Does transparency generate legitimacy?
An experimental study of procedure acceptance of open- and closed-door decision-making

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Abstract

Transparency has been a major trend in reforms of political institutions and public administrations in the last decades. This article analyses the main rationale for supplying transparency from the governing elites’ perspective, namely that it generates legitimacy among the constituents. Although working in a goldfish bowl entails costs for governments the prospect of increased support weighs heavily on the other side. But does transparency have the power to increase public legitimacy?

We make both a theoretical and an empirical contribution to this question. The theoretical contribution lies in identifying plausible causal mechanisms that may drive a positive – or a negative – link between transparency and legitimacy. We discuss three different theories of decision-making, from which such mechanisms may be derived. We find that the common notion of a fairly straightforward positive correlation between transparency and legitimacy is rather naïve. The effect is highly dependent on the context, which makes transparency reforms rather unpredictable phenomena.

Empirically, we study representative decision-making in a school context. We use vignette experiments to test the effect of transparency on legitimacy under different conditions. Our findings indicate that transparency can indeed increase the legitimacy of representative decision-making. People who are informed about decisions which affect their everyday lives are more willing to accept the process by which the decisions were taken if they are given insight into the reasoning behind the decisions. Interestingly, however, this insight need not be derived from “fishbowl transparency”, with full openness of the decision-making process. Decision-makers may significantly improve the legitimacy simply by motivating carefully afterwards the decisions taken behind closed doors (transparency in rationale). Only when transparency displays behaviour close to a deliberative democratic ideal (respectful and rational argumentation) will full openness of the process improve on closed-door decision-making with post-decision motivations.

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Introduction

Public administrations and political organisations world-wide have experienced a transparency rush in the last decades. Government documents are being released, votes are published and deliberations are being broadcasted on the internet. The idea that sunshine is the best disinfectant is widespread in academic discussions as well as in the economic and public realm, and transparency has become a notion of “quasi-religious significance” (Hood 2006, c.f. Etzioni 2010). Transparency is now a universally prescribed recipe for curing a wide range of problems of modern government, relating to inefficiency, corruption and bad performance (Roberts 2006, Fung, Graham and Weil 2007). The suggestion that open doors may be refreshing is not new (c.f. Bentham 1816[1999]), but the extent to which the idea is in fact being implemented across the democratised world is unprecedented.

Social science research has contributed to our understanding of the effects of the transparency boom in several ways. In international relations transparency has been acknowledged for its potential to contribute to regime effectiveness and to reduce the risks of conflicts and war (Choi & James 2006, Mitchell 1998, Schultz 1998, Fearon 1995). Economists have increasingly emphasized the crucial role played by information for avoiding market failures and for achieving efficient allocation of resources (Stiglitz 2000). Political philosophy has seen the revival of the theory of deliberative democracy, where publicity is a core concept and where openness of debate is considered to have a civilizing effect on political behavior (Elster 1998). Within public administration and comparative politics transparency is considered a shield against corruption and bad governance (Lindstedt & Naurin 2010, Brunetti & Weder 2003).

Research has also revealed that transparency have costs, however. Transparency may have adverse effects for the efficiency of decision-making processes and the quality of decisions. “Although it is certainly important that the public have access to relevant information about administration”, according to one observer, “working in a goldfish bowl can rarely be as efficient as working in private” (Peters 1995, p. 297). Transparency may raise conformist pressures (Elster 1998, Naurin 2007, Prat 2005, Stasavage 2004, 2007), strengthen the incentives for public posturing and ‘plebiscitary rhetoric’ (Chambers 2004, Vermeule 2009), reduce incentives to work hard to prove one’s worth (Holmström 1999), and increase the risk for negotiation breakdown (Groseclose and McCarty 2001). One puzzling aspect of the race
towards transparency is why politicians and bureaucrats choose to release information about their actions. Transparency reduces their information advantage and room for manoeuvre. Why would they want to work in a goldfish bowl? The reason probably has less to do with political and administrative elites seeking to create the right incentives for themselves. Rather, the rationale behind implementing transparency reforms, from the governments’ perspective, lies in the perceived effect of transparency on those who will hold them to account. There is a widespread perception that openness increases the perceived legitimacy of the decision-making (Worthy 2010).

For example, in the early 1990s the European Union allegedly experienced a legitimacy crisis, with declining trust among the Europeans and subsequent difficulties with getting agreed upon treaties ratified in the member states. As a response “transparency” entered the EU vocabulary. Several reforms were implemented during the years that followed, aimed at providing more information about how EU laws were made, including publishing the votes of the Council of Ministers, providing more access to documents and broadcasting meetings of ministers. Similarly, the “Sunlight before signing” promise that Barak Obama gave during his presidential campaign was interpreted as an attempt to increase public trust after the Bush administration (Coglianese 2009).

But how realistic is this assumption? Can transparency generate legitimacy for decision-making institutions? On this point, research is much less developed, both theoretically and empirically. So far, research on the effects of transparency has focused mainly on those actors and activities that have been the objects of transparency – the decisions, decision-makers and decision-making processes at the elite level. How transparency affects those who are supposed to be watching is a different question, which has received surprisingly little attention both theoretically and empirically. One of the main driving forces behind the transparency rush – the presumed link between transparency and legitimacy – is in fact based mainly on intuition.

In this article we analyse the relationship between transparency and legitimacy. We make both a theoretical and an empirical contribution. The theoretical contribution lies in identifying causal mechanisms that may connect transparency and legitimacy, both positively and negatively. We discuss three theories of decision-making, from which such mechanisms may be derived. We find that the common notion of a fairly straightforward positive correlation
between transparency and legitimacy is rather naïve. The effect is highly dependent on the context and may indeed be negative as well as positive.

To capture some of the contextual complexity, the article presents an empirical test of the effect of transparency on legitimacy, under different conditions. For this purpose we use an experimental design, applied in a context that resembles political decision-making. A total of 400 upper secondary students (age 16-19) schools were recruited to the experiment. They were presented with different vignette scenarios concerning decision-making by students’ and teachers’ representatives on the rules of behaviour at the school. The experimental design makes it possible to achieve a high degree of internal validity, which previous studies of transparency often lack.

Our empirical findings indicate that transparency can indeed increase the legitimacy of representative decision-making. People who are informed about decisions which affect their everyday life are more willing to accept the process if they are given insight into the reasoning behind the decision. Interestingly, however, this insight need not be derived from “fishbowl transparency”, with full openness of the decision-making process. Decision-makers may improve the legitimacy by simply motivating carefully afterwards the decisions taken behind closed doors. Only when transparency displays behaviour close to a deliberative democratic ideal (respectful and rational argumentation) will full openness of the process improve on closed-door decision-making with post-decision motivations.

**Transparency and legitimacy, some conceptual notes**

Transparency refers to a continuous rather than a binary variable, which indicates the degree to which information is made available about how and why decisions are produced within a certain institution. We use the distinction between transparency in process and transparency in rationale to define two main forms of transparency (C.f. Mansbridge 2009).

Transparency in rationale refers to information on the substance of the decision, and of the facts and reasons on which it was based. Such information is normally directed towards an outside audience, which may be affected by the decision but is not involved in the decision-making. One example is the monthly press conferences of the European Central Bank (ECB), where the President of the ECB announces and motivates the decision on in-
terest rates taken by the Governing Council. The information released by the ECB does not concern the positions and arguments taken by different members of the Governing Council during the discussions, but rather includes a coherent motivation on behalf of the ECB as a collective.

Transparency in process, on the other hand, refers to information on actions such as deliberations, negotiations and votes that took place among and between the decision-makers during the decision-making process, and thus directly fed into the decision. Such information may be made available in real time (fishbowl transparency) or in retrospect after the decision has been taken. The latter case is applied by some central banks, such as the American Federal Reserve and the Bank of England, which release minutes of meetings and votes at some delay after the decision. An example of fishbowl transparency is the broadcasting of the meetings of the Council of the EU.

The distinction is important because transparency in process and transparency in rationale are likely to have different effects on the decision-making process and potentially on the outcome. Transparency in process will be more vulnerable to the efficiency costs discussed in the literature (conformist pressures, public posturing, plebicitory rhetoric etc). Transparency in rationale, on the other hand, gives the decision-makers more room for manoeuvre until the decision is taken, as well as an opportunity to window dress in retrospect what was actually going on during the process. Still, having a giving-reason requirement post-decision may push the decision-makers towards making decisions that can be publicly defended in a credible way (Cf. Shapiro 1992). Thus, as Mansbridge has argued, from a normative view on representation transparency in rationale may bring some of the positive effects of transparency, while avoiding some of the costs that come with transparency in process (Mansbridge 2009:386). We will analyse how transparency in rationale compares with transparency in process when it comes to generating legitimacy of the process.

Throughout the article we refer to legitimacy as a belief among the public that the appointed decision-makers have the right to make the decisions, and that these decisions should be accepted (Cf. Tyler 2006). In our use, legitimacy is a matter of perceptions and not a matter of what is legitimate in a normative sense. Legitimacy is highly valuable from a government’s point of view as it will increase the chances that its decisions will be followed voluntarily (Levi, Sachs and Tyler 2009, Rothstein 2005). In our empirical study legitimacy will be operationalised as procedure acceptance.
Why would transparency generate legitimacy?

We have already noted that the claim that transparency in political institutions increases legitimacy is usually based on intuition rather than systematic theorising. Nevertheless, there is fairly strong theoretical backing for this proposition. In this section we discuss three theories of decision-making - agency theory, deliberative democracy theory and procedural fairness theory - from which different types of mechanisms that may drive a positive link can be derived.

**Agency theory: Increasing control**

Within a rational choice framework, agency theory suggests that transparency may reduce uncertainty about the agent’s (e.g. the decision-makers in a representative democracy) behaviour in situations characterised by moral hazard, thereby making the principal (e.g. the public in a representative democracy) more confident in delegating powers to the agent (Holmström 1979). A principal-agent relationship contains information asymmetry to the agent’s advantage, both about the state of the world and the agent’s preferences, competences and actions. Letting the principal ‘see for itself’ how well the agent completes its tasks may reduce suspicion and therefore increase the legitimacy of the agent, according to this perspective. Ferejohn has argued that agents who are taking this effect into account are likely to offer a higher degree of openness of its actions to its principal in exchange for further investments in power (Ferejohn 1999). The transparency reforms in the European Union implemented as a response to the legitimacy crisis of the early 1990s can be interpreted as a hope on behalf of the EU institutions that this mechanism would work ex post.

This rational choice mechanism applies primarily to transparency in process, and less to transparency in rationale. The latter, which refers to the agent’s efforts to motivate its decisions to the principal in retrospect by means of giving persuasive reasons, may always be dismissed as cheap talk by rational actors.

**Deliberative democratic theory: Force of the better argument and increased respect for out-group**

According to deliberative democratic theory transparency may contribute to a better understanding of the reasons behind a decision, and therefore to higher levels of legitimacy for
both decisions and decision-makers (see, for example, Gutmann and Thompson 1996, Bohman and Rehg 1997, Elster 1998). Being convinced of the merits of the decision through the force of the better argument, on the one hand, and gaining increased respect for alternative views, on the other hand, are two different deliberative mechanisms with the potential of driving a positive effect on legitimacy. Public deliberation on behalf of the decision-makers may both inform the citizens of the facts in the case and clarify – and possibly increase the tolerance for – different normative values and worldviews defended by representatives of different groups and perspectives that feed into the decision. According to deliberative democratic theory such increased understanding will raise peoples’ willingness to accept decisions in the face of any remaining disagreements after the deliberations.

The deliberative mechanisms may be triggered both by transparency in process and by transparency in rationale, as long as reasons and reason-givers are made public. Actors in a deliberative mode treat given reasons as sincere, and therefore evaluate the quality rather than the credibility of the information.

*Procedural fairness theory:* Clarifying just procedures and making procedures more just

According to procedural fairness theory, the procedure by which a decision comes about may contribute to legitimacy. The procedure is assigned a value in itself, which spills over to the evaluation of the decision, the decision-makers and the decision-making institutions. Social psychology research has indicated that people are more likely to accept decisions which are arrived at by a procedure that is considered to be fair, and are more satisfied with authorities and institutions using procedures that are considered to be fair, also when controlling for the preferred outcome (Thibaut and Walker 1975, Tyler et. al. 1997, Napier and Tyler 2008, Tyler 2000, 2006, Ambrose 2002). Aspects of the procedure that have been found relevant in the literature include opportunity for voice, impartiality and respectful treatment.

Transparency of the procedure is a prerequisite for the procedural fairness effect. Only if people are aware of the procedure can they judge its fairness. Clarifying the procedures by increasing transparency may therefore contribute to legitimacy, under the condition that the procedures illuminated will be considered as fair. However, transparency is also commonly considered a procedural value in itself (Birkenshaw 2006), and therefore a transparent procedure might be considered as more fair simply because intuition says that political institu-
tions should be open and transparent rather than closed and secretive. Transparency may thus increase legitimacy in two ways, according to a procedural fairness perspective; by clarifying (already) fair procedures, and by making the procedures more fair.

The clarification part of the procedural fairness effect relates to how decisions are taken, and therefore primarily concerns transparency in process. The making-procedures-more-fair mechanism, however, also applies to transparency in rationale. Motivating carefully the decisions ex post may create a sense among the public of being treated with respect, which in turn may increase the sympathy for the decision-makers and the acceptance of the decision.

**Why transparency might to the contrary decrease legitimacy**

Assuming that most information published about its actions is likely to be controlled by the decision-makers, and given the possibility of window-dressing, there should be little room for negative effects of transparent procedures on legitimacy. It seems from the perspective of governments that transparency is a fairly cheap way to buy legitimacy, without much risk for a backlash. However, in this section we discuss three general categories of mechanisms that may to the contrary cause openness to decrease the level of legitimacy: Anticipation of bad decisions, frustration caused by powerlessness and disappointment with the decision-makers or the state of the world.

*Agency theory: Anticipating distorted decision-making*

Returning to agency theory, the principal may anticipate negative effects on the agent’s behaviour as a result of transparency, and therefore become more sceptical towards its decisions. As already mentioned, even though openness is usually considered a positive feature of decision-making, several reasons for why transparency may also have adverse effects on the efficiency of decision-making processes and the quality of decisions have been suggested. To the extent that a rational principal anticipates such detrimental effects (such as posturing, conformism and fixed positions) open procedures are likely to weaken its support for the decision-making.

Stasavage has developed a theory in which the public suspects that their representatives’ desires to please them interfere with their judgement with respect to the decisions they take.
According to the theory when representatives make decisions in public they face incentives to use their actions as a signal of loyalty to their constituents, potentially ignoring private information about the true desirability of different policies. Stasavage assumes that the public is aware of the charade and therefore does not take publicly stated positions and arguments seriously, “because it knows that representatives are not conditioning their actions on their private information about which policy is optimal” (Stasavage 2007, p. 61). The result is that openness leads to citizens feeling less informed, as they cease to take cues from their representatives positions when they no longer believe that these reflect their true preferences. Stasavage does not explicitly connect his findings to the legitimacy of the decision-making institutions, but one of the implications of the theory is that public decision-making may lead to decreasing confidence in both the decisions and the decision-making institutions.

Again, as with Ferejohn’s agency model, which predicted a positive effect, the rationality assumed on the actors makes this mechanism apply less to transparency in rationale, as ex post motivations will be equated with cheap talk.

_Procedural fairness theory: Being reminded of lack of influence may provoke frustration_

Transparency that is not accompanied by credible mechanisms for accountability or for giving the decision-makers new mandates, may rather arouse frustration than increase the legitimacy of the decisions and the decision-makers. Reducing uncertainty about the decision-makers behaviour in a situation where the public does not have real possibilities to act on the information it receives will hardly encourage further trust and delegation of power. Knowing more about what one’s representatives do without being able to do anything about it – should one so wish – may instead lead to stronger feelings of powerlessness, compared to a situation of ignorance about how the decision-makers perform their tasks. Agency theory usually assumes that effective accountability mechanisms are in place – if the principal is unhappy with the agent’s performance it can impose sanctions or rewrite the contract – but in politics that is not always the case in practice. The ultimate accountability mechanism in representative democracies is elections. This is a crude instrument, however, and voters who observe their representatives’ actions, and want to have the possibility to hold them to account somehow, may find it too abstract and limited.

The procedural fairness research contains empirical findings that seem to support the idea of such a “frustration effect”. The general result in this literature, as noted before, is that
people who are given voice in relation to the decision (even if only ex post) are more inclined to accept the decision. However, the negative no-voice effect is even stronger if people are explicitly reminded that they have no voice (van den Bos 1999). Furthermore, there is also evidence from both experimental and survey research that “voice with little influence produces more negative reactions than no voice” (Ulbig 2008, p. 525. Cf. Cohen 1985). Transparency may produce a frustration effect if it reminds people that they could or should have more influence than what they actually have due to weak accountability mechanisms. This mechanism is likely to apply primarily to transparency in process, which allows people to observe what is going on without having the opportunity to interfere.

_Bismarck: Reduced ignorance may cause disappointment_

Otto van Bismarck famously reminds us of another plausible condition for a positive transparency effect, namely that the public likes - or at least does not dislike - what it gets to see: “Laws, like sausages, cease to inspire respect in proportion as we know how they are made.”

If the sausage is made of rat meat, publishing the recipe will hardly make it more tasteful. This seemingly obvious circumstance has been surprisingly neglected in the transparency rush.

There may be many sources of disappointment, of course, such as corruption, laziness and incompetence. Transparency in rationale gives the decision-makers the opportunity to polish the reasons made public, and to counter disappointment by engaging in different types of window-dressing. However, sometimes they may misunderstand the expectations of the audience, or are unable or unwilling to find a suitable window dress to conceal its back-stage behaviour. The public, on the other hand, may misinterpret the information released, or have unrealistic expectations about how political decision-making works, or about the state of the world. Furthermore, a free media taking advantage of transparency in process normally searches for and prefers to report on bad rather than good news. Information transmission and processing are complicated phenomena, and disappointment effects may arise both from transparency in rationale and transparency in process.

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1 Whether the quote is correctly attributed to the Iron Chancellor is another question. According to the Yale Book of Quotations the source of the statement is rather the lawyer-poet John Godfrey Saxe, 1869 (Shapiro, 2006).
Summary of plausible mechanisms and effects

The two previous sections have shown, on the one hand, that the intuitive idea that transparency generates legitimacy - which in turn is an important factor behind the global transparency rush - has strong theoretical backing. Several independent mechanisms derived from three well-known general theories of decision-making may help to drive a positive effect. There is good reason to believe that transparency can generate legitimacy. On the other hand, there is also good reason to believe that the opposite effect may occur. Plausible mechanisms that may contribute to a negative effect of transparency on legitimacy were also identified, some derived from the same general theories as the positive effects. Figure 1 summarizes the inventory of mechanisms and their likely effects.

Fig 1

The applicability and strength of these mechanisms – and subsequently the direction and strength of the transparency effect – will inevitably vary depending on the context: How concerned is the principal about the risk for moral hazard? To what extent are those who watch and listen prepared to consider the arguments of ‘the other side’? How just are the procedures clarified perceived to be? How strong are the accountability mechanisms? What expectations did the public have on the decision-makers and the state of the world in the specific case?

The conclusion must be that it is difficult to formulate hypotheses about the effect of transparency on legitimacy at a general level. The link is complex and highly context dependent. The widespread notion within the global race towards transparency of a straightforward positive effect is clearly immature. Transparency reforms are in fact rather unpredictable phenomena.

The empirical study presented in the next sections should be viewed in this light. It attempts to explore some of the complexities in terms of different conditions and different variations in and of transparency. Our study will be as context-bound as any other, and more empirical research will be needed to define the conditions for the effects found.
Testing the transparency effect

As, for example, Etzioni (2010, 394) notes, there are surprisingly few empirical studies of the effects of transparency, given the scholarly interest and the high expectations on transparency reforms. The context-bound nature of the transparency effect on legitimacy means that most empirical studies are difficult to generalise from, i.e. the external validity is low. But internal validity – correctly determining causality - is also difficult to achieve in studies of transparency and legitimacy, not least because of the problem of getting hold of comparable data from open and closed-door decision-making. Roberts has pointed out that trust in the political institutions has not increased in either Canada or the United States, despite the adoption of freedom of information laws (2006b, 119). But such conclusions are highly vulnerable to omitted variable bias, i.e. the (lack of) correlation may be spurious. Van der Cruysen and Eijffinger, on the other hand, studied the effect of perceived transparency of the European Central Bank (ECB) on trust in the ECB, and found a positive correlation in survey data from the Netherlands (Van der Cruysen and Eijffinger 2010). However, as the authors point out, the direction of the causality of such correlations is difficult to determine.

The strength of our research design, using an experimental method, is that it maximises the internal validity of the results. Any variation that we find with respect to the legitimacy of the decision-making process has been produced by the different conditions and types of transparency that we manipulate. Randomisation helps us control for omitted variable bias. The weakness of the experimental method lies in the external validity. As we have argued already, however, few studies of transparency and legitimacy will be able to generalise very far.

The decision-making situation that we set up in the experiment takes place in the context of upper secondary schools in a Western European country (age 16-19). The young age of the participants and the choice of one national context should be noted. However, developmental psychologists have demonstrated that high school students from different cultural contexts make sophisticated judgments about democratic government similar to adults and to each other (see Helwig et al. 2007 and the literature cited therein). Procedural fairness research agrees that perceptions about fair decision-making arrangements travel across national contexts (Cohn, White & Sanders 2000).
We believe that the mechanisms connecting transparency and legitimacy should be equally valid here as in other political contexts that involve representative decision-making. The decision-makers in the experiment are representatives of two different constituencies – students and teachers – who are set to make a collective decision on rules that bind both groups. A third party, the principal acts as a mediator in the negotiations. This decision-making procedure is called a ‘school conference’, and has been used in real world schools, and the situation described to the participants should therefore be sufficiently realistic.

*The experimental design*

The experimental sessions took place in classrooms. They were so called vignette experiments, meaning that no real school conference was staged. The participants got to read a piece of text and answer questions. All participants were presented with a scenario in which new rules of conduct for the school were to be decided. Among the rules that were on the table at the school conference two issues were highlighted in particular; the use of mobile phones in classrooms, and students’ possibilities to make formal complaints against their teachers. According to the scenario the new rules had already been discussed for a period of time at the school. On the issue of mobile phones, the vignette informed participants that some people advocated tougher rules (students should be forced to give away their phones during class, and those who continuously disturbed a lesson by making noise with their phone could be expelled), while others preferred softer rules (the phones should be soundless during lessons, and students who forgot to turn the sound function off should get a reprimand). Also on the issue of students’ possibilities to file complaints against their teachers, the participants were informed that there were diverging views at the school, as some thought that complaints should be encouraged and facilitated (a clear statement about the right to complain should be explicitly stated in the common rules of the school, and forms for complaints should be handed out at the beginning of each term) while others meant that a policy aiming at encouraging students to complain could be misused, and therefore should not be put in place. The vignette explained that the final decisions were going to be made by means of a school conference, constituted by elected representatives from the students and the teaching staff, and chaired by the principal of the school.

All participants took part of this introduction. Thereafter, the experimental manipulations were introduced. The participants were given randomly distributed vignettes including
different versions of the decision-making process. Three of the manipulations included different variants of transparency in process, one included only transparency in rationale and one had no transparency at all.

In the non-transparent condition the participants were simply informed about the decision taken at the school conference. On the issue of mobile phones the school conference had decided that these should be turned off or put into a soundless mode during lessons. Phones with the sound function on would only be allowed if someone was expecting an important call, and had informed the teacher so at the beginning of the lesson. A student who forgot to turn the sound off once would get a reprimand, and if it happened repeatedly, it would be reported to the principal and the parents. With respect to the complaints forms the participants were informed that it had been decided that forms should be available in the reception, but that they were not going to be handed out to all students.

The transparent vignettes included the same information on the content of the decisions taken, but also some further information. For the transparency in rational condition the participants were informed that there was a meeting the day after the school conference where the representatives motivated and explained the reasons behind their decisions. These reasons, which referred to common interests and general values, such as proportionality and integrity, were also specified in the vignette.

Three different “Transparency in process”-conditions were operationalised by referring to a web camera being installed in the conference room, broadcasting in real time, and making it possible for each student to observe the discussion between the students’ and the teachers’ representatives. In the first transparency in process condition the participants simply got the information that the web camera was there, and that they therefore had the opportunity to observe the discussion should they want to. This condition relates to a concern in the research on freedom of information laws where some observers have been rather sceptical about the chances that publicly available information will actually reach the broader public, and hence affect legitimacy (Worthy 2010, Roberts 2007). On the other hand, there is also evidence that even though the large majority of the general public will most often not bother to inform themselves, they still want to have the opportunity to take part of the information should they so decide (Hibbing & Theiss-Morse 2002). We address this issue by comparing the effect of simply having the opportunity to transparency in process to situations where the information actually reaches the public.
In the other two scenarios representing transparency in process, thus, the participants got to view parts of the decision-making. They were presented with a written extract from the discussions at the school conference (see appendix for the extracts). Furthermore, we also wanted to explore the Bismarckian idea that the content of the sausage makes a difference. In order to do that we needed to decide what are the interesting variations in content in democratic politics. We hardly need to test whether revealing corruption or other forms of blatant misuse of power will increase legitimacy, it is clear that it will not. But what about different modes of (at least formally) legitimate democratic decision-making? To analyse the difference between ‘good’ and ‘bad’ content, therefore, we use the much discussed distinction between bargaining and deliberation developed in the theory of deliberative democracy.

One of the core assumptions of deliberative democratic theory is that people prefer and expect their representatives to deliberate rather than bargain over public policy (Gutmann & Thomson 1996, Elster 1998). Deliberation means trying to reach collective decisions by convincing each other of the right thing to do by means of rational arguments, while bargaining implies striking deals on the basis of fixed positions, using threats and promises. The dominant social norm in modern democracies, according to deliberative democratic theory, is that bargaining belongs to the market sphere of society, and not to the political sphere (or “the forum” in Elster’s words, Elster 1986). One effect of transparency, it is proposed in deliberative democratic theory, is that it has the power to “civilize” politics, as it forces representatives to shift from a bargaining mode to deliberation in order to comply with the norm.

If the civilizing effect of transparency works as deliberative democratic theory proposes, and the decision-making behaviour displayed therefore resembles deliberation rather than bargaining, transparency in process is likely to have a positive effect on legitimacy. If it does not work, on the other hand, and if bargaining is revealed, deliberative theory would predict a disappointment effect.

In one of the conditions representing transparency in process with actual access to information, therefore, the discussion that the participants got to see was carried out in a deliberative way, meaning that both students and teachers presented relevant arguments and were portrayed as taking each other’s arguments into account, and to be sincerely concerned with finding the best solution for everyone. In the end, in the deliberative scenario, they managed to reach consensus on both issues. In the other condition the discussion was carried out in a bargaining way. The actors were negotiating on the basis of self-interested pre-
ferences in a haggling manner, exchanging threats and promises rather than public-regarding arguments. Eventually, in the bargaining condition, the representatives agreed to horse-trade an agreement by exchanging concessions on the mobile phone issue for concessions on the complaint forms issue. The post-decision motivation was the same in the bargaining condition as in the other transparent scenarios.

In sum, there were five different experimental manipulations, with 80 participants in each condition:

- **No transparency**
  1. The final decision simply announced to the participants

- **Transparency in rationale**
  2. The final decision announced to the participants + a motivation on behalf of the representatives outlining the reasons behind the decision

- **Transparency in process**
  3. The final decision announced to the participants + a motivation on behalf of the representatives outlining the reasons behind the decision + participants informed that there was an opportunity to observe the discussion via a web camera.
  4. The final decision announced to the participants + a motivation on behalf of the representatives outlining the reasons behind the decision + participants informed that there was an opportunity to observe the discussion via a web camera + participants actually observing an extract from a negotiation conducted in a bargaining mode
  5. The final decision announced to the participants + a motivation on behalf of the representatives outlining the reasons behind the decision + participants informed that there was an opportunity to observe the discussion via a web camera + participants actually observing an extract from a negotiation conducted in a deliberative mode

It should be noted that the participants in the first two scenarios were not informed about the possibility of installing a web camera in the conference room. The denied possibility to transparency in process was therefore only implicit. As already mentioned, research in social psychology has shown that there is an important difference between situations in which per-
sons are explicitly denied the possibility to voice their opinion about a decision, and situations in which a person is not given any information on whether or not there was a choice of allowing opportunity to voice. Explicitly denying voice has stronger effects than implicit denying, probably because it makes the participants aware of the process and therefore primed to think about fairness of the procedure (van den Bos 1999). In that respect our test of the link between transparency and legitimacy is a tough one for the positive scenario. We would have expected stronger positive effects of transparency if secrecy was explicit.

After the introduction, before the manipulated scenarios were introduced, the participants were asked to answer some questions regarding their initial opinions about the decision. A large majority of the students (83 percent), unsurprisingly, preferred the softer regulations on the use of mobile phones, and a slight majority (52 percent) wanted complaints to be encouraged and facilitated. Issue salience was measured using a 7-point scale from 1 (the issue is not important at all) to 7 (the issue is very important). Mean values were 3.86 for regulations about mobile phones and 5.13 for the issue of making complaints about teachers, indicating that the issues were considered to be fairly important to the students.

After taking part of the scenarios, the participants filled in a questionnaire. Our dependent variable operationalising legitimacy is procedure acceptance, which refers to perceptions of the decision-making procedure. It was measured by an index consisting of two items: “How fair do you think it was, the way in which the decision was taken?”, and “How fair do you think you were treated when the decision was taken?” (Cronbach’s .867). The responses were given on seven-points scales running from 1 (unfair) to 7 (very fair).

We have checked the randomisation with respect to variables that might interfere with the transparency effect. Overall, the randomization process worked satisfactorily. ANOVA showed no significant differences between the groups with regard to initial opinion about the regulations, gender and political interest. However, political orientation, indicated on a left-right scale, was unequally distributed between some of the groups. To rule out any bias as a consequence political orientation is included as a technical control in the empirical analyses.

As a manipulation check, all participants indicated the extent to which they thought they had had the possibility to become informed about how the new rules had been decided. As expected, the participants rated their possibilities to become informed about the decision-
making significantly higher in the public decision-making procedures than in the secret ones, which indicates that the manipulations were perceived as intended.

**Results**

Table one shows a series of regression analyses with procedure acceptance as the dependent variable, and the different experimental conditions as independent variables (including political orientation as a control). The first model uses the non-transparent condition as the reference category. It shows that all the transparency scenarios positively and significantly add to the degree of procedure acceptance compared to the non-transparent scenario. The strongest positive effect comes from the transparency in process condition where the participants took part of a decision-making session close to the deliberative democratic ideal (1.10). The weakest positive effect, although still statistically significant compared to the non-transparent scenario, comes from transparency in rationale (0.47). Observing “bad” content in terms of bargaining behaviour also significantly increases procedure acceptance compared to the non-transparent condition (0.76), as does the mere opportunity to take part of the decision-making (0.59).

The results are summarized in figure 2, which shows the mean values on the procedure acceptance index for the five different conditions, calculated from model 1 in table one. The pattern is rather striking. The more open the decision-making process, and the more information the participants get concerning the reasoning behind the chosen policy, the higher the procedure acceptance. Those participants who witnessed the “civilized” deliberative session were most satisfied with the procedure. Not all the differences are statistically significant, however. Models 2 to 4 in table 1 show the uncertainty of the differences in means between the different transparency conditions. As demonstrated by the prefixes in figure 2, the differences between transparency in rationale and the two non-deliberative transparency in process conditions cannot be confirmed with conventional levels of certainty (prefix b). The same applies for the two transparency in process scenarios which included extracts from the discussions (prefix c).

Three observations follow from these findings. First, it is clear that transparency can have the positive effect on legitimacy that is the motive behind many political and adminis-
trative transparency reforms. Although again we want to emphasise the context-bound nature of these results, the pattern is clear and the effects are fairly strong, with an increase on the procedure acceptance index by more than 30 percent from no transparency to transparency in process with deliberation. In this context, at least, transparency works.

Second, and perhaps more unexpectedly, transparency in rationale competes well with transparency in process in raising the level of legitimacy. In fact, in our study, only if transparency reveals decision-making close to the deliberative democratic ideal will transparency in process improve on transparency in rationale, with reasonable certainty. Including the opportunity to watch, or actually watching a bargaining session, does not significantly improve on transparency in rational. Given the potential costs involved with “fishbowl transparency”, as described in the literature, transparency in rationale should in many circumstances be a fair price for achieving legitimacy.

A third observation is that bargaining is less appreciated by the participants in the experiment compared to deliberation (although the difference between these two fails conventional significance levels in model 4 (p=0.13)), but still clearly better than no transparency at all. Being exposed to our definition of bad – but still at least legally legitimate – behaviour was preferred to not having any information at all about the process. This finding speaks to the question of whether bad news in the media as a result of freedom of information acts will improve legitimacy (c.f. Worthy 2010). As long as the news presents actions on behalf of the decision-makers that do not involve outright corruption or other blatantly unacceptable behaviour, bad news may still be better than no news.

Apparently, the mechanisms suggested as drivers behind a negative effect (anticipation of sub-optimal decisions, frustration with no-voice, disappointment) have not been activated in any substantial way in this case. Precisely which mechanisms that contribute to the results is difficult to determine. Looking at the findings, however, agency theory’s proposed positive effect as a result of a reduced risk for moral hazard does not seem to fit very well. Transparency in rationale is not dismissed as cheap talk, and there is no significant extra legitimacy bonus compared to transparency in rationale from simply having the opportunity to watch the decision-making process, although this should generate an increased sense of control. The added positive effect of watching representatives behave in a deliberative mode, compared to simply having the opportunity to watch, is also difficult to understand from an agency perspective. It is most likely therefore that the legitimacy generated by increasing
transparency in the school conference comes from the procedural justice and/or deliberative
democratic theory mechanisms.

Conclusion

The idea that transparency generates legitimacy gives elites a rationale for endorsing, or at
least not blocking, the trend towards increased transparency in politics and public adminis-
tration. Although working in a goldfish bowl entails costs for governments the prospect of
increased support weighs heavily on the other side. We have shown that there is fairly strong
support for a positive link between transparency and legitimacy to be found in several gen-
eral theories of decision-making. However – depending on the context – there is also a risk
that mechanisms that drive a negative effect are activated. Transparency reforms are rather
unpredictable phenomena.

Our empirical study of representative decision-making in a school context gave sup-
port for the general idea that transparency can generate legitimacy. It also demonstrated,
however, that relatively modest transparency reforms – transparency in rationale - may con-
tribute to similar degrees of added legitimacy as more far-reaching transparency in process
measures. Decision-makers who are unable to live up to the deliberative democratic ideal
may significantly improve their legitimacy by simply motivating carefully afterwards the deci-
sions taken behind closed doors.
Figure 1. Summary of mechanisms and effects of transparency on legitimacy

<table>
<thead>
<tr>
<th>Positive effect on legitimacy</th>
<th>Transparency in rationale</th>
<th>Transparency in process</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Deliberative democracy theory:</td>
<td>Agency theory:</td>
</tr>
<tr>
<td></td>
<td>- increased understanding of and respect for a) substance of decision and b) the others</td>
<td>- reduce moral hazard through increased control</td>
</tr>
<tr>
<td></td>
<td>Procedural fairness theory:</td>
<td>Deliberative democracy theory:</td>
</tr>
<tr>
<td></td>
<td>- procedures made more fair</td>
<td>- increased understanding of and respect for a) content of decision and b) the others</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Procedural fairness theory:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- procedures made more fair</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- fair procedures clarified</td>
</tr>
<tr>
<td>Negative effect on legitimacy</td>
<td>Bismarck:</td>
<td>Agency theory:</td>
</tr>
<tr>
<td></td>
<td>- disappointment (of decision-makers or state of the world)</td>
<td>- anticipate sub-optimal decisions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Procedural fairness theory:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- frustration (caused by increased sense of powerlessness)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bismarck:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- disappointment (of decision-makers or state of the world)</td>
</tr>
</tbody>
</table>
Figure 2. Mean procedure acceptance for the different conditions

Note: Mean values of procedure acceptance (controlling for political orientation). Values with no subscript (a, b, c) in common differ significantly (p < .05).
Table 1: Effects of different transparency conditions on procedure acceptance

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transp. in process</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(deliberation)</td>
<td>1.10*** (.23)</td>
<td>.63*** (.23)</td>
<td>.52** (.23)</td>
<td>.35 (.23)</td>
</tr>
<tr>
<td>Transp. in process</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(bargaining)</td>
<td>.76*** (.23)</td>
<td>.28 (.23)</td>
<td>.17 (.23)</td>
<td></td>
</tr>
<tr>
<td>Transp. in process</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(opportunity)</td>
<td>.59** (.23)</td>
<td>.11 (.23)</td>
<td>-.17 (.23)</td>
<td></td>
</tr>
<tr>
<td>Transp. in rationale</td>
<td>.47** (.23)</td>
<td>-.11 (.23)</td>
<td>-.28 (.23)</td>
<td></td>
</tr>
<tr>
<td>No transparency</td>
<td>-.47** (.23)</td>
<td>-.59** (.23)</td>
<td>-.76*** (.23)</td>
<td></td>
</tr>
<tr>
<td>Political orientation</td>
<td>.15*** (.05)</td>
<td>.15*** (.05)</td>
<td>.15*** (.05)</td>
<td>.15*** (.05)</td>
</tr>
<tr>
<td>Constant</td>
<td>3.42*** (.23)</td>
<td>3.89*** (.23)</td>
<td>4.00*** (.25)</td>
<td>4.18*** (.25)</td>
</tr>
<tr>
<td>N</td>
<td>370</td>
<td>370</td>
<td>370</td>
<td>370</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>.07</td>
<td>.07</td>
<td>.07</td>
<td>.07</td>
</tr>
</tbody>
</table>

Note: OLS regressions. ***p<.01 ** p<.05 *p<.10 Standard errors in parentheses.
Appendix

Extracts from the discussion presented in the “Transparency in process”- condition:

Deliberation condition

The school conference is held on an afternoon in the school’s staffroom. Everyone at the school has the possibility to see and hear the discussions via a web-camera which has been installed for this purpose. Below is an extract from the discussion which concerns mobile phones and forms of complaint:

Principal: Ok, then we have the question concerning mobile phones during class.

Teacher-representative: Yes, for us teachers it’s incredibly annoying with these beeping texts (SMS) and students sitting and fiddling with their phones. I must say that I have a hard time understanding why it’s so important to bring your phone to school in the first place. When I went to school there where no phones, but it went fine anyway. And there are phones at the school office if you need to reach someone in an emergency.

Student-representative: But for a lot of young people the mobile phone is extremely important – you have your friends there and your music and other things. Besides, today almost everyone has a mobile phone and we can’t prohibit them, can we?

Teacher-representative: No, ok, but we must make sure that they don’t interrupt the classes. You students must also agree with this?

Student-representative: Well, sure. Let’s decide that the mobile phones must always be in silent mode in the classroom?

Teacher-representative: But there’s a risk that there will always be someone who will forget, consciously or not, to turn off their mobile phone if they have it with them. Instead, can’t we decide that the students hand in their mobile phones in a box by the door when they enter the classroom?

Student-representative: I don’t think that sounds like a good idea. I think a lot of students will find being forced to hand in their mobile phones as insulting their integrity. It’s also a risk that you confuse your mobile phone to be your own when it’s someone else’s if you have the same kind. And think about all the commotion when people are going to dig in that box on their way out- it will take half of the recess!

Teacher-representative: Ok, that might not have been a good idea. But if we should allow that the mobile phones can be taken into the classroom, there must be punishments towards them who don’t behave and keep the mobile phone silent. Or else, we will never solve the problem.

Student-representative: Of course you should get a reprimand if you disturb the class.

Teacher- representative: But a reprimand is not enough, is it? It must be something that repels. I think that if you forget to turn off your mobile phone, the teacher should be able to dismiss the student and report it to the principal and to the student’s home. If it occurs on several occasions, I actually think the student should be able to be suspended from school during a period of time.

Student- representative: Seriously, isn’t that an overreaction? What should we then use to punish students who do even worse things, like bullying and vandalism?
Teacher- representative: You’re right, the punishment must be appropriate in comparison to other misdemeanour. Should we say that the first time it occurs, you’ll get a reprimand, and the second time, you’ll be dismissed from class and it will be reported to the principal and to the student’s home?

Student- representative: Yes, that sounds like a good idea.

Principal: Ok, let’s continue with the question concerning forms of complaint. Consequently, it concerns the issue of whether we should include in the rules of conduct that the students have the right to complain, either if the teacher has arrived late for class, or if the student experiences that the teacher behaves insultingly towards a student in the class. This also concerns to what extent we should encourage the students to complain.

Student- representative: Yes, well we think that it’s extremely important that the rules of conduct don’t just mean that the students should behave, but the teachers too. We think that the forms should be distributed to all the students the first day of the term so that they definitely have it, and that the forms shall be available and that they can be submitted in a box outside the school cafeteria.

Teacher- representative: Of course the students should be able to make a complaint if a teacher makes a mistake, but in this matter, one should be careful. There is a risk that the system will be misused by students who are angry with their teacher for not giving them the grade they wanted. Teachers can be exposed to bullying and they can feel forced to give a higher grade to rowdy students in order to avoid getting notified all the time. We must make sure that the forms will not be misused.

Student- representative: There can be some reason in that, but students must also feel that they have the possibility to exercise their rights, aren’t they?

Teacher- representative: Of course, but you don’t have to encourage complaints in that manner. Can’t we decide that we keep the complaints outside the rules of conduct but make sure to inform that the forms of complaint are at the school office?

Student- representative: Ok, if something really serious happens you’ll easily be able to find the forms there.

Principal: Let’s decide that.

Bargaining condition

The school conference is held on an afternoon in the school’s staffroom. Everyone at the school has the possibility to see and hear the discussions via a web-camera which has been installed for this purpose. Below is an extract from the discussion, which concerns mobile phones and forms of complaints.

Principal: Ok, then we have the question concerning mobile phones during class.

Teacher-representative: Yes, for us teachers it’s incredibly annoying with these beeping texts (SMS) and students sitting and fiddling with their phones. I must say that I have a hard time understanding why it’s so important to bring your phone to school in the first place. When I went to school there where no phones, but it went fine anyway. And there are phones at the school office if you need to reach someone in an emergency.
Student-representative: But for a lot of young people the mobile phone is extremely important – you have your friends there and your music and other things. Besides, today almost everyone has a mobile phone and we can’t prohibit them, can we?

Teacher- representative: No, ok, but we must at least make sure that they don’t disturb the class, that’s an absolute demand from us teachers.

Student- representative: Ok, it’s in the students’ interest that it’s calm during class as well. Therefore, we suggest that the mobile phones always have to be in silent mode in the classroom.

Teacher- representative: But there is always a risk that someone forgets, consciously or not, to turn off their mobile phone if they have it with them. We, the teachers, would rather want the students to hand in their mobile phones in a box by the door before they enter the classroom.

Student- representative: We can’t accept that. A lot of students will find that insulting their integrity by forcing them to hand in their mobile phones. And think about all the commotion when people are going to dig in that box on their way out - it will take half of the recess!

Teacher- representative: If we shall go along with letting in mobile phones in the classroom there must be proper punishments for those who don’t switch off their phone. Or else, we’ll never agree.

Student- representative: We can accept that you’ll get a reprimand if you disturb the class.

Teacher- representative: A reprimand is completely inadequate. It must be something that repels. We demand that as a teacher you have the right to be able to dismiss the student from class and report it to the principal and to the student’s home if you forget the mobile phone on. If this occurs on numerous occasions, the student should be able to be suspended from school during a period of time.

Student- representative: That is totally unacceptable for us. Suspension from school is a completely too harsh punishment in this case. We won’t agree to any rules of conduct what so ever if you don’t take back that demand.

Principal: Ok, it seems like your opinions stand quite firm here. Should we move on to the question concerning the forms of complaint instead? Consequently, it concerns the issue of whether we shall include in the rules of conduct that the students have the right to complain, either if the teacher has arrived late for class, or if the student experiences that the teacher behaves insultingly towards a student in the class. This also concerns to what extent we shall encourage the students to complain.

Student- representative: Yes, well we think that it’s extremely important that the rules of conduct don’t just mean that the students should behave, but the teachers too. We think that the forms should be distributed to all the students the first day of the term so that they definitely have it, and that the forms shall be available and that they can be submitted in a box outside the school cafeteria.

Teacher- representative: We will never agree to that. There is a risk that the system will be misused by students who are angry with their teachers for not giving them the grades they wanted. Teachers can be exposed to bullying and they can feel forced to give higher grades to rowdy students to avoid getting notified all the time.

Student- representative: But students must also feel that they have the right to exercise their rights, shouldn’t they?
Teacher- representative: *It doesn’t mean that we should encourage making complaints in that manner.*

Student- representative: *Ok, what about making a compromise here. Let’s skip our demand concerning the distribution of forms of complaint and that the right to complain is included in the rules of conduct if you settle with giving a reprimand if someone forgets their mobile phone on? However, the students shall be informed that the forms of complaints are available at the school office.*

Teacher- representative: *Well, ok about the forms of complaint, and we can agree to give reprimands the first time someone forgets a mobile phone on, but there must be possibilities to be able to dismiss students from class as well as reporting to the principal and to the student’s home if it occurs on numerous occasions!*

Student- representative: *Ok, let’s decide that.*
References:


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