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CHAPTER 6

# Open and Inclusive Government

Let the Sunshine In: Tackling Corruption through Open Government Approaches



## Introduction

**Corruption thrives in an environment of secrecy and opaque government processes, with lack of accountability in the use of public resources.** Open government reforms aim instead to promote an ethos of transparency, inclusiveness and collaboration. Over time, this could potentially shift norms in a sustainable way by introducing changes that lead to enhanced transparency and promote an environment that is less conducive to corrupt activity, and empowering citizens to demand better services from the government. The impact of these reforms depends on the existence of other enabling factors, such as political will, a free and independent media, a robust civil society, and effective accountability and sanctioning mechanisms. The idea of open government has gained momentum in the last decade, with anti-corruption objectives among the key drivers of the shift. As illustrated in Figure 6.1 below, open government can be broken down into four components: transparency, participation, accountability, and responsiveness.<sup>1</sup> Initiatives to increase transparency are the most widespread, while

efforts to promote accountability and responsiveness represent the frontier (as represented in the figure by the “maturity” continuum).

**Each of these elements is critical to effecting broader change, as transparency and participation lead to greater accountability resulting in a government response.** *Transparency* is at the core of the open government concept, as it enables informed debate based on a common understanding of issues, and *participation* is essential because it means that citizens play a role in the problem-solving process (rather than being passive recipients of information). While there is a valid notion of transparency and participation as intrinsically good—the idea that citizens have an inherent right to know about and engage in their own governance—from an anti-corruption perspective, the focus is on transparency and participation as routes to a more efficient and ethical use of public resources through greater *accountability* of public officials, followed by a government *response*.

**FIGURE 6.1** Unpacking Open Government



Source: Adapted from Ul-Aflaha, McNeil, and Kumagai (2020).

## Theoretical and empirical underpinnings

**Open government is a broad and holistic concept that has gained significant momentum and widespread usage, driven in part by digitization.**

Using open government approaches to tackle corruption arises in part from a perceived failure of more “direct” anti-corruption strategies in the 1990s (such as the formation of anti-corruption agencies) and the search for indirect approaches that mainstream prevention measures.<sup>2</sup> Moreover, technologies and digital tools have created new ways to engage citizens in anti-corruption efforts, giving impetus to the open government movement.

**The theory of change posits that openness can lead to a stronger relationship between government and citizens, increasing levels of trust and social capital and generating more effective government policy and service delivery.**

An open government involves citizens in the workings of government by providing relevant information, creating opportunities for citizen engagement, and implementing mechanisms that strengthen accountability. Over time, due to the increasing risks associated with corruption (because of the higher likelihood of detection), officials should be

less likely to engage in corrupt behavior, contributing to a more ethical and citizen-centric government where social norms shift and corruption is less likely to thrive. While the logic may be straightforward, as with other kinds of governance reforms, it is a challenge to make an empirically-grounded causal link between open government measures and specific impacts, such as reduced corruption, as the evidence base is still somewhat limited. Nevertheless, a growing body of case studies, as well as cross-national and experimental evidence, demonstrates that well-designed open approaches can lead to positive change. For example, the idea of participatory budgeting—that is, involving citizens in decisions about how to spend public funds—originated in Brazil, and has since been implemented in many countries. One study found that Brazilian municipalities with participatory budgeting have, on average, 39% higher tax collections than those without, and that the correlation is stronger the longer participatory budgeting has been in place.<sup>3</sup> The findings suggest that over time participatory institutions may strengthen trust and generate tangible financial benefits, which could potentially include indirect effects on corruption.

### BOX 6.1

#### What Does Open Data Have to Do with Open Government?

The term “open data” occurs frequently in discussions about open government. Open data is data that is freely accessible and reusable by anyone; the term also implies technical openness, meaning that the data is machine-readable and available in bulk.<sup>8</sup> Many governments, wishing to become more open (in the sense of embracing transparency, participation, accountability, and responsiveness), have usefully committed to publishing open data. However, as explored by Yu and Robinson<sup>9</sup>, a government can theoretically be open using low-tech approaches, while open data efforts (e.g. releasing public bus schedules in an online, machine-readable format) can be undertaken by governments that remain politically closed and unaccountable. It is therefore worth keeping the distinction between openness of data and openness of government in mind. There are many instances of governments claiming a mantle of openness based on data provision without taking politically meaningful steps toward open government. Open data reforms may accelerate a transition to open government in some contexts, but assessing their potential to reduce corruption requires considering to what extent they address underlying political and institutional issues.

**Transparency is a foundational pillar of open government but can only enable accountability if complementary policies and enabling factors are present.** Countries cannot stop at releasing information (e.g. via open data initiatives—see Box 6.1); they need to create and enforce specific accountability mechanisms. The potential impact of transparency on corruption hinges on whether stakeholders are able to understand and act upon the information provided<sup>4</sup> and whether it results in an official response. In practice, this can break down for many reasons, such as the lack of a strong policy framework to promote accountability, lack of agency on the part of civil society, or lack of a robust and free press. One study looked at data from 25 countries in Sub-Saharan Africa to try to make a more comprehensive assessment of whether open government data is associated with accountability.<sup>5</sup> It found that while open government data is correlated with better scores on an “accountability index,” the factors of access to information (related to political

freedom and civil rights) and political agency are also key. Effective sanctioning mechanisms must also exist, with the most important being political accountability (for example via elections) and legal accountability (via the rule of law).<sup>6</sup> Fox<sup>7</sup> refers to the importance of strategies that reflect both citizen “voice” and state capacity to respond, or “teeth”.

**These challenges underscore the critical roles of reform champions, coalitions for change, “infomediaries,” such as journalists, an independent media where that exists and watchdog organizations.** These have the time, expertise, and platform to get meaningful information to the stakeholders positioned to make a difference. Moreover, reform sustainability requires the continued availability of resources for stakeholder engagement and outreach, as well as for recurrent costs, such as the maintenance and upgrading of IT systems.

## Using open approaches to fight corruption

**This section looks at three entry points for reformers:** increasing citizens’ access to information via legislation or transparency initiatives; increasing fiscal transparency (treated as a separate category of “information” due to its prominence in anti-corruption efforts); and facilitating citizen engagement and social accountability. These selected examples do not represent a comprehensive catalog of open government reforms, but rather aim to highlight a few common issues and considerations at the intersection of the open government and anti-corruption agendas. Looking beyond the set of topics highlighted here, open government themes are prominent throughout this report. Other relevant discussions include the role of transparency and citizen engagement in conjunction with public procurement, infrastructure projects, and SOE management (Chapters 1, 2, and 3); and public scrutiny of beneficial ownership arrangements and officials’ private assets (Chapters 8 and 9).

### Access to information

**Interest in transparency has surged in recent years, as witnessed by a spate of access to information<sup>10</sup>**

**legislation and initiatives, with about 120 countries passing right to information laws.<sup>11</sup>** These laws create a legal framework that supports openness by giving the public the right to request government data, as well as access to information about government laws, regulations, and legal processes. While legal reform is often a first step for governments that wish to pursue an open agenda, implementation is key. Ensuring that the rules on the books are enforced and function in practice is a challenge for many countries, as is making citizens aware of their rights.

**Many governments have implemented open data initiatives to proactively make data accessible, often as part of their commitments under the Open Government Partnership, a multilateral initiative that now counts nearly 100 countries and localities as members.** This may mean establishing online government data portals or one-stop-shops for information; providing data files in machine-readable form; making information available in local languages; disseminating information via radio or text message; providing data visualizations if literacy rates are low; or other locally appropriate strategies. In general, open data advocates and anti-

corruption campaigners have been working relatively independently of each other; there is therefore scope to link these two agendas more closely together.<sup>12</sup>

**Evidence of the impact of legal rights to access information on the extent and nature of corruption is mixed.** When meaningful information is available in the public domain, it can sometimes lead to dramatic results, as seen in the case of the investigative journalism that led to the release of the Panama Papers in 2016. It is less obvious, however, that information that governments choose to disclose has similarly powerful results. A meta-analysis of the literature on the effectiveness of transparency and access to information initiatives found a body of evidence suggesting that access to information is “important to the effectiveness of the broader range of social accountability mechanisms, although evidence of the direct impact on corruption is inconsistent”.<sup>13</sup> This prompts a key question about what impactful implementation requires.

**Information by itself cannot solve the problem of corruption, as seen in countries that score well on international rankings on transparency measures but have blatant instances of corruption.** At the same time, it is encouraging to note that information disclosure has, in some cases, enabled civil society and the media to bring the abuses to light.<sup>14</sup> In Ukraine, collaboration among CSOs and a concerted effort to use access to information rights to piece data together exposed corruption in the health sector disguised as charitable payments.<sup>15</sup> These anti-corruption advocates repeatedly ran into obstacles created by those benefiting from the status quo. This illustrates that in addition to information disclosure, the underlying realities of politics and power asymmetries must be considered.

**A broader enabling environment that supports the involvement of a range of stakeholders in accessing, analyzing and responding to information in the public domain is essential for access to information initiatives to lead to more fundamental change.** Media outlets, civil society watchdog groups, bloggers, think tanks, academics, and others play important roles in translating specialized or voluminous information into a format that a broader audience can act upon. Civil society and media organizations often step into the gap to transform it into usable formats—merging and structuring relevant data from multiple sources, translating it into open formats, and extracting relevant bits from large volumes of data. This includes

international efforts, for example in the case of Open Ownership’s beneficial ownership registry,<sup>16</sup> as well as domestic initiatives. In Mexico, a CSO analysis based on data from the country’s online data platform for school performance revealed the endemic nature of corruption in the education system, prompting a public outcry. The report led to audits in 10 states and a change in teacher payroll funding from the state to federal level.<sup>17</sup> Patience may be required. It can take years for awareness of an issue to build, and then at a critical political inflection point, public outrage may relatively quickly force a response; such “jolts” also demonstrate that political will is not a static variable.<sup>18</sup>

**Progress depends on cooperation among stakeholders.** In India, which has some of the most robust access to information legislation and has earned a reputation as a success story in this area, research underscores the importance of ongoing efforts to build awareness among citizens of their rights and the ways they can obtain information.<sup>19</sup> Cooperation among multiple stakeholders seems to be key, as for instance journalists tend to rely on CSOs and citizens to do some of the slow legwork of filing information requests. Sustained coalitions of media, activists, and CSOs have been essential to creating an ethos among citizens around the right to information agenda.

## Fiscal transparency

**Fiscal transparency, a standard principle of good governance, has a number of benefits apart from better public spending accountability.** It encompasses transparency of fiscal data, the budget process, and related government functions.<sup>21,22</sup> It has been shown to contribute to a range of benefits from citizen empowerment and more efficient and effective public spending<sup>23</sup> to lower sovereign borrowing costs.<sup>24</sup> From an anti-corruption perspective, the purpose of fiscal transparency is to enable greater scrutiny of public accounts, thus deterring corruption, so that resources are used in the public interest. The existing literature shows that budget tracking indeed reduces leakage of public funds (a proxy for corruption), but once again, success generally depends on a combination of factors and interventions, such as accompanying measures to engage citizens.<sup>25</sup> Diagnostic and reporting tools such as the Public Expenditure Tracking Survey (PETS) can be useful, and public financial management reforms, such as strengthening IT systems may also help lower corruption via increased transparency.<sup>26</sup>

**Fiscal transparency, both in general and at the sectoral level, has led to identifiable victories against corruption in some countries.** For example, after the government of Brazil’s decision to publish data on the use of government credit cards through its Transparency Portal, journalists began publicizing suspicious transactions. This prompted multiple scandals and sanctions, including the resignation of a Minister and payment of \$30,000 to the government; also, “perhaps most importantly... [it] led almost immediately to a 25 percent reduction in spending by officials on government cards”.<sup>27</sup> Sector-specific fiscal transparency efforts have also emerged. In Malawi, the Infrastructure Transparency Initiative (CoST) led to the cancellation of a public roads contract due to concerns about quality and price, and similar CoST achievements have been notched elsewhere.<sup>28</sup> Owing to their large share of government revenues in many countries and endemic corruption in the sector, the extractive industries have been a particular focus for fiscal transparency advocates (Box 6.2).

**Since public procurement accounts for an overwhelming share of public spending, open contracting reforms are closely related to fiscal transparency.** Open contracting<sup>29</sup> aims to increase value for money in public spending by making timely and comprehensive information on government contracting available to the public, and by effectively engaging stakeholders across the public and private sectors, and in civil society. This can lead to measurable savings. For example, in Colombia, an open contracting reform in the procurement of public school lunches led to government savings of 10 to 15 percent and contributed to ending a price-fixing operation.<sup>30</sup>

### Citizen engagement

**Fostering citizen engagement and participation is at the heart of the open government idea.** Engagement initiatives are often organized at the local level and tend to focus on government service

#### BOX 6.2

### The Extractive Industries Transparency Initiative (EITI)

Data released by members of the multilateral Extractive Industries Transparency Initiative (EITI) has been used by a range of civil society and media organizations, such as journalists looking into a license acquisition deal in Liberia, or the identity of mining companies in Cameroon.<sup>31</sup> In Madagascar, EITI reporting led to a debate around overdue revenue transfers to localities, prompting an investigation that revealed that payments had been made to local officials’ personal bank accounts, because the municipalities lacked official accounts.<sup>32</sup> In Burkina Faso, EITI reporting revealed that an illegal \$10 million signature bonus had been part of an agreement between the government and a mining company.<sup>33</sup>

The EITI example also highlights the importance of calibrating expectations for a particular type of reform: “unlike criminal investigations, leaks or whistleblower statements, EITI reporting is neither forensic nor unpredictable enough to expose most instances of corruption. Instead, EITI reporting aims to spread systematic transparency across the sector”.<sup>34</sup> Despite its limitations, the kind of regularly provided information promoted by EITI (and by some other forms of fiscal transparency initiatives) can play a valuable role in providing background information on a context in which corruption takes place, shedding light on the processes behind transactions, and highlighting risks. Moreover, once again the evidence shows that results are context dependent. A meta review of studies on EITI’s impact found that the likelihood that EITI reporting helps reduce corruption is partly driven by local factors such as the strength of civil society.<sup>35</sup>



provision or public expenditure, though they can run the gamut from simple mechanisms for citizen feedback on schools or healthcare facilities to processes for sustained public deliberation around complex policy issues. Governments may seek public participation in the design, implementation, and monitoring of specific projects, such as large-scale infrastructure investments, or in ongoing matters of policymaking or oversight of expenditure and service delivery.

**Evaluating the impact of engaging citizens in public resource allocation and other social accountability mechanisms on corruption can be difficult, since these activities tend to have broader governance goals (such as improving services or empowering citizens), rather than fighting corruption per se.**

However, as the foregoing discussion has emphasized, transparency and engagement need each other to effect change.<sup>36</sup> Research shows a link between higher levels of participation of external stakeholders in budgeting processes, and lower levels of corruption.<sup>37</sup> Theoretically, public engagement can increase oversight of budget allocation and spending decisions. The Government of Kaduna State in Nigeria, for example, has published its budget online in a citizen friendly format, as well as created an online feedback platform, in-person public consultations, and a citizen accountability report.<sup>38</sup> Participatory budgeting work may also have an indirect effect on corruption via the building of trust and platforms for deliberation in the community, which may be preconditions for tightening the link between transparency and accountability.<sup>39</sup>

**There is evidence that social accountability mechanisms, such as social audits, surveys, citizen report cards, or grievance redress mechanisms, can all be used to address corruption in service delivery.**

Technology can be useful in creating feedback loops, as with the Proactive Listening initiative of EDE Este, an electricity distribution company in the Dominican Republic, which enables citizens to report problems, including service issues or requests for bribes from maintenance personnel. It was implemented in 2011, and within a few years, the instances of reported corruption had declined 70 percent.<sup>40</sup> A review of digital accountability platforms in the Philippines found that people need not just transparency, but “specifics that enable the public to systematically track resource flows and monitor programs ‘in their own backyards’”.<sup>41</sup>

**Overall, evidence shows that social accountability initiatives can be effective, but under certain**

**conditions.**<sup>42</sup> Impactful interventions are effective when they address citizens’ private interests, and garner high levels of citizen participation. Important enabling factors include access to information, legislation, policy and practices, an active and independent media, citizens’ ability to hold institutions accountable through oversight institutions and political channels, markets and institutions that prevent elite capture, credible sanctions, and the existence of coalitions among multiple actors.<sup>43</sup> The World Bank<sup>44</sup> stresses the “importance of [citizen] volunteerism and agency in overcoming collective action problems,” advising that international actors “build on organic structures and bottom-up solutions”. Also, the creation of positive incentives for officials, rather than merely exposure of corrupt behavior, increases the likelihood of meaningful impact.

**Designing a locally appropriate intervention requires an understanding of the socio-political landscape and the associated corruption risks in that specific context.**

It is, for example, useful to assess the potential for successful collective action.<sup>45</sup> If the environment seems conducive to effective collective action (based on factors such as high levels of participation in voluntary associations), then social accountability tools leveraging group participation (e.g. community scorecards) may be appropriate. In areas with low potential for collective action, tools based on individual feedback (e.g. SMS reporting) may be more effective. For instance, a social accountability initiative in one community in the Philippines aimed at monitoring support for farmers was highly successful, in large part due to the preexisting dense horizontal social networks.<sup>46</sup> Other factors to consider in designing engagement initiatives include measures for promoting the equitable representation of women and for reaching vulnerable groups.

**While civil society monitoring of government performance can help in identifying corruption, it can also uncover other causes of weak service delivery.**

In South Africa, the International Budget Partnership (IBP) worked with local stakeholders in eThekweni Metro to conduct a social audit of communal ablution blocks. While corruption is often blamed for problems in the area, the audit revealed maintenance issues that the responsible officials did not know about. Rather than simply flagging a problem and making assumptions about the underlying cause, since the campaigners were able to dig into what was really happening and who specifically could fix it, they were able to get positive results.<sup>47</sup>

## Conclusion

**Open government measures can directly or indirectly lead to a reduction in corruption even though the impact can be difficult to measure.**

An example of a direct effect is the sanctioning of corrupt officials prompted by public outrage following media reports made possible by access to information initiatives. Indirect effects occur as officials are deterred from engaging in corruption because the incentives have changed. They may perceive higher benefits associated with behaving ethically (e.g. due to increased levels of trust and cooperation between government and citizens) and higher risks associated with illegality (e.g. as greater scrutiny increases the risk of being caught, and better policies reduce the scope for corruption). However, what is clear is that no intervention is a panacea; notably, transparency initiatives must be accompanied by other measures to facilitate uptake of the information and a government response. The enabling environment plays a (possibly decisive) role. Interventions should address a genuine need; for example, data should be published with a purpose and in a format and manner that fits, and not just to check a box. Clearly defining the problem also makes it easier to measure results, which will add to the evidence base of what works. Coalition building and increasing awareness may be slow processes requiring significant patience.

**Open government promotes the appropriate use of public resources, which is the crux of the fight against corruption.** Tackling corruption is notoriously difficult, but if information is increasingly reaching citizens and the media, and officials are acknowledging its accuracy, that is a step in the right direction. Over time, with a holistic approach tailored to the context, open government may help change behaviors so that public resources are directed not to the pockets of individuals but rather to the common good.