

control of their destiny, throw off their materialist delusions, and embrace the simple life. This is an ongoing tension in the book. Does one use the insights of behavioural economics to educate people to make better decisions, or to demand that government policy exploit our cognitive biases (in our own best interests, of course)? Gittins oscillates between these two poles, eventually coming down bang in the middle. But if he had a consistent and clear position throughout, there would be no need for a 'last word' to state the 50/50 conclusion.

The book is not spoiled by this. There is a wealth of information on recent trends in work, housing and demography, and some sensible recommendations for both public policy-makers and private individuals (unify public health spending in regional authorities, don't pay HECS up front, get a low interest credit card with no frills if you don't pay off your debt each month). Even the contradictions can be thought-provoking. In the end, though, I suspect that Gittins is preaching to the choir. Those who do not already share his beliefs are unlikely to be convinced by Gittinomics. They are probably working too much unpaid overtime to even read it.

DECLAN TROTT
Australian National University

Transparency: The Key to Better Governance?

by David Heald and Christopher Hood (Eds)
(Oxford University Press, Oxford, UK, 2006),
pp. xiii + 231.

It has become an article of faith among many interested in public policy and corporate governance that increased transparency with respect to both governments and corporations leads to improved outcomes for both citizens and shareholders. This is thought to be the case because increased transparency is assumed to decrease corruption and/or increase trust in these organisations.

It seems logical to expect this for the same reason that one would expect a closely watched child to behave better than one left to his or her own devices. If the child is seen to behave badly, it can be corrected and given time it will learn what constitutes good and bad behaviour. Although this analogy seems appropriate if rather simplified, the contributors to this volume make it clear that its use with reference to transparency and governance is rather limited. The subtitle of the book is in the

form of a question and by the end of the book, it becomes extremely clear that this is a question that is far from answered.

The book is a collection of 12 articles that aim to explore transparency from almost every angle. What constitutes transparency and out of what historical context does it derive? What are the varieties of transparency and what affects these varieties? Does transparency have intrinsic value or is it to be judged through its effects on more primitive values and goals? What is the relationship between transparency and freedom of information (FOI) laws and why might these laws not lead to increased trust in government or indeed more 'open' government? Does transparency in fact lead to an increase in efficiency, and if not, then under what conditions and for what reasons? How do recent advances in telecommunication technologies affect transparency and its definition? This volume asks and goes a long way towards answering these and other questions, although not always consistently. The editors wisely allow different viewpoints to be presented, leaving the readers to make up their own mind. It is not a book that is sustained by a central thesis; rather, it is an exploration of many aspects of a single notion through the lens of several different disciplines. Although this means that the book is extremely thorough in its coverage and is bound to be informative regardless of the reader's background, it also unfortunately means that it is unlikely that any one reader will be able to read every chapter without some difficulty. For example, Chapter 11 by Jean Camp details the differences between open and free code software, and their differing implications for transparency of government. The argument is relatively simple. As government processes become digitalised, the nature of the software used in these processes has an impact on their transparency. While this chapter is very informative, even for the computer science layman, it does become cumbersome at times for one without a prior knowledge of the required terminology.

Three out of 12 chapters deal with FOI laws, their affects and reasons for their perceived failure to bring about more 'open' government and more public trust in government. In Chapter 5, O'Neill contends that the dissemination of information does not equate with communication of information and as a result it is not surprising that surveys show that public trust in government has not increased due to the introduction of FOI laws. Although this may very well be the case, as Roberts points out in Chapter 7, it may also be the case

that the majority of information obtained through FOI requests details government failures or perceived injustices, while FOI requests not granted only serve to reinforce a perception of secretive government. Both these explanations have merit and it is surely the case that FOI laws are not sufficient for governments to seem (or in fact be) open. Roberts outlines numerous methods by which a bureaucracy intent on keeping information out of the public domain may do so. These range from changes in record-keeping practices to restructuring government services to not keeping records at all. It becomes clear that FOI laws do not equate with 'openness' even when 'openness' is the stated aim of such laws.

A more interesting question is whether this reluctance to give up secrecy, when no issue of national security is at stake, is in fact a harmful phenomenon or can it be justified as being in the public good? In Chapter 6, the possibility of welfare decreasing transparency is explored by Prat. Using the principal-agent framework (in particular, a career concerns model), Prat illustrates that it is in fact possible that we can have too much transparency in certain conditions. In a world of incomplete contracts with two types of agents, a low-ability agent has an incentive to signal that he is a high-ability agent to the principal rather than acting optimally if he knows his decisions will be revealed to the principal before any consequences are known. An example Prat provides is that of the low-ability politician who must respond to a sudden crisis. It would be expected that a high-ability politician would take immediate drastic action. Fearing that the electorate will discern he is a low-ability politician if he does not take drastic action, the low-ability politician takes drastic action but of the wrong type, worsening the crisis.

In addition, it may be optimal to limit transparency when there are multiple agents and multiple principals. Stasavage provides a detailed analysis of such a case in Chapter 10. He analyses the

European Council of Ministers and concludes that, indeed, it is deliberately secretive and, furthermore, it has been frank about the reason for this in court proceedings justifying its refusal to give documents to the *Guardian* newspaper. The reason it gave is exactly what we would expect if we had studied a model of multiple principles and multiple agents. To facilitate bargaining, the ministers (agents) must feel free of the scrutiny of domestic constituencies (principals) when taking necessary but unpopular positions during the bargaining process. It is thought that for the same reasons, the European Central Bank, World Bank and International Monetary Fund are seen as lacking in transparency in their decision-making processes.

The effects of the advent of the Internet on government transparency are analysed by Margetts in Chapter 12. One of the more engaging and interesting chapters, it nonetheless makes apparent that although the costs of transparency have been dramatically reduced, the tendency for governments to confuse and obfuscate has not dissipated. This can be readily verified by searching for visa information on the US government site relative to the same search on Google.

Transparency is no doubt an important and some would argue fundamental characteristic of good governance. This volume is a thorough exposition of transparency as an idea, an ideal and a policy. It shows that transparency has many forms, some good and some bad. Its effects are dependant on its type, circumstances and context. The book's multidisciplinary nature means it is not a book for those seeking to understand transparency from one point of view; rather, it is a book for those interested in governance wishing to understand what role transparency should and does play. Well written and insightful, it is a worthy read especially for a public policy audience.

TOM SKLADZIEN
Washington University in St Louis