disclosers. In some cases, governments require corporations or individuals to release information, and in others, intergovernmental or nongovernmental organizations apply pressures that are not legally binding but are nonetheless powerful. Yet those requirements and pressures still leave substantial freedom of action to those who must decide whether, and to what degree, to comply.

And the holders of information often face incentives to keep information secret. Broadly speaking, transparency is valuable because it contributes to overcoming what social scientists call agency problems. In all governance situations, principals (such as citizens or shareholders) delegate responsibility to agents (such as a government or a corporate board) to make decisions on their behalf. Problems arise because the principals are never able to perfectly monitor their agents: they know less about the situation the agents face and the actions they take than the agents themselves do. So the agents may make misguided or self-serving decisions against the interests of their unknowing, unseeing bosses.

Why do these information asymmetries occur? To some extent, they are the unavoidable outgrowth of a useful division of labor. Insiders such as government officials and corporate managers are more informed than outsiders because the outsiders have delegated management to them. Outsiders delegate responsibility in this way partly because it is costly to become informed and make decisions. (The other reason is that deliberating and making decisions is more efficient with a smaller group.) If gathering and processing the information required to make decisions were a simple matter, then there would be less need for such representative governing institutions as corporate boards and parliaments. Principals cannot acquire the full range of information available to their agents without negating the efficiency advantage of having agents.

But this division of labor creates opportunities that agents/insiders can readily exploit by withholding so much information that accountability becomes difficult. Officials have strong motives for keeping others ignorant of their behavior. One is that secrecy provides some insulation against being accused of making a mistake. It is much easier for an official to deflect criticism if important information about the situation the official faced, the decision that was made, and who made it remains secret. A second incentive is that
secrecy provides the opportunity for special interests to have greater sway. Relationships with special interests allow insiders to exchange favorable policies for personal gain (in the form of naked bribery, campaign contributions, or perks), but it is more difficult to maintain these profitable relationships when financial transactions and the decision-making process are transparent.

The History and Current State of Transparency

Demands for open flows of information have a long history in both politics and economics. Sweden claims pride of place as the first country to have a law granting its citizens access to government-held information, enacted in the late eighteenth century. But other countries have grappled with the issue for a long time. One of the framers of the American Constitution, James Madison, wrote compellingly on the importance of information in a democracy:

A popular Government, without popular information, or the means of acquiring it, is but prologue to a farce or a tragedy; or perhaps both. Knowledge will forever govern ignorance; and a people who mean to be their own governors must arm themselves with the power which knowledge gives.

In the private sphere, corporations have found themselves facing demands for disclosure of financial data for almost as long as publicly held corporations have existed. Great Britain experimented with disclosure laws starting in the mid-1800s. In the United States, starting early in the 1900s, large numbers of small investors proved able to put substantial political pressure on the government to institute corporate disclosure standards that would protect them from deceit and insider dealings.

After World War II, with the expansion of governmental bureaucracies in many countries and the emergence of multinational corporations and large intergovernmental organizations came new concentrations of power able to withhold information from people whose lives they affected. At the same time, the Cold War led to the rise of a highly secretive national security complex in the traditional bastion of transparency, the United States.

Counterpressures to all this were limited, although there were
Introduction: the battle over transparency

One notable victory for transparency came in the form of the U.S. Freedom of Information Act, first passed in 1966 and strengthened in 1974. In the 1980s, transnational networks of civil society activists launched campaigns demanding information from intergovernmental organizations, particularly the World Bank. East and West negotiated some arms control agreements that included verification provisions that made the security establishments of the two sides increasingly transparent to each other.

But the real explosion of global demands for disclosure came in the 1990s. Early in that decade, only around a dozen countries had laws providing for public access to government-held information. These were largely the established democracies of the English-speaking world and Scandinavia. Ever since, however, adopting disclosure laws and policies has become something of an international fad. As of 2006, the total is on the order of 70 countries, with more adopting such laws all the time. The new additions include countries with varying levels of democratic traditions and varying degrees of economic advancement. All found themselves pressed by the spread of democratic norms, the increasing strength of civil society organizations, and the rise of increasingly independent media around the world to agree to release vastly more information to their citizens than ever before.

At the same time, global economic integration led international investors (and the governments of capital-rich countries) to demand disclosures on corporate and national accounts in emerging economies, especially in the wake of the 1990s Asian crisis, which many blamed on excessive secrecy by Asian corporations and governments. International financial institutions—the World Bank and the International Monetary Fund—which are major promoters of economic integration, began demanding information from their member governments and then posting it on Web sites. Those institutions themselves faced intense pressure from activists around the world to open up their analyses and processes of decision making.

In the late 1990s, with the American economy soaring and economic crises plaguing markets in Asia, Russia, and Latin America, the American system of corporate disclosure—the rules governing accounting and auditing, the professionalism of auditors, the conventions of corporate governance that emphasized detailed and timely financial reporting to investors—was heralded as a model for the rest of the world. With the outbreak of corporate scandals
just after the turn of the century, however, the adequacy of American-style corporate financial disclosure was again in doubt. When the twenty-first century began, Enron, then the seventh largest U.S. company, enjoyed an extraordinary reputation for innovation and success. But shortly thereafter, its long-masked internal financial shenanigans came to light, leading to its collapse. The machinations of corporate insiders at such scandal-ridden firms not only deprived millions of shareholders (and employees) of savings and retirement benefits but also may have contributed substantially to the global meltdown of financial markets.

The damage showed that the much-vaunted American model of disclosure-based corporate financial regulation had failed to keep up with the times. The U.S. Congress moved rapidly to patch up the regulatory framework, enacting the Sarbanes-Oxley Act. That law, among many other things, requires the chief executive officer and the chief financial officer of publicly traded firms to sign off on audit reports personally and tightens standards for what financial information must be publicly disclosed.

As of this writing, the fallout continues. The two top Enron officials charged with the massive fraud that brought the company down were convicted on most charges in May 2006. Sarbanes-Oxley remains a bone of contention, with some in the business community complaining of arduous compliance costs.

The United States is also at the center of renewed debate over the relationship between secrecy and national security. Civil libertarians, transparency activists, and increasingly members of both political parties contend that the Bush administration has reversed long-standing trends toward greater openness in that country, even to the point of secretly reclassifying vast quantities of documents already in the public record.

In short, early twenty-first century transparency is in a state of flux. The traditional proponent of transparency, the United States, is sending very mixed messages to the rest of the world. Nonetheless, dozens of countries are pushing ahead with new disclosure laws and regulations that apply not only to the public sector but increasingly to the private sector as well.

In Asia, even the one-party state in China has taken significant steps toward greater governmental disclosure, and India’s revised national freedom of information law, passed in 2005, stands as one of...
the world’s most comprehensive disclosure laws. Most Latin American countries have a right to information included in their constitution, although these generally have not been either implemented or enforced. But in 2004, the presidents and prime ministers of the Americas committed themselves to providing the legal framework for implementing the right to information. More than half a dozen Central and South American countries have disclosure laws, and enabling legislation is being debated or considered in almost all countries in Central America and the Caribbean as well as South America, with the notable exceptions of Cuba and Venezuela. The case is similar in Africa, where a number of countries include the right to information in their constitutions, and more than three years ago the Declaration of Principles on Freedom of Expression, reaffirming the African Charter on Human and People’s Rights, provided a similar mandate to heads of state. However, only a handful of African countries, most notably South Africa, have passed or are even considering relevant legislation. And around the world, the efficacy of the whole panoply of laws, rules, and voluntary standards remains very much in question.

Plan of the Book

The chapters in this book paint a vivid portrait of how transparency has evolved over the past few decades, where the world now stands, and what issues are likely to be confronted in the ongoing struggle between secrecy and disclosure. They show that the transparency picture is quite mixed. Information access is certainly more widespread now than it was several decades ago, but we are far from living in a truly transparent world, and some trends, particularly in the security field, may point toward a more secretive future.

We begin with a series of detailed case studies of how and why information-access laws came into being in several countries and regions, of particular interest for the lessons they can teach the rest of the world. One such case study is India. Unlike nearly every other country’s campaign for greater access to information access, spearheaded by middle-class professionals, India’s drive was fueled from the grassroots up. Other actors—not least an impressively independent Supreme Court—have played vital roles. But Shekhar Singh shows that the chief lesson from India is how some of society’s most
marginalized voices can effectively demand the information they need to protect their most basic rights.

China presents a very different perspective, with the transparency trend driven from the top. Hanhua Zhou provides an insider’s perspective on how the government’s push to modernize its economy has led to reforms aimed at increasing openness at many levels, from village affairs to national legislation. Jamie Horsley gives us an outsider’s take on why China is evolving as it is, and what special considerations arise when a nondemocratic regime attempts to ride the transparency tiger.

Ivan Szekeley’s overview of Central and Eastern Europe pulls lessons from a region that has undergone a dramatic transformation in the past two decades. His chapter shows that the region presents in microcosm a whole slew of issues relevant to information access: democratization; the role of intergovernmental organizations; the role of business; the importance of learning from one country to another; the conflict with traditional conceptions of security; the special attention often given to information about the environment; and the difficulties of implementing laws on information disclosure, especially when those laws are not designed with implementation in mind.

Ayo Obe’s chapter on Nigeria affords a cautionary tale about how difficult it can be to bring about passage of access to information legislation. Nigeria is a hard case for reasons common to many countries: pervasive corruption; the general lack of public outrage over that corruption in a country whose wealth is based on natural resources that most citizens do not feel they own; the colonial heritage of secrecy and ethnic divisions. Nonetheless, a small but active constituency is pushing hard for greater transparency.

The book then turns to several thematic chapters. Of course, the simple passage of a law does not guarantee public access to government information, as the chapter on implementation by Laura Neuman and Richard Calland makes clear. The successful implementation of a transparency law requires a number of supporting institutions: the bureaucratic apparatus to store information and process access requests, watchdog groups to pressure the government to keep its commitment to access, and legal institutions to uphold the access law. Without each of these, information access can easily be stifled even with the best laws. The chapter points to a number of examples drawn from Latin America, which is not otherwise
covered in this book, but lessons on implementation apply across the board. South Africa’s Promotion of Access to Information Act (POATIA), for example, has been recognized as the “gold standard” of freedom of information laws but has suffered serious problems of implementation. An NGO survey of South African government agencies found that 54 percent of agencies contacted were unaware of the act, 16 percent were aware of it but not implementing it, and only 30 percent were aware and implementing it.17

Richard Calland then examines whether and when disclosure should be required of private as well as public entities. In addition to the questions of financial disclosures, corporations are facing growing pressures to release other types of information. The “corporate social responsibility” movement is calling on them to improve their environmental and labor practices. Because the activists doubt that either national governments or international organizations will effectively regulate business behavior in these areas, they are conducting campaigns, aimed at consumers and investors, intended to pressure corporations into adopting and complying with codes of good conduct. To demonstrate compliance, corporations are pressured to release information on their practices. And because privatization is moving the provision of public goods into private hands, serious questions arise about when business-held information falls under the heading of proprietary secrets, and when the release of that information is essential for public accountability.

The transparency rules of intergovernmental organizations such as the World Bank, the IMF, and the World Trade Organization (WTO) have been among the most hotly contested issues in globalization debates in recent years. Critics have alleged that these institutions work too secretly, denying outside organizations and citizens the ability to weigh in on fundamental decisions about national and international economic and social policies. As Thomas Blanton’s chapter shows, the intergovernmental organizations are caught between different modes of thinking: the diplomatic and central banking sectors whence they came, with heavy traditions of secrecy and confidentiality, and new expectations of openness that transparency proponents argue are more appropriate to their expanding roles in the growing global regulatory system.

Having looked at transparency practices at the national, regional, corporate, and intergovernmental levels, the book turns to two chap-
ters that focus on issue areas. First, Vivek Ramkumar and Elena Petkova examine transparency as a tool of environmental governance. Over the past half century, environmental degradation has emerged as an issue of front-rank importance, but one where good decision making has proven particularly elusive. The extent of humanity’s impact on the planet, due both to population growth and to increasingly intense use of natural resources, threatens to overwhelm the absorptive capacity of the natural environment. But because information revealing the extent of the problem is often not even collected, much less widely distributed, the effects are often ignored until after massive—perhaps irreparable—damage has already been done. Ramkumar and Petkova show how new regulatory approaches based on disclosure are leading the way toward a new paradigm of governance involving a high degree of citizen participation—which may prove useful for global problem solving across the board.

Alasdair Roberts tackles the crucial debate over whether secrecy or transparency best assures security. That debate took on new intensity after the events of September 11, 2001, particularly within the United States, where the government has cited national security concerns as the rationale for a number of rollbacks in public access. In the aftermath of the terrorist attacks, the Bush administration removed a variety of information from government Web sites, created new exemptions to the Freedom of Information Act, and extended classification authority to some domestic agencies such as the Department of Agriculture and the Environmental Protection Agency (EPA). A number of transparency gains made in the 1990s, such as the increased disclosure of information about risks to citizens from chemical plant accidents, have been threatened or lost. Outside the United States, however, September 11 has had relatively little impact on thinking about transparency. Although U.S. backtracking makes a handy excuse for those already opposed to opening up, it has not overwhelmed the movement for greater transparency around the world. Indeed, some dozen countries have adopted access to information laws since then.

Whither Transparency?

The book’s conclusion by Ann Florini weaves together many of the various threads of the preceding chapters. Two major themes
emerge. First, the trend toward transparency that has emerged in recent years provides no certain indicator of the future. Given that there is no technological inevitability to the spread of transparency, it remains unclear whether policy makers in both the public and private sectors will continue to favor increasing levels of disclosure. Indeed, in some cases, as the security chapter makes clear, the trend appears to be toward greater opacity. Nor is it clear whether the level of civil society demand for disclosure will create sufficient pressures to overcome the continued reluctance of many decision makers to open themselves to public scrutiny.

Second, transparency can be an effective, sometimes a transformative, tool serving the public interest. But merely demanding or disclosing information is not enough to ensure that openness achieves its intended goals. Policy makers and citizens alike have to do the hard work—designing intelligent policies, ensuring their implementation, and keeping up political pressures to ensure that private interests in preserving secrecy do not succeed. This book offers many lessons in how to achieve those goals.

NOTES


2. Richard Calland and Alison Tilley, eds., The Right to Know, the Right to Live: Access to Information and Socio-economic Justice (Cape Town, South Africa: Open Democracy Advice Centre, 2002), v.

3. See, for example, the many references to transparency in the documents of the European Union, such as the Amsterdam Treaty. Information available from http://europa.eu.int/eur-lex/lex/en/treaties/treaties_other.htm.


15. In January 2004, the heads of state in the Western Hemisphere met in Mexico to discuss poverty, trade, democracy, and development. At the conclusion of the Summit of the Americas, these 34 presidents proclaimed that “Access to information held by the state . . . is an indispensable condition for citizen participation and promotes effective respect for human rights.” Declaration of Nuevo Leon, Summit of the Americas, Monterrey, Mexico, January 2004. The declaration further recommended that all states commit themselves to “providing the legal and regulatory framework and
the structures and conditions required to guarantee the right to access to information of our citizens.” Cuban leader Fidel Castro was not invited. This description of the state of transparency in Africa and Latin America is courtesy of Laura Neuman and Richard Calland.

16. The Venezuelan government has tried to link hemispheric access to information provisions to more controversial freedom of press issues, most recently at the Organization of American States (OAS) General Assembly. Beyond these efforts, Venezuela has been silent on passage of a national law.