CHAPTER SIX

Evidence on the Impact of Transparency

Overview

This chapter reviews research on the impact of transparency, defined as citizen access to publicly available information about the actions of those in government and the consequences of these actions. It examines how citizens and leaders respond to transparency. The first part reports substantial evidence that political engagement responds to transparency within and across a variety of institutional contexts. Citizens and leaders change their actions in response to new information. Citizens are influenced by the framing of issues and messages broadcast by mass media. However, the details of transparency are important—the types of information, the credibility of sources, and the media of communication all matter.

The following section examines research on transparency’s impact on governance outcomes. This research has focused on the role of mass media in particular and its mechanisms of impact on governance through political engagement. Leaders respond to mass media because it amplifies the role of political engagement to hold them accountable. Historical accounts of institutional transition in developed countries such as the United States and the United Kingdom suggest that the spread of independent mass media can work together with political engagement to create the conditions that lead to the establishment of effective public sector institutions.

In contrast to the potentially transformative role of transparency when working together with political engagement, the following section shows that the impact of transparency initiatives outside the political realm is not enough to improve governance. The impact of transparency initiatives targeted at engaging citizens to take actions to improve service delivery depends upon political incentives. The last section of this chapter examines
a role for transparency in improving behavioral norms in the public sector. It highlights this as a particularly important area for future work.

**Political engagement responds to transparency**

The bulk of the available research on transparency’s impact shows that it can play a powerful role through its effects on political engagement. A substantial strand of the literature provides evidence that political engagement by voters responds to transparency. Transparency can increase voter turnout or shift the distribution of vote shares in a variety of institutional contexts. A smaller but growing strand of work uncovers the impact of information on which policy issues voters consider; for example, whether citizens are more likely to vote against corrupt candidates or on the basis of the performance record of the incumbent, and are less likely to vote on the basis of ethnic identity or the receipt of targeted benefits in direct exchange for their vote.

Independent media, such as radio, television, newspapers, and the Internet, are important in bringing about changes in voting behavior. Yet the type of information, its source, and its “fit” with the institutional context are important. Examples have been found in which information had the opposite effect of discouraging voter turnout or increasing vote buying. The direction of impact depends upon the nature of the media market and the extent to which it provides credible information or reflects political biases and polarization. The same type of information can have different effects depending on the credibility of the source that generated the information. Furthermore, in contexts in which political engagement is unhealthy, there is no clear evidence on whether the transparency’s impact is sufficient to get leaders to respond with sustainable or long-term improvements in outcomes, by using the powers of their office to strengthen institutions.

These differences in the available evidence on the impact of transparency on political engagement are linked to the design of specific interventions. The pattern of evidence does not suggest that lack of impact or detrimental impact of transparency is limited to weak institutional settings or that successful impacts occur only in strong institutional settings.

**Evidence of impact on voter behavior**

A growing number of randomized controlled trials have been implemented in developing countries to try to encourage poor voters to participate in
the democratic process. Most of these interventions are based on information campaigns that make voters more knowledgeable about the electoral system and aware of the importance of voting.

Information interventions implemented in countries as diverse as India, China, Mozambique, and Pakistan have found that more informed voters are more likely to participate in elections (Aker et al. 2013; Banerjee et al. 2011; Giné and Mansuri 2011; Guan and Green 2006). However, some studies show the opposite effect, where the availability of new information and media can reduce voter turnout (Chong et al. 2015; Gentzkow 2006). These contrasting results are echoed in other research in which the outcome variable of interest is different (such as corruption or responsiveness of leaders). The discussion below shows how all of the evidence is consistent with the sensitivity of voting behavior to information, even though the direction of impact depends upon a variety of conditions. Some of these conditions may pertain to the formal institutional environment, which is beyond the scope of this report. However, as discussed in the previous two chapters, these conditions also pertain to characteristics of political engagement that can vary within the same formal institutional and country context. Finally, some of the variation comes from the nature of the information itself. For example, Gentzkow (2006) shows that the negative effect of the penetration of television on voter turnout in the United States is driven by the crowding-out of other media (such as newspapers) that carry more information about public affairs and political leaders.

Complementary evidence comes from studies that focus on information that improves voters’ knowledge about the quality of politicians and their actions. Ferraz and Finan (2008) use exogenous variation in the timing of disclosure of information on corruption in Brazil and find that voters change their choices when audit reports disclose information about corrupt practices. Corrupt mayors are punished at the polls while mayors with no irregularities are rewarded. These effects are stronger in municipalities in which local radio is present to diffuse this information. Similar results are found by Bobonis, Cámaras Fuertes, and Schwabe (forthcoming) using information disclosed in audit reports in Puerto Rico, and by Larreguy, Marshall, and Snyder (2015), who use audit information from Mexico. They find that voters punish the party of malfeasant mayors, but only in precincts covered by local media stations.

Although the availability of information can have significant effects on political engagement, the impact might depend on the source and the credibility of the information being provided. Alt, Lassen, Marshall
(forthcoming) examine the credibility of the source of information within the same (strong) institutional context (Denmark). They focus on how information may affect belief updating: the effect of the source of the message depends upon the source’s objective and subjective credibility, while the ideological content of the message may update beliefs by reinforcing previously existing beliefs or persuading voters with different ideological predispositions. Based on their survey experiment in Denmark, they find that objective credibility of the information source matters: an unemployment projection from the Danish Central Bank, which is highly credible among citizens, causes voters to update their beliefs more than does information received from government or opposition political parties.

Another example of the importance of the credibility of the source comes from contrasting results across different studies that examine how voters react to information about corruption of incumbent politicians. When information comes from a credible source (such as audits implemented by an independent agency) and is distributed through existing media, it generates significant changes in voting patterns. In contrast, Chong et al. (2015) do not find significant effects when the information is provided by nongovernmental organizations (NGOs) through a door-to-door campaign in Mexico. An important difference between this study and the work based on audit reports is the type of information being provided. The authors report “spending according to rules (gasto que cumple con normas),” which is very different from the type of audit reports used by Ferraz and Finan (2008) in Brazil; by Bobonis, Cámarac Fuertes, and Schwabe (forthcoming) in Puerto Rico; and by Larreguy, Marshall, and Snyder (2015) in Mexico. In experiments such as Chong et al. (2015), the information NGOs provided in flyers could have been interpreted in an ambiguous way, given that it is not necessarily a measure of corruption. These differences suggest that information and its credibility based on technical quality, with a clear connection to the well-being of voters, is more likely to have an impact.¹

Positive information about the quality of politicians can also affect political selection, as shown in the work of Kendall, Nannicini, and Trebbi (2015). The authors implemented a field experiment on the provision of information in an Italian city where the mayor was running for reelection. However, instead of negative information, they provided information on the fact that the mayor of Arezzo developed an urban development plan that was highly ranked by the regional government and received extra funding because of its quality. The extra funding was used to rebuild
monuments, roads, and parking lots in the city center. They show how voters update their beliefs and change their voting patterns when provided with this information on the competence, effort, or performance of leaders. Much weaker effects were estimated when information was provided only on ideological policy positions.

Transparency interventions—in this case providing more information on the quality of politicians—lead voters to change their behavior across myriad contexts. In what follows, evidence from Sierra Leone, India, Benin, Mali, Indonesia, and São Tomé and Principe is reviewed.

• In Sierra Leone, Bidwell, Casey, and Glennerster (2015) used political debates to provide information to voters. Large groups of voters were exposed to films of the debates via a mobile cinema that visited 112 of 224 randomly selected polling centers in the five weeks before the election. The authors find strong positive impacts of watching the debates on voter knowledge and changes in votes cast, especially in favor of candidates who performed best during the debates.

• In the slums of Delhi in India, Banerjee et al. (2011) distributed newspapers containing report cards on the quality of legislators. On average, they find small increases in turnout and no change in incumbent vote share in treatment slums. However, they find larger effects on turnout and vote shares in localities where the incumbent’s performance was worse and where the challengers were better qualified. For the best-performing legislators, incumbent vote share increased by 6.9 percent with the information treatment. They also find a significant decline in vote buying through cash.

• In Benin, Fujiwara and Wantchekon (2013) implemented a field experiment in collaboration with leading candidates in the 2006 presidential election. In randomly selected villages, the candidates adopted a nonclientelist campaign strategy, while pursuing the standard clientelist strategies in control villages. The treatment also included public deliberation; voters were invited to debate the platforms in town hall meetings. The combined treatment increased voters’ perception that the campaign informed voters about candidate qualifications, but had no effects on reported vote buying, voter turnout, and vote shares of candidates running the town meetings. However, the treatment reduced the votes of the dominant candidate in the treatment villages. One important aspect of this study is that the authors cannot distinguish the effects of
information provided by candidates about their policy positions during these town halls from the effects of public deliberation.

- In Mali, Gottlieb (2016) examined the impact of providing different types of information. She implemented a randomized intervention in which she provided civic education about budget size and mandated responsibilities of government officials. A second treatment arm provided additional information on the local government’s performance relative to neighboring governments to improve voter ability to benchmark politician performance. She finds that the randomly assigned civics course successfully increased voter expectations of local government performance, as measured by survey questions about local government capacity and responsibility to provide public goods. She also finds that people in treated communes were more likely to challenge their local leadership at community meetings. The effects were stronger when civic education was combined with information on politicians’ relative performance.

- In Indonesia, Paler (2013) used a laboratory experiment to show that citizens are more willing to take actions to monitor the performance of local leaders when they have more information. The experiment is designed to examine the role of information in comparison with the role that taxation is supposed to play as a source of accountability. The hypothesis is that when governments finance their spending through taxation, they are more likely to be accountable to citizens because citizens will have greater incentives to monitor performance. In contrast, when government revenues are windfalls from fiscal transfers, donors, or natural resources, citizens would have lower incentives to monitor. The author finds that citizens are indeed more likely to monitor governments and take political action when revenues come from taxes rather than windfalls. However, when provided with information on spending performance, citizens care as much about monitoring governments when revenues come from windfalls as from taxes.²

- In São Tomé and Principe, Vicente (2014) implemented a randomized door-to-door campaign against vote buying during the presidential election. The campaign was sponsored by the country’s National Electoral Commission (instead of by an independent NGO) and had a strong emphasis on voting according to one’s judgment about the quality of the politicians and not according to whoever had bought one’s vote. The campaign decreased the reported perception that voting decisions
were affected by the money offered by candidates, and increased the reported perception that voters cast their votes in good conscience. It also decreased turnout (consistent with the idea of turnout buying) and favored the incumbent politician, whose vote share increased by close to 4 percentage points. The author interprets the results as implying that challengers rely more heavily on vote buying as a means of campaigning. This type of study is not designed to assess the overall impact on governance, but rather to examine whether vote-selling behavior is responsive to information and persuasion. Other work, discussed below, shows contrasting effects of transparency on vote buying by politicians.

Evidence of the role of different types of mass media

Another set of evidence comes from studies that examine the role of media as a source of information to voters. This growing literature suggests that the type of media and the source of the information disclosed matters for voter behavior. This review of the literature draws upon surveys by Strömberg (2015) and Prat and Strömberg (2011).

The presence of news media that provide political information leads to increases in voter turnout. Strömberg (2004) shows that the introduction of radio across U.S. counties during the period 1920–40 increased political participation. Similar results emerge from Gentzkow, Shapiro, and Sinkinson (2011), who show that the entry of newspapers in U.S. cities increases turnout in both congressional and presidential elections. Drago, Nannicini, and Sobbrio (2014) show that newspapers increase turnout in Italian municipal elections. Also, Oberholzer-Gee and Waldfogel (2009) and Prat and Strömberg (2005) find that television increases voter turnout in the United States and Sweden, respectively.

These effects are expected if voters become more informed about politics and if more-informed voters are more likely to participate in the political process. Prat and Strömberg (2005) provide evidence that the entry of commercial television in Sweden increased political knowledge. Snyder and Strömberg (2010) use variation in the access to political information through newspapers and find that media are a key provider of political information to citizens. They find that voters in areas where newspapers have greater coverage of politicians are better informed about their representatives.

There is evidence, however, that new media outlets can reduce political knowledge and participation when political information competes
with entertainment programs or when competition in the media market reduces the quantity and quality of news provided (Cagé 2014). Gentzkow (2006) shows that increases in television penetration in the United States had a small negative effect on political participation, consistent with Putnam’s (1995) hypothesis that media can also act as a source of reduction in political information for citizens as a result of its entertainment value. Similarly, Olken (2009) shows that access to television in Indonesia is associated with reduced participation in social groups, fewer organizations in the village, and lower levels of reported trust in the community.

A growing number of studies show that the introduction of new media outlets affects not only political participation, but also how citizens vote. A series of papers use the rich data available from mostly developed countries to show how coverage of political information in different types of media can shift voters’ views on parties’ policy positions or ideology. DellaVigna and Kaplan (2007) show that the entry of Fox News across U.S. cities increased the presidential vote share of Republicans. Using a similar strategy, Enikolopov, Petrova, and Zhuravskaya (2011) find that citizens who have access to the independent television station in Russia (NTV) were more likely to vote for anti-Putin parties. Knight and Chiang (2011) show that newspaper endorsements change voting intentions in the United States, while Gentzkow, Shapiro, and Sinkinson (2011) use variation in entry and exit from newspapers in cities across the United States and find effects on political participation, but do not find significant effects on vote shares or incumbency advantage. Drago, Nannicini, and Sobbrio (2014) use variation in entry and exit of newspapers in Italian cities and find that incumbents are more likely to be reelected where there is greater entry by newspapers. They interpret their results as suggesting that newspapers increase the visibility of politicians in office and may make it easier for the good-quality politicians to signal their quality.

The entry of the Internet in developing countries is likely to affect the provision of information to voters and politicians and the citizens’ capacity for coordination, and therefore might have significant effects on policy outcomes and governance. Although the Internet is a relatively new phenomenon, an emerging literature is looking at its political effects. The main question is whether information available through the Internet increases or crowds out political knowledge and interest and whether it helps individuals solve the collective action problem of coordinating expectations and actions.
The penetration of the Internet can reduce political participation if it crowds out other media that carry political information. Falck, Gold, and Heblich (2014) provide evidence from Germany showing that the emergence of the Internet crowded out traditional media such as newspapers and television, and reduced voters’ political information and voter turnout. Campante, Durante, and Sobbrio (2013) find that broadband penetration also decreased turnout in the Italian parliamentary elections, but the effect was temporary. In the longer run, they find broadband access to be positively associated with political participation and facilitation of the emergence of new political entrepreneurs. Miner (2015) looks at the effects of Internet penetration in Malaysia and finds that the growth of the Internet is associated with an increase in turnout and a reduction of support for the dominant incumbent party. He suggests that the information available on the Internet undermined the incumbent party’s ability to suppress negative information about candidates.

A different effect of the proliferation of the Internet, and especially social media, is the possibility of coordination and peer effects in political behavior. Moreover, as suggested by Halberstam and Knight (2015), social media are different from other forms of communication because they allow users to produce information, and access to information depends upon self-chosen links. Bond et al. (2012) implemented a randomized controlled trial of political mobilization messages delivered to 61 million Facebook users during the 2010 U.S. congressional elections and found that messages affected information-seeking and voting behavior. The messages influenced both the users who received them and their friends, suggesting that social media can be a powerful source of political influence.

Although little evidence is available on how social media influence electoral outcomes and governance in developing countries, it might be expected to act as an important coordinating device for changes and an alternative form of independent provision of information, as documented by Enikopolov, Petrova, and Sonin (2016) in Russia. Evidence presented by Grossman, Humphreys, and Sacramone-Lutz (2014) suggests that new technologies can increase the communication between marginalized citizens and politicians. Of course, media can also act as a negative coordinating device when it allows coordination for such actions as the Rwandan genocide (Yanagizawa-Drott 2014) or the rise of the Nazi party (Adena et al. 2015).

Casey (2015) and Keefer and Khemani (2014a, 2014b, 2015) examine the impact of a type of media that is particularly salient for poor citizens
and in one of the poorest regions of the world: community radio in Africa. Casey (2015) examines whether information available through radio helps relax ethnic and partisan loyalties in Sierra Leone. She shows that political information provided through radio on local politicians improves voters’ knowledge. She finds that candidate information increases citizen willingness to cross ethnic-party lines. Complementary evidence shows that more information induces parties to distribute campaign spending in a more equitable way across districts. Although she interprets this as evidence of more equitable distribution of public goods spending, it could also be that parties respond to the presence of more-informed voters with targeted vote buying together with campaign spending. Unfortunately, she does not have data to test this.

In related work in Sierra Leone, Bidwell, Casey, and Glennerster (2015) document that politicians who participated in debates, videotapes of which were shown to a random selection of localities, increased their campaigning effort, as measured by gift giving, the monetary value of gifts, and the number of in-person visits. They find little evidence for treatment effects on the activity level of elected members during sittings of Parliament, but they find that using debates to increase the information voters have affects politicians’ engagement with their constituencies, as measured by public meetings and higher spending on development projects. Because infrastructure spending can be captured by local elites and can be a source of corruption, more data on welfare measures would be needed to understand whether information obtained through debates actually improves governance.

Keefer and Khemani (2014a, 2014b) use a natural experiment in radio markets in Benin to examine the impact of broadcasts of public interest programming aimed at increasing household demand for health and education services. They find evidence suggesting that although such programming indeed affected household attitudes toward health and education, the changes were not sufficient to change politicians’ incentives to respond by providing greater services. Households living in villages with access to signals from a larger number of community radio stations are more exposed to public-interest programming and are more likely to invest their private resources in health and the education of their children, but they are not likely to receive more or better public services.

At the same time, Keefer and Khemani (2015) uncover some media effects in shifting preferences or beliefs about the appropriate roles of public policies that could be important for the transition to better-quality
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political engagement, even if no impact on public service delivery outcomes is discerned in the short term. The authors use survey vignettes to impose an explicit trade-off between political promises of jobs for a few versus health or education for all. They achieve this through the device of a budget constraint, emphasizing to respondents that politicians who allocate resources to government jobs for some members of the community have fewer resources available to finance inputs into broadly delivered health or education services for all of the community. Respondents then choose whether to support the candidate who would allocate resources to jobs for a few rather than to greater inputs for health and education for all. Consistent with Wantchekon’s (2003) pioneering work in Benin, responses to these surveys reflect widespread citizen support for clientelist candidates who offer jobs. Yet, respondents living in villages with greater access to community radio are significantly less likely to support these candidates who offer jobs at the expense of broad public services.

Additional results in Keefer and Khemani (2015) highlight the importance of programming content and issue framing on mass media. Despite reductions in support for clientelist candidates who offer jobs at the expense of health and education, radio access does not reduce support for candidates who offer gifts at the time of elections, a practice that is regarded as indicative of vote buying. However, from the vignette designed to measure attitudes toward gift-giving candidates, as in actual practice, citizens have no information to infer whether gift-giving candidates have any impact on the provision of health and education. In fact, greater information conveyed through radio about established public programs in health and education might lead citizens to believe that gift-giving candidates have little influence, one way or another, on those programs. Keefer and Khemani (2015) show how this pattern of results is consistent with a particular mechanism for radio’s impact: it increases citizens’ demand for public health and education services, thereby reducing their support for candidates who make clientelist offers at the expense of public health and education spending.

Evidence of impact on politicians’ response to transparency

Politicians can strategically respond to the disclosure of information and expected changes in voting behavior by increasing their campaigning efforts, increasing vote buying, using coercion, or affecting other types of information to counteract the information about their quality. Although
less evidence on this mechanism is available, Humphreys and Weinstein (2012) suggest that it was at play in Uganda, where they implemented a large field experiment to evaluate the impact of providing information to voters based on a detailed scorecard on the performance of members of Parliament. They find that voters are sensitive to the information provided in the scorecard and update their beliefs. However, the information ultimately had no impact on politicians’ vote shares. The results suggest that politicians can more easily obfuscate information and deflect scrutiny away from themselves when the information does not clearly specify the consequences of their actions for the services voters care about.

Gottlieb (2016) finds that leaders appear to be less transparent when voters are part of an information treatment about local government performance. Casey (2015) shows that political information provided through radio induces parties to distribute campaign spending in a more equitable way across districts. Similar effects are found by Bidwell, Casey, and Glennerster (2015), as discussed above, who document that politicians whose debates were videotaped and shown in communities increased their campaign efforts, as measured by gift giving, the monetary value of gifts, and the number of in-person visits.

Evidence that politicians respond to information disclosure through vote buying is provided by Cruz, Keefer, and Labonne (2015). They implemented a field experiment in which they provided information to voters in the Philippines about the existence and importance of a large infrastructure public spending program one week before a municipal election. The authors show that the intervention led to changes in voter knowledge about the program and about incumbent politicians, and that incumbent politicians responded by increasing resources targeted at voters through vote buying. But Cruz, Keefer, and Labonne (2015) find no significant effects on turnout or voting patterns. Because the information interventions undertaken by Cruz, Keefer, and Labonne (2015) were restricted to just before elections, the authors cannot show how voters and politicians would react if information campaigns against vote buying and information on availability of resources to politicians was disseminated in the beginning of their electoral term and repeated throughout the term. Indeed, the authors argue that their results could be different if the intervention were implemented earlier in the electoral cycle, when incumbents have greater opportunity to react by increasing the provision of public goods.

These results on vote buying in the Philippines are consistent with Khemani (2015), who argues that politicians tradeoff vote buying against
the provision of broad public services in the Philippines and elsewhere. An increase in competitive pressure that was induced by the information campaigns studied by Cruz, Keefer, and Labonne (2015) in a clientelist setting led to politicians increasing vote buying, especially when they could not respond by improving the quality of public services. The results of increases in vote buying by politicians in response to transparency in the Philippines are also consistent with the results from Benin of the (lack of) radio’s effects on citizen support for gift-giving candidates (Keefer and Khemani 2015). In the absence of information about the effects of electing vote-buying candidates on service delivery, transparency about other areas can lead to greater vote buying by politicians to woo voters.

A final piece of evidence suggesting that political leaders might respond to the disclosure of information comes from Malesky, Schuler, and Tran (2012). They examine the impact of a randomized broadcast of information through an online newspaper in Vietnam, which is an environment in which a centralized political party controls the nomination of candidates who are exposed to greater transparency. The results suggest that the transparency intervention induced significant changes in the central political party’s decisions to nominate and allocate candidates across districts.4

**Summarizing lessons by making connections between the literature**

In sum, the existing evidence on transparency’s impact on political engagement suggests that information from trustworthy sources (for example, independent agencies, backed by credible technical capacity) can increase political participation and allow voters to punish badly performing politicians at the polls. However, the extent to which incumbent politicians and party elites can undo the positive effects of information on voters is not clear. In addition, more research is necessary to develop an understanding of both the long-term effects of information provision as well as the general equilibrium effects taking into account public officials’, politicians’, and parties’ responses.

The evidence of impact on incumbent vote shares suggests that if the interventions primarily strengthen the hands of incumbent politicians (by reducing the efficacy of vote-buying tactics used by political challengers), they may be further protected from losing office and able to continue rent-extraction policies. On the other hand, if the interventions have a strong anti-incumbent bias, the incentives of incumbents to try to remain in office by improving performance may be reduced.
Furthermore, there is an important distinction between information about performance versus information about specific policy actions, as emphasized in the theory covered in chapter 4, and which also emerges in the empirical evidence. The evidence suggests that information on “valence issues,” which most voters find desirable, such as the competence and effort of politicians and their performance in service delivery, has greater impact than information about ideological policy positions that divide voters (Kendall, Nannicini, and Trebbi 2015). Studies of interventions that provide information about politicians’ specific actions, such as in legislative debate, also find little impact, and suggest that politicians can obfuscate information to prevent voters from using it to assess their performance (Humphreys and Weinstein 2012).

Transparency’s impact on governance outcomes occurs through political engagement

Transparency affects governance outcomes through political engagement, and ultimate impact on governance depends upon the characteristics of political engagement. A growing number of studies examine whether governments respond to voters who have access to more information. These studies explain the impact of transparency on government actions as resulting from changes in voting behavior that then change the political incentives of government leaders to respond to voters by improving governance.

Media’s impact on government performance occurs through media’s impact on political engagement

A body of research on the impact of media on public spending and government performance shows how media’s impact occurs through changes in political engagement. Strömberg (2004) measures the effects on public spending of the introduction of radio across U.S. counties during the period 1920–40. He finds that radio increased federal spending, such as social assistance funds in the New Deal programs, particularly in rural counties. He shows that increases in voter turnout in counties with greater radio ownership is the mechanism behind this impact of radio on public spending.

Lim, Snyder, and Strömberg (2015) study the effect of newspaper coverage of state trial court judges in the United States, and find that it
significantly increases average sentence length awarded by those judges. It is specifically trial judges who are elected who are more likely than appointed judges to increase sentence length when there is greater newspaper coverage.

Snyder and Strömberg (2010) exploit mismatches between the geography of congressional districts and the geography of media markets in the United States to trace the entire process by which more or less media coverage leads to more or less responsiveness to reelection concerns. The theory is that in places where the media market and the congressional district overlap to a greater extent, voters will be more informed about politicians and politicians will respond accordingly. The authors show that more congruence leads to more coverage of the incumbent. This increase is consequential: more congruence is associated with greater knowledge about the incumbent congress members. However, more congruence does not lead to more knowledge about senators, suggesting that congruence is not just serving as a proxy for political knowledge in general. Congruence also leads citizens to be more likely to turn out to vote. Turning to incumbent behavior, the authors find that incumbents in more congruent districts are more active in committee hearings and vote on roll calls in a less partisan way. Finally, congruence feeds through to policy: federal spending in a district is greater when there is more congruence. These results constitute a powerful case that media’s effects in making governments accountable operate through electoral institutions.

Campante and Do (2014) provide further evidence from the United States for how the interaction between media markets and political markets influences government performance. First, they provide the reduced-form result that states in the United States whose capital cities are more isolated, as defined relative to the spatial distribution of the state’s population, have greater levels of corruption. They then provide direct evidence of the mechanism underlying the association between isolation and corruption: newspapers cover state politics more when readers are closer to the capital. Voters who live far from the capital are less knowledgeable and interested in state politics, and they turn out less in state elections (but not in presidential elections). The authors report additional supporting results that isolated capitals are associated with more money in state-level campaigns and worse public goods provision. This evidence shows how even in a context with strong internal checks and balances, external accountability through the interaction of media and elections is important for governance.
Some results in Nannicini et al. (2013), discussed in chapter 5 on the role of historical institutions within Italy in shaping “civic voting,” or healthy political engagement to punish corrupt leaders, can be interpreted as supporting the notion that transparency can help bring about changes in political engagement in the short run (without waiting for history to run its course). The authors find that newspaper circulation is significantly correlated with lower corruption. When newspaper circulation is included in the analysis, the estimated impact of historical institutions shrinks and loses statistical significance. That is, the historically rooted differences in institutions within Italy are not significant in explaining “civic” voting behavior to punish transgressions once newspaper circulation is taken into account. When using measures of political engagement (average turnout in national elections, European elections, and referenda during the 1990s) instead of historical social capital, the negative correlation between corruption and the political engagement measures of social capital is strongly robust to the inclusion of newspapers’ diffusion as an explanatory variable. That is, political engagement and transparency together explain civic voting to punish transgressions by political leaders and thereby strengthen incentives for lower corruption, even in an environment in which there are historical differences in social norms.

The role of transparency in improving governance in developing countries

Because most of the evidence on the interaction between media and political markets comes from rich countries with well-functioning institutions, whether politicians in developing countries respond the same way to media-informed citizens is unclear. One of the first studies to examine this proposition was Besley and Burgess (2002) in India. They study how governments respond to natural disasters such as droughts and floods with relief to local populations and whether these responses vary according to the presence of local media (that is, newspapers). They find that higher newspaper circulation is associated with greater government responsiveness to declines in food production and flood damage. They argue that this association is driven by greater political engagement of more informed citizens.

The work by Ferraz and Finan (2011) evaluating the role of electoral accountability in reducing corruption in Brazil also extends to examining the complementary role of mass media. They find that the presence of local radio enhances the incentives of mayors who face reelection to reduce
corruption compared with the incentives of mayors who face term limits. They also find a smaller difference in corruption between term-limited and other mayors in municipalities that have local radio stations, which they interpret as evidence that even term-limited mayors might suffer other types of punishment and therefore have incentives to reduce corruption in the presence of the media.

Bobonis, Cámara Fuertes, and Schwabe (forthcoming) show that the impact of the public disclosure of audit reports on municipal corruption in Puerto Rico is concentrated in municipalities that experience greater political competition. Furthermore, they provide evidence that transparency’s effects are short-lived and occur only when audit disclosure happens close to an election. They also provide suggestive evidence that voters use the information to select more competent leaders who may perform better in office. Their study makes a case for timely, regular, and sustained long-term commitments to audit disclosure to improve governance.

A case study from Peru shows that media can play a powerful role in holding leaders accountable. Using data from bribery records maintained by Vladimiro Montesinos, the security chief in Peru under President Fujimori, McMillan and Zoido (2004) show how political support and acquiescence were purchased from media owners as well as from opposition politicians and judges. The importance of media is reflected in the fact that the bribe price of media owners was an order of magnitude greater than what was paid to politicians and judges. On the one hand, this case shows how politicians can manipulate and capture accountability institutions. On the other, the case also highlights the special properties media markets have that would improve accountability, given that plurality (dispersed ownership) can be an effective defense against capture. It takes just one media outlet to make information public. McMillan and Zoido (2004) discuss how Montesinos was unable to purchase the support of one television channel, which remained resolute and continued to criticize the political regime in Peru. It was this channel that ultimately contributed to the demise of the regime by broadcasting taped evidence of Montesinos’s corrupt practices. Prat and Strömberg (2011) argue that commercial media can be a strong force for achieving such plurality and dispersion because of the commercial motive to win an audience and maintain a reputation for credibility.

In places where political engagement is flawed, even when some voters are sensitive to transparency, the net impact on governance depends upon how selected politicians behave during their tenure in office. Politicians’
behavior, in turn, depends upon the larger institutional context and what might informally be referred to as the “size” of the impact on political engagement—whether sufficient voters have changed their behavior to make it politically unprofitable for leaders to continue with corruption or clientelism. In work in Sierra Leone, although Bidwell, Casey, and Glennerster (2015) and Casey (2015) show that information available through radio helps relax ethnic and partisan loyalties, neither study clearly shows whether information helped improve the performance of public spending and public service delivery versus inducing politicians to deliver more clientelist transfers. In Benin, Keefer and Khemani (2014a, 2014b) find that radio did not lead to greater public accountability and argue that it did not because it did not have a sufficient impact on political engagement. Schools located in villages with greater radio access enjoyed no greater government inputs (such as teachers or books), nor more responsive service providers (lower teacher absenteeism), nor more active parent-teacher associations. Households in villages with better community radio access were also less likely to receive free bed nets from the government.

In sum, although the previous section finds consistent evidence across a large literature and in a variety of institutional contexts that political engagement is sensitive to transparency, the research on the ultimate impact on governance is more limited. Little existing empirical research in developing countries is designed to address the question of how transparency shapes governance by leaders during their tenure in office. The available evidence comes from the United States and a few countries in Latin America, taking advantage of rich time series data on media and political markets as well as on governance outcomes. The available empirical work in poorer countries, such as in Africa and South Asia, has so far been designed to focus on short-term changes in voters’ and politicians’ behavior at the time of elections. This situation points to a fertile agenda for future work to examine how transparency, especially through media markets that intersect with political markets, can bring about governance transitions in developing countries.

**Media’s effects on political polarization**

Additional evidence from the United States on how citizens change their beliefs and political behavioral norms that constrain policies from being pursued on the basis of technical merit highlights the interaction between the forces of transparency and political engagement. Examples of such
problems were provided in chapter 1, including popular demand for energy subsidies without due regard to the cost of these subsidies. Another example is ideological polarization that leads to policy gridlock. Glaeser and Sunstein (2013) show that in the presence of preexisting beliefs that polarize citizens, transparency alone is not only unlikely to shift beliefs but might in fact cause previous beliefs to become even more entrenched. The same information can activate completely different memories of personal experiences and associated convictions, thus producing polarized responses to that information.

Glaeser and Sunstein (2013) further show that leaders can play a role in credible communication that can persuade citizens to shift their beliefs. They provide the following example from the United States in this regard:

When liberals and conservatives are asked for their private views about a generous welfare policy and a more stringent one, they react in the predictable ways, with liberals favoring the former and conservatives the latter. But things change dramatically when they are informed of the distribution of views within the House of Representatives. More specifically, conservatives end up disapproving of the more stringent policy, and favor the generous one, when they are told that 90 percent of House Republicans favor the generous policy. Liberals show the same willingness to abandon their private opinions, and thus end up favoring the stringent policy, when told that this is the position of 90 percent of House Democrats. Notably, the effect of learning about party views is as strong among those who are knowledgeable about welfare policy as it is among people who were not. Also notably, both conservatives and liberals believe that their judgments are driven largely by the merits, and not by what they learn about the views of their preferred party—but in that belief, they are wrong. (Glaeser and Sunstein 2013, 23)

However, whether leaders have incentives to support policies on technical merit, and the credibility to signal that they are doing so to their constituents (as in the example above), rather than to reflect polarization among the electorate, links back to the role of transparency in shaping political engagement. The congruence between media markets and political markets is significant in determining the degree of polarized voting in the American legislature (Campante and Hojman 2013; Snyder and Strömberg 2010).
Campante and Hojman (2013) show how the intersection of media and political markets influences another source of political impediments to good public policies—ideological polarization among politicians and citizens. They provide robust evidence that the introduction of broadcast television decreased the ideological polarization of the U.S. Congress. Information provided by television acted as an important force for bringing members of Congress toward the political center. They also find similar effects for the expansion of radio in the 1930s. Their framework can be extended to suggest how different types of media play a role in the steady increase in polarization in the United States since the 1970s. This increase in polarization has coincided with significant structural changes in the American media environment—the rise of talk radio, the expansion of cable television, and the growth of the Internet, all of which are associated with content differentiation and market segmentation that may have contributed to increased polarization.

Gentzkow and Shapiro (2011) use data on the ideological composition of news website visitors (Democrat or Republican) to compare ideological segregation online and offline. They examine whether new sources of information (that is, the Internet) expose individuals to a more diverse set of news or cause consumers to self-segregate in consuming news that is closer to their initial beliefs. The authors measure segregation in online news compared with other forms of more traditional news and face-to-face interactions. They find that ideological segregation on the Internet is higher than in most offline media, but significantly lower than segregation in face-to-face interactions. They find no evidence that users of or audiences on the Internet are becoming more segregated over time.

This body of evidence from U.S. experience has implications for how to generate ideas about harnessing transparency to address similar problems of entrenched ideological beliefs among citizens in developing countries, such as the government’s role in controlling prices by subsidizing essential commodities. The insights from the United States can explain developing countries’ experience with subsidy reforms—informing citizens about the cost of subsidies is not sufficient to solve the problem (Clements et al. 2013). Leaders who emerge from healthy political processes, with popular mandates for public service delivery, may be key to shifting general beliefs and norms in the public sector among public officials, frontline service providers, and citizens, as argued in the theoretical work covered in chapter 4. This conclusion completes the feedback circle between transparency and political engagement in selecting better-quality and motivated leaders.
who are able to govern well through their own actions and policy decisions as well as through the role they play in shifting behavioral norms in the public sector.

**The role of media in controlling corruption**

A number of studies report that the presence of competitive media markets is significantly associated with greater control of corruption across countries. Besley and Prat (2006), using data from 90 countries in 1999, find that a high degree of state ownership of newspapers (market share of more than 30 percent) is associated with greater corruption and political longevity. Adsera, Boix, and Payne (2003) and Brunetti and Weder (2003) provide similar cross-country evidence that the presence of independent media is associated with better indicators of governance.

In contrast to the robust correlation with media markets, results on the correlation between public disclosure policies and governance outcomes are both fewer and more ambiguous. Escaleras, Lin, and Register (2009) examine whether recently implemented freedom of information (FOI) laws are correlated with changes in public sector corruption. They analyze data from 128 countries between 1984 and 2003, and use propensity score matching methods to address the problem of endogenous selection of FOI laws. Considering all 128 countries, they find no significant effect of FOI on reducing public sector corruption. However, in subdividing the sample between developed and developing countries, the authors find that the existence of FOI acts is positively and significantly related to public sector corruption in developing countries, with no correlation in developed countries. The surprising result is that FOI acts are associated with greater levels of public sector corruption in developing countries. The authors cannot rule out that part of this correlation might arise from greater revelation of instances of corruption, or greater measured corruption after the enactment of FOI. That is, the study is not able to discern whether actual corruption or incentives for corruption changed as a result of the FOI act.

Mungiu-Pippidi (2014) reports press freedom as being among the robust correlates of the control of corruption. In an equilibrium cross-sectional model explaining the control of corruption for the period 1996–2011 for a sample of 148 countries, variables that are positively correlated with the control of corruption are an independent judiciary system, controls on executive power, robust civil society, and press freedom. In separate analysis, she also finds that legislation of FOI acts (FOIAs) is positively
correlated with the control of corruption. However, there are fewer tests of the robustness of the correlation between corruption and FOIA compared with what is obtained within her study and from the larger literature reviewed above on the role of independent media.

**Mass media can work together with political engagement to strengthen institutions: Lessons from history**

Thus far this chapter has reviewed the accumulating empirical evidence that transparency influences political engagement, and joins previous chapters showing that political engagement, in turn, has profound consequences for governance. Yet the available empirical tests do not extend to rigorously examining whether these forces together bring about changes in the myriad institutions of government through which services are delivered and internal accountability is maintained. The literature on institutional change is either theoretical or descriptive, using historical accounts to bolster theoretical explanations. It is also limited. Most writers acknowledge that little is known about how societies that begin with weak institutions move toward strengthening them. This section reviews arguments available in this literature that transparency can play a role in institutional transition, working together with broad-based political engagement.

Accounts of historical transitions from weak to stronger institutions in the public sector in the United States and United Kingdom suggest that independent mass media played a role in that transition by working together with political engagement (Camp, Dixit, and Stokes 2014; Glaeser and Goldin 2006; Lizzeri and Persico 2004). Political institutions in both the United States and in the United Kingdom in the nineteenth century have been described as exhibiting instances of vote buying similar to those in currently poor countries. Bensel (2004) writes that for many men in the mid-nineteenth century in the United States, “the act of voting was a social transaction in which they handed in a party ticket in return for a shot of whiskey, a pair of boots, or a small amount of money” (Bensel 2004, ix). In the United Kingdom, Seymour (1970 [1915], 184) writes that party agents carried ledgers with “a space for special circumstances which might give an opportunity for political blackmail, such as debts, mortgages, need of money in trade, commercial relations, and even the most private domestic matters.”

Camp, Dixit, and Stokes (2014) document historical accounts of how the efficacy of vote buying through agents declined in the
United Kingdom and thereby precipitated legislation such as the 1883 Corrupt and Illegal Practices Act, which was upheld and enforced with bipartisan political support. Cox (1987) and Phillips and Wetherell (1995) argue that the expansion of the franchise with the Reform Act of 1832 in the United Kingdom led to dramatic changes in voting patterns. Elite support for extending the franchise, in turn, is explained in this literature by the rise in demand for broad public health goods in British cities around the industrial revolution (Lizzeri and Persico 2004). The expanding electorate began to have access to cheaper newspapers, which enabled politicians to directly reach voters with their messages rather than having to rely on agents (Camp, Dixit, and Stokes 2014). Leaders of both the Liberal and Conservative parties have been quoted as becoming aware of the reduced effectiveness of vote buying because “the new mass electorate, through increased education and a cheap press, would become politically free and independent in a sense that their predecessors would not have thought possible” (O’Leary 1962, 231).

Accounts of the Progressive Era in the United States are even more explicit about the role of newspapers and mass media along with the demise of machine politics in bringing about institutional change. Glaeser and Goldin (2006) review this literature and suggest that voter dissatisfaction with machine politics and the rise of independent media contributed to the conditions for institutional reform that created professional bureaucracies. Rauch (1995) describes the reforms in this era that resulted in the professionalization of the bureaucracy in American cities and the ensuing reduction in the political power to intervene in city management.

**Transparency initiatives targeted only at improving local service delivery are not enough**

A variety of transparency policy initiatives have focused on citizen engagement outside the political realm to solve service delivery problems. One prominent initiative involves the generation of information as a tool for mobilizing citizens to monitor and demand accountability from frontline public service providers. These types of “citizen report card” initiatives emphasize the “social” accountability of public providers, without relying on changes in the political incentives of leaders in government, who ultimately are responsible for managing these providers.
Social accountability

Social accountability initiatives are more likely to be successful when they influence political incentives. Evidence shows that low motivation and effort by public providers can be linked to political incentives that reward leaders for providing jobs in the public sector as political patronage or in exchange for bribes rather than for holding providers accountable for service delivery. In contexts in which political incentives encourage patronage and clientelism, citizen report cards may have no effect on public service delivery. Among the mixed evidence of the impact of citizen report cards, those studies that find no effect are more likely to be situated in unhealthy political contexts. Even among successful cases, little evidence indicates that transparency alone spurred communities to organize to solve local public goods problems. Instead, committees instituted for citizen engagement in a community are frequently defunct and require intensive mobilization efforts by civil society to take any action.

A study by Björkman and Svensson (2009) finds that a social accountability intervention led to a significant improvement in the performance of health workers and a reduction in child mortality. The intervention consisted of mobilizing community-based monitoring, whereby citizens and local health workers met to discuss the quality of health and put together a plan to monitor and improve the quality of services at local health facilities. The authors’ preferred explanation of the mechanisms of impact is that citizens were able to engage in local collective action to hold providers accountable for what they were supposed to do, as well as to generate new resources to collaboratively solve local delivery problems. Disentangling these two very different mechanisms through which local collective action could work is important to gaining an understanding of how to make governments perform better for citizens. Although improving service delivery outcomes through greater citizen contributions is valuable in its own right, it can nevertheless leave intact governance impediments that prevent public officials from performing better with existing resources. This distinction is particularly important in the case of the poorest and most vulnerable segments of society for whom citizen contributions can be an undue burden and who rely on state-provided services. If the poor need to spend their resources—their money or their voluntary labor—to maintain public services, this may be at odds with the goals of other public programs for poverty eradication.
Furthermore, the results are also consistent with the political engagement mechanism. Provider behavior may have improved because directly elected local leaders managed them better once information about health service delivery made communities demand better performance. The Health Users Management Committee (HUMC) system in Uganda was described as dysfunctional to begin with at the time this work was undertaken. After the intervention, more than one-third of the HUMCs were dissolved in the communities receiving the intervention, and new members were elected, with no such turnover in the comparator communities that did not receive the intervention. This suggests that the information and mobilization around health services might have affected how people voted and how locally elected leaders exerted pressure on local providers to improve the quality of health provision.

In more recent work, Björkman, De Walque, and Svensson (2014) try to disentangle the effects of information provision from the effects of collective mobilization through community participation in meetings. They designed an intervention that focused on mobilization alone. Their original intervention (Björkman and Svensson 2009) included community meetings and a report card on the community’s health clinic’s performance compared with that of other communities and benchmarked against the national standard for primary health care provision. The new intervention also provided information through a report card on the community’s health clinic, but did not include information relative to other health facilities. The authors conclude that without information on relative performance, participation in community meetings had little impact on health workers’ performance or on health outcomes. Their interpretation of the results is that relative performance information enables users to distinguish between health workers’ effort and factors outside health workers’ control.

However, Björkman, De Walque, and Svensson (2014) are not able to test whether information alone could have generated the results in the absence of the mobilization efforts. Results from very similar social accountability interventions in other work suggest that information is unlikely to make a difference in the absence of mobilization. Banerjee et al. (2010) evaluate a similar initiative in the education sector in India that was aimed at improving the functioning of citizen participation in village education committees (VECs). Just like the HUMCs in Uganda, the VECs in India were found to be inactive at baseline. Fewer than 8 percent of community respondents were aware of the existence of the VEC. Furthermore, among those community respondents who local officials
indicated were VEC members, as many as 22 percent were not aware of the VEC or their own role in it.

In the face of such widespread ignorance of the VEC, a civil society organization designed an initiative to raise awareness about the VEC’s intended role that was expected to spark local action. However, the results show that information did not activate the defunct VECs. But when community members were given, in addition to information, the opportunity to be trained in a teaching tool that gave them the ability to directly improve educational outcomes, it was taken up by community volunteers and resulted in a large impact on learning. The mechanism, however, completely bypassed the public school system. Private reading classes were led by community volunteers who received no support from the elected village head or the public school teachers.

**Transparency’s impact on private actions, bypassing the public sector**

Some of the cases show that transparency can affect private actions that bypass governance problems in the public sector. Outcomes, such as in health and education, can improve because transparency plays a role in changing private household behaviors and the functioning of private markets that are independent of or bypass governance problems in the public sector. However, bypassing these problems means that they are then left intact as impediments to fulfilling the role of the public sector in promoting those outcomes. For example, Banerjee et al.’s (2010) study of the intervention in India that targeted transparency at community mobilization finds improved education outcomes among children because community volunteers held remedial classes outside the public school system. However, transparency had no impact on the performance of school teachers on the public payroll who are frequently absent and do not teach even when present in school (Banerjee et al. 2010). It, therefore, did not address the governance problem of teacher absence, which has been estimated to cost about $1.5 billion per year (Muralidharan et al. 2014). Therefore, even though outcomes can improve if transparency is used outside the political realm, those improvements depend on citizens taking on the burden of providing public goods themselves, such as by contributing their labor and material resources, rather than on holding government officials accountable for what they are paid from public resources.

An older strand of literature (among others, Stigler 1961; Stiglitz and Weiss 1981) examines transparency’s role in solving problems of asymmetric
information in economic and financial markets. The East Asian financial crisis of the 1990s, for example, was later partially explained by the lack of transparent accounting standards and financial reporting (Kaufmann and Bellver 2005). Analysis of the role of information in improving the functioning of markets has been extended beyond the financial sector to that of education. Andrabi, Das, and Khwaja (2015) provide evidence that information about local education markets led to improvements in the functioning of those markets and to better education outcomes.

However, as discussed at the outset of this report, bypassing problems in the public sector means, logically, that they are then left intact as impediments to development goals. Keefer and Khemani (2014a, 2015a) provide evidence and review the literature showing that information can improve private household behaviors that contribute to health and education outcomes, but with no impact on public sector governance or public accountability.

Other evidence is consistent with information’s effects on private actions and contrasts with the lack of effect on organized group action. Lieberman, Posner, and Tsai (2014) evaluate an intervention in Kenya that provided parents with information about children’s performance in schools and guidelines for actions parents could take to improve school quality. They find that the informational intervention did not improve parents’ participation in education groups or meetings, or the number of actions taken by officials to improve schooling. However, they do report large point estimates, although not statistically significant, for the information’s impact on parent efforts at home to improve their children’s learning.

Using transparency to improve “last-mile” service delivery problems

Information revealed to citizens by higher-tier government authorities can potentially elicit their help in holding frontline officials accountable for service delivery at the last mile. Reinikka and Svensson (2005, 2011) undertook a pioneering study of such an intervention by the Ministry of Education in Uganda to publicize information about grants that were supposed to flow to schools. Before this campaign was undertaken by the ministry, the researchers gathered data that revealed that more than 90 percent of the funds were not reaching the schools. After the ministry’s information campaign, the researchers found that schools located closer to newspaper outlets received more government funds from the capitation grants. Although the authors provide evidence that information reduced
corruption, the campaign had many components, and it is difficult to determine what caused the reduction in leakages. The authors’ preferred interpretation is that information published in the newspaper empowered the school community to bargain with local officials to provide the school’s entitlement. However, several other interpretations are possible, including that the information campaign served as a signal from higher-tier ministries to lower-level officials that they were being monitored and would be held accountable for leakages.¹⁰

The results of the interventions documented in Banerjee et al. (2010) contrast with those of another information intervention undertaken by Pandey et al. (2009) in similar villages in the same part of northern India. Pandey et al. (2009) find that information campaigns resulted in reduced absenteeism among village public school teachers, but with modest effects on improvements in learning. A key difference between the information interventions across these two studies was the mode of communication. Banerjee et al. (2010) relied on participatory activities undertaken by civil society with the aim of promoting local collective action. In contrast, the central plank of the information intervention in Pandey et al. (2009) was a sophisticated video that was played at village gatherings, produced by the researchers and carrying the endorsement of the state Department of Education rather than being owned and implemented by civil society. This Department of Education imprimatur suggests that one reason for the difference in results may be the signal from higher-tier authorities that they are monitoring local providers and will back up citizen complaints. This interpretation resonates with the Uganda example discussed above and another result from Indonesia, discussed below.

Banerjee et al. (2015) provide evidence from a context in which transparency is used by credible political leaders to encourage citizen engagement to hold local officials accountable. They examine the impact of letters mailed to citizens in Indonesia from the central government informing them about the rules and functioning of a subsidized rice program implemented by local governments. They find that the information increased the subsidy received by eligible households. Fewer ineligible households received subsidized rice in treatment villages, but those that continued to purchase subsidized rice received more in quantity. The fact that the eligible households received more, while ineligible households in total received no less, implies that the information reduced leakage, increasing the total amount of rice distributed in the villages by 17 percent.
Banerjee et al. (2015) provide further evidence on the mechanisms of impact that show how political engagement by citizens, in the form of protests and pressure upon locally elected officials, played a role in improving governance in this rice subsidy program. In one set of villages, information was provided in a more “public” way, through public announcements and posters in addition to the mailing of private letters that could lower the costs of coordinated citizen action. Citizens were more likely to organize protests in these villages to hold the village head accountable. Although the authors do not focus on political accountability mechanisms, furthering instead a story of bargaining that can occur between election cycles, political engagement is at the center of their theoretical model. For example, they state, “Complaints have a political cost: the higher the number of complaints, the more likely the leader will be replaced” (Banerjee et al. 2015, 12). Both their theory and their empirical results are consistent with village heads improving governance because of the disciplining feature of local electoral institutions. Whether similar results would be obtained had the central government provided information about a program administered by nonelected officials remains an open question in this study.

Other work examines the role of information in enabling citizens to hold appointed public officials, not elected leaders, accountable. Peisakhin (2012) and Peisakhin and Pinto (2010) examine the impact of information on the performance of appointed public officials in the context of the FOIA in India. They find that citizens can use the act to spur local public officials to process their applications for benefits under government programs, reducing the number of days it takes to receive their benefits. Submission of an information request under the act is a close substitute for paying a bribe to the official to speed up the receipt of benefits. As modeled in Banerjee et al. (2015) and framed in chapter 4, the impact mechanisms in this channel depend on the functioning of political engagement, because public officials risk complaints and punishment from higher-level leaders should they fail to respond. That is, transparency can effectively engage citizens to improve governance within public bureaucracies when leaders’ political incentives are aligned appropriately.

The examples above suggest that a key condition for successful local action is the signal by higher-tier government departments that local citizen action would be taken seriously and used by leaders with power over formal mechanisms within government to hold local officials accountable. This supposition is consistent with the conceptual framework in chapter 4 on how citizen engagement initiatives to improve the performance of local
officials will succeed to the extent that higher-tier officials have the incentives to use that local engagement to improve accountability. The incentives of higher-tier officials, in turn, depend upon the larger principal-agent problem (see chapter 4) in which citizens hold government leaders accountable. That is, the success of citizen engagement initiatives to improve last-mile service delivery problems depends on whether higher-level leaders’ political incentives are aligned with those initiatives.

Research on the impact of transparency initiatives that aim to engage citizens in solving last-mile service delivery problems further show that transparency is more likely to be effective when it targets citizen engagement methods that do not depend upon organized, group-based collective action.

Comparing the above results from Banerjee et al. (2015) in Indonesia and Peisakhin (2012) in India with another study from India of a public program that provides more broadly distributed benefits sheds light on what citizens are likely to do when they have more information. Ravallion et al. (2015) provided information to households in Bihar about procedural rules and citizen entitlements under India’s flagship anti-poverty program, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), which is administered by elected village governments. The use of information to improve program delivery is similar in essence to the Indonesia situation in which elected village governments distribute subsidized rice and citizens are provided information about the program rules. The contexts differ in the nature of the public program being studied—citizens would have to organize collectively to demand a public works program for employment under the MGNREGA program in India, rather than simply pressure local leaders at an individual level to give them the rice to which they are entitled as in Indonesia. Similarly, in the study on the facilitating environment provided by the FOIA (Peisakhin 2012), citizens were able to use information to individually demand private benefits.

In contrast to the results in Banerjee et al. (2015) and in Peisakhin (2012), Ravallion et al. (2015) find that although the information intervention improved knowledge of entitlements, it did not affect actual outcomes in the program governance. There was no effect on work programs executed, wage rates, or days worked. They conclude that although households learned their rights, they did not use the information to demand greater performance.

Results in another study in Indonesia are also consistent with citizens more easily using information to take individual-level action rather than
organized group action. Olken (2007) reports differential impacts of a community mobilization and information campaign on leakage in wages versus in materials expenses in the implementation of local construction projects. This pattern is consistent with informed community members being able to individually bargain for the right wages to be paid to them, but not to organize collective action to reduce corruption in other places, where the costs are diffused throughout the community.

This pattern is consistent with a large literature on collective action by groups (pioneered by Olson [1965]) and bears resemblance to the Lowi-Wilson Matrix, which provides an understanding of the conditions under which groups organize (Lowi 1972; Wilson 1973). In that literature, information does not play a significant role in explaining whether citizens are organized in groups. Incentives to organize are linked to concentrated benefits and dispersed costs of policies, with small groups being more likely to sustain collective action for concentrated group benefits. An exception may be cases of larger political organization when citizens take to the streets to overthrow an oppressive and corrupt regime. Anecdotal evidence and ongoing research suggest that such large-group action can be facilitated by new information and communications technologies (Acemoglu, Hassan, and Tahoun 2014; Manacorda and Tesei 2016).

The importance of local political engagement comes to the fore when contrasting the results of Banerjee et al. (2010) and Lieberman, Posner, and Tsai (2014) on the lack of transparency’s impact on local public schools with those found by Pradhan et al. (2014) in the context of a more politically relevant intervention to improve schools in Indonesia. Pradhan et al. (2014) implement a randomized evaluation of alternative approaches to strengthening school committees in public schools in Indonesia. They find that interventions that increase the engagement of members of the village council, who are elected by citizens, had the highest impact in improving school outcomes. They attribute the effects to the mechanisms of increased electoral accountability of politicians on the basis of education improvements. Their results support the idea that political engagement and political accountability are important factors in inducing change in the quality of public services. Moreover, the Indonesia school interventions also changed the institutional rules through which representatives of education committees were chosen so that new representatives were brought into power. This result is similar to the evidence in Uganda of turnover in the elected members of the HUMCs, and again highlights the critical role of selection and sanctioning of leaders (that is, political engagement).
Transparency and behavioral norms in the public sector

The research discussed so far has focused on how transparency can encourage political engagement to reduce corruption, and enable public providers to be held to account. Another channel through which transparency might improve public sector performance is by strengthening professional behavioral norms among public officials and service providers. This channel may be especially important for sectors such as health and education, in which professional expertise and pride in work can have a role. Excessive reliance on the incentive mechanism of accountability to citizens via monitoring and feedback runs the risk of spreading canards and can weaken the role of professional norms. For example, powerful parents who are local elites might demand preferential treatment for their own children and make it difficult for teachers to effectively serve all the children in their classroom by adhering to the norms of the professional training they have received. Instead, powerful parents might extract favorable treatment for their own children by unduly influencing teachers to deviate from professional behavior. The available research on the use of transparency to spur social accountability pays little attention to these issues.

A growing body of research examines the role of intrinsic behavioral norms in shaping the performance of public service providers. Although analysis of sector-specific human resource behavior and management is outside the scope of this report, the general insight provided through the research covered in chapters 4 and 5 is that political engagement and the leaders selected through it shape behavioral norms in the public sector. Transparency can play a role by improving the basis upon which leaders are selected and sanctioned. Box 6.1 provides an example from Brazil of how transparency was combined with political engagement to improve the management and professional behavior of public health workers.

Transparency might also contribute to increasing competition among public officials and increasing peer pressure to improve performance. Experiential evidence from the success of initiatives such as the Doing Business project demonstrates that publicizing performance indicators can bring about governance reforms by spurring competition among countries to attract private investment. However, there is as yet no theoretical or empirical research available on the impact of such a channel of transparency.

Finally, transparency could play a direct role in shifting political beliefs and behavioral norms in society. It could potentially address the problem
Box 6.1  How the “Big I” institutions of transparency and elections matter for the functioning of the “small i” institutions of public sector management

A case study from the state of Ceará, one of the poorest states in Brazil, shows how reform leaders used local media (radio) and forces of municipal political competition to complement reforms in the recruitment and management of health workers (Tendler and Freedheim 1994). The reforms were targeted at depoliticizing the management of public health workers and making them more performance oriented. It involved the direct recruitment by the governor’s office of a large cadre of public health workers on performance contracts, circumventing the formal authority of municipal mayors. The study describes how before the reforms, health workers were recruited and managed by municipal mayors as political patronage, with weak incentives and motivation for service delivery. However, this is not a story of bypassing mayoral politics, because in fact that would likely have been ineffective. The new cadre of health workers would only be able to work in communities if the mayors signed up for the program. Furthermore, the mayors were responsible for managing the technically qualified nurses who would supervise the new health workers. Instead, the story is one in which the public management reforms were able to work by going hand-in-hand with a strategic transparency initiative to address the political problem head on, and in the process shift the culture of performance in the state’s health sector. The governor’s office flooded the airwaves with messages about what the new health workers were expected to deliver. Tendler and Freedheim (1994, 1775) write that the radio messages “regaled citizens with promises of dramatic improvements in the health of their babies and, on the other hand, instructed them as to what they would have to do in order to bring that about: namely, they were to urge their mayors to hire a competent nurse, pay her salary, and run the program cleanly. ‘Simply don’t vote for your mayor,’ some of the program’s managers advised or implied on their trips to the interior, ‘if he doesn’t provide you access to our health program.’” The overall package of reforms—combining improved technical management of health workers with transparency interventions specifically targeted at overcoming political impediments—has been credited with dramatically improving child health outcomes in the state within the span of a few years.

of a “culture of corruption” that was discussed in chapter 1 that stems from rational beliefs about how others are behaving. For example, one prominent initiative pioneered by civil society actors in India (that has spread beyond to other countries) is directed toward inducing changes in the culture of bribery through an information and communication campaign. The organization Janaagraha in India has developed and supports a website, www.ipaidabribe.com, that invites citizens to submit reports of bribes paid, bribes requested but not paid, and encounters with honest officers who did their job without asking for a bribe. While much of the discussion around this initiative focuses on how it might reveal information about the extent of bribery and the market price of bribes for different public services.
another way in which it may work is by signaling a shift in public demands for receiving high-quality and corruption-free public services.

Dixit (2015) describes a similar initiative undertaken by another civil society group in India—the “Zero Rupee Note” campaign of the Fifth Pillar group. This group distributed specially printed zero-rupee notes to citizens to exhort them to use these as symbolic payments to bribe-demanding public officials. The thinking behind such campaigns is that they can help persuade people to shift their actions and refrain from supplying bribes. The publicizing of these initiatives might work as forces for coordinating changes in individual actions, thereby creating the collective action needed to root out corruption.

However, these examples are not yet backed by hard research on how transparency in the form of persuasion campaigns might change behavioral norms in the public sector. The little research that can be found highlights the role of mass media as a force for persuasion and as an institution that can address coordination problems among citizens going beyond information alone. Some evidence from developing countries indicates that mass media plays a significant role in shifting social norms, particularly those related to the role of women. La Ferrara, Chong, and Duryea (2012) show that access to the TV Globo network in Brazil, which carried soap operas with independent female characters with few, or even no, children, reduced fertility in the population. Viewing the soap operas had an effect equal to 1.6 years of additional education. In India, access to similar soap operas carried on cable television reduced fertility and son preference and increased women’s autonomy (Jensen and Oster 2009). The World Development Report 2015: Mind, Society, and Behavior (World Bank 2015) reviews the literature on how programs on mass media that are both entertaining and educational—infotainment—can be designed to shift social and gender norms.

This finding suggests that the role of infotainment might extend to influencing political beliefs and strengthening political behavioral norms—what policies to demand, what issues to consider when evaluating leaders, and whether to become a contender for leadership. However, there is relatively little evidence available on this role for transparency. Problems of political beliefs are likely to be harder to address with transparency than cases of information asymmetries that might be solved through the provision of new information. The role of persuasion through different means of communication—including through credible leaders who emerge from processes of political engagement—is likely to be key.
The research reviewed in this chapter suggests that citizens even in the poorest countries are ready to use transparency to hold leaders accountable. Transparency’s impact in one area—on voting behavior—is significant across all regions and in a variety of institutional contexts. Whether this responsiveness of voting behavior to transparency will bring about sustained changes in the institutions of governance in poor countries, where these institutions are weak to begin with, is more of an open question. Evidence from the historical experience of rich and middle-income countries shows that transparency works hand-in-hand with political engagement to gradually build better institutions to serve the goals of economic development.

Conditions in several countries that are home to the vast majority of the poor resemble the conditions described in historical accounts of institutional transition. However, there are several risks to worry about, such as perverse responses of leaders to obfuscate information and repress attempts to hold them accountable. The next and final chapter draws lessons for various policy actors for ways in which to manage the risks and channel these forces toward the goals of sustained and equitable economic development. Policy actors can harness transparency to nourish the growing forces of political engagement and thereby complement other capacity-building efforts to establish effective public sector institutions. Research on the attributes of transparency that work to bring about positive change suggests a comparative advantage of external actors—the technical capacity for generating new data and credible information through politically independent expert analysis.

Notes

1. Another possible reason behind the different results in Chong et al. (2015) in Mexico and the results from Brazil and Puerto Rico may be the different institutional context in Mexico wherein individual mayors are not allowed to stand for reelection. Political parties field a new candidate after a mayor completes a term. However, the similarity of other results from Mexico (Larreguy, Marshall, and Snyder 2015) to the evidence from other countries casts doubt on the role of differences in formal electoral rules as explaining the different results in Chong et al. (2015).

2. Banerjee et al.’s (2015) study of the impact of transparency on the governance of a subsidized rice program in Indonesia (discussed in more detail later in this chapter) is one of the few pieces of evidence on how information can trigger political engagement (in the form of public protests) between elections.
3. As documented by Olken (2007), for example.
4. A replication analysis and critique by Anderson (2013) of the original results reported in Malesky, Schuler, and Tran (2012) has been helpful. We thank James Anderson for providing valuable feedback on this.
5. The results of including newspaper circulation are presented in table 5 of the working paper version. The robustness of alternate measures of social capital, which equate it with political engagement, when newspaper circulation is included are discussed on page 15: http://didattica.unibocconi.it/mypage/upload/92884_20130406_031702_ACCOUNTABILITY_AEJ_FINAL_JULY2012.PDF.
6. Callen et al. (2014) find in Pakistan that doctors are present at 42 percent of clinics in political constituencies that are competitive, as opposed to only 13 percent of clinics in uncompetitive constituencies. Doctors who know their local parliamentarian personally are present at an average of 0.727 of three unannounced visits, while doctors without this connection are present at 1.309 of the three visits. About 40 percent of inspectors and health administrators report interference by politicians when they try to sanction doctors. Finally, the effect of a smartphone monitoring technology, which almost doubled inspection rates, is highly localized to competitive constituencies.
8. Separate case studies have shown that teachers in this state, Uttar Pradesh, are politically connected and a powerful force in mobilizing political support (Beteille 2009; Chhibber and Nooruddin 2004; Kingdon and Muzammil 2001). Beteille (2009) further finds that politically connected teachers are more likely to be absent.
9. The current report does not examine the role of transparency in addressing governance problems in private transactions in economic and financial markets.
10. Despite the highly celebrated initial success of the transparency effort in Uganda to improve the flow of funds to schools, subsequent reports by the Ministry of Finance, Planning, and Economic Development indicate that diversion of funds in education is a continuing problem. That is, the problem of leakage appears to be recurring or persistent, despite efforts toward greater budget transparency.
11. Ashraf, Bandiera, and Jack (2014) and Dal Bo, Finan, and Rossi (2013) provide reviews.
13. The few pieces of available evidence discussed in previous sections are from Campante, Durante, and Sobbrio (2013); Glaeser and Sunstein (2013); Gottlieb (2016); and Keefer and Khemani (2014b).

Bibliography


