

## **PRACTICE WHAT YOU PREACH**

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Good governance is one of the pillars and themes of ADB's long term strategic framework to foster development and reduce poverty in Asia-Pacific. In its Strategy 2020 document and elsewhere ADB has identified accountability, participation, predictability, transparency, gender equity, anti-corruption measures – all as crucial elements of economic growth, financial stability, effective governance and strengthening integrity of public institutions and private sector.

These are tall claims, more often repeated noises, made by public funded multilateral institutions like the ADB and the World Bank. Claims which their policies fail to deliver.

Take the ADB's Public Communication Policy (PCP). "The Policy provides a framework to enable ADB to communicate more effectively. It replaces two policies that were adopted in 1994: the Information Policy and Strategy and the Policy on Confidentiality and Disclosure of Information. It expands the scope and type of information ADB will make publicly available."

### **The Public in PCP**

PCP does not address the public directly; rather uses ADB's privileged shareholders and stakeholders to influence them. The external relations wing is geared mostly towards ADB's shareholder members who "need to be reassured that it is playing an effective role in development and that its role is recognized by academics, civil society, and media, all of which influence the broader public in their countries". In developing member countries like India and China, PCP is used to garner "support for policies and practices advocated by ADB" through target communication with the development specialists, media, and civil society.

Para 48 of the communication policy clearly states, "While it is important for ADB to reach the general public, this strategy does not directly target the public in donor countries or in developing member countries, or the private sector. ADB's engagement with the general public will remain indirect." (emphasis mine)

### **ADB dumps the affected people**

While the affected people bear the brunt of impacts of ADB supported projects, the ADB's communication policy is not clear at all in terms of its commitments towards the project affected people. Para 47 of the PCP states, "Strengthening relationships with audiences in developing member countries will remain the responsibility of ADB's operations departments, which will be its contact points for affected people and will be responsible for building partnerships with civil society organizations directly involved in and concerned with specific operations."

Neither the public nor the affected people are, therefore, target audiences for ADB. ADB's communication strategy emphasizes reaching out to new audiences, primarily in donor countries. This strategy prioritises its target audience 'on the basis of their influence on the thinking of the decision makers, primarily ministers, parliamentarians and national executives. Thus, debunking its own strategy of participatory development, ADB will build relationships with this section of target audience to reach the affected people and the general public not directly targeted by the PCP.

### **No voluntary disclosure**

The Communication Policy establishes the disclosure requirements for documents ADB produces or requires to be produced. But "it does not set forth the requirements for producing such

'Disclosure of information will aim to strengthen partnerships, particularly with people and organizations with direct operational and business links to ADB'.

### **Voluntary non-disclosure**

ADB argues that full disclosure is not always possible for legal and practical reasons. It goes further on to cite examples where ADB needs to explore ideas, share information, hold frank discussions internally and with its members, and consider the special requirements of its private sector operations. Therefore, it vows to safeguard the privacy of its staff and protect nonpublic business information of itself, private sector sponsors, and clients. However, it sets forth in its communication policy that exceptions are limited, and ADB shall disclose all information it produces unless such information falls within the exceptions set out in paragraphs 126, 127, and 130 of the Policy.

ADB has voluntarily abdicated its obligation to disclose information in many vital areas citing various limitations:

- Should ADB terminate its involvement in a private sector project, the corresponding PID shall include only a statement that ADB's involvement was terminated. No reason for termination will be given.
- ADB shall only ensure that the borrower or project sponsor will provide information and feedback on the proposed project design is sought, and that a focal point is designated for regular contact with affected people. The onus, therefore, remains with the borrower and the project sponsor.
- Developing member country governments and ADB may jointly develop communication plans for certain projects and programs, particularly those likely to generate a high level of public interest.
- ADB requires private sector sponsors to assess, manage, monitor, and disclose the social and environmental impacts of their projects, including requirements for early engagement by the private sector sponsor with affected people, and the timely dissemination of relevant project information to such communities in an understandable and accessible form.
- The borrower or private sector sponsor shall make relevant information on the project's environmental issues available to affected people before or during the consultations with project-affected groups and local NGOs. ADB has already washed their hands off from such important engagements.
- Similarly, onus lies with the borrower or the private sector sponsor to disclose information and documents pertaining to involuntary resettlement and indigenous peoples development plan.
- ADB shall make final reports generated from technical assistance publicly available upon only if the concerned country government does not object to disclosure of such reports.
- ADB shall make an abbreviated version of private sector RRP publicly available no later than upon Board approval; this version will exclude confidential information and ADB's assessment of project or transaction risk.
- ADB shall make the legal and financial agreements for official cofinancing available on request, unless the cofinancier objects.
- ADB shall make channel financing agreements between ADB and any bilateral or multilateral cofinancier publicly available after their signing, unless such cofinancier objects.
- ADB may share the results of investigations in to fraud and corruption, including identities of the subjects of investigations and names of parties debarred, with governments of ADB member

But, this is not the end. That ADB merely gives lip service to good governance, transparency, accountability, anti-corruption and participation is further bolstered by the paragraphs 126 to 130 of the PCP – a further long list of exceptions.

### **PCP is discriminatory and perpetuates inequity**

To ensure development effectiveness, ADB feels that it “must expand opportunities for people affected by ADB-assisted operations to be informed about, and influence, the decisions that affect their lives. To facilitate greater community-level participation in decision making, ADB, member country governments, and private sector project sponsors need to adopt processes to inform stakeholders and allow them to provide feedback.”

ADB's Public Communication Policy also states that, “the success of projects often depends upon building trust with people, communities and organizations; explaining project aims; receiving local inputs; and securing the commitment of people living in the project areas. If it is to strengthen its links with project beneficiaries and other affected people, ADB must upgrade its communications policies, practices, and capacities.

In practice, ADB's communication policy targets its donor governments first, then the member governments and the private sector. The policy itself is discriminatory towards the ‘public at large’, especially the project/programme affected. Because the target audience determines the medium of communication and dissemination of information, ADB's entire communication mechanism depends heavily upon web and internet. The PCP defines the phrase ‘publicly available’ as information available in their website! Any disclosure of information by ADB on request is also processed through internet.

Which obviously indicates that a large section of public, which ADB frequently refers to, in the Asia-Pacific and the affected people and communities, are deliberately kept outside the ambit of ADB's supposedly free flow of information. In this case the communication policy is not only discriminatory but rather than bridging the communication gap with the public and the affected people perpetuates inequity between sections of the ADB's stakeholder.

It is no longer a joke therefore to note that the volume of web and internet traffic that keeps ADB's information and disclosure unit busy, is largely dominated by the private sector players and the donor member governments.

### **Country information laws fare better than that of the ADB's**

While justifying the rationale behind the new PCP, ADB admitted that “there is a moral argument for the disclosure of information by public institutions. Many ADB members now consider government-held information to be public, either through right-to-information laws or through constitutional provisions. As a public institution, ADB should be publicly accountable. Accountability cannot be achieved without availability of information.” However, compared to the right to information legislations in countries like India, ADB's PCP seems to have compromised highly in favour of the private sector and the interests of the donor member countries. The policy has also failed to recognize the various rights perspectives and current discourses related to public communication and information.

India's Right to Information Act, 2005 defines “information” as “any material in any form, including records, documents, memos, e-mails, opinions, advices, press releases, circulars, orders, logbooks, contracts, reports, papers, samples, models, data material held in any electronic form and

The wide differences that exist on how ADB perceives public communication and information with that of the right to information legislations, perhaps, originate from a basic premise where it supports the right of people to seek, receive, and impart information and ideas about ADB-assisted activities only to facilitate a public communication policy that provides a framework to enable ADB to communicate more effectively thus limiting its context and ambit in actuality. ADB does not want to practice what it preaches publicly.

### **Some pointers to ADB in conclusion**

Unhindered access to information, apart from being regarded as an essential ingredient in democratic governance, is also regarded as a fundamental right.

- The social need to inform and to be informed is one of the fundamental human rights, since it is an essential component in the improvement of mankind and in a society's capacity for development. This necessarily leads to a thorough questioning of the profit-oriented model of transnational communications, in which information is treated not as a social good, but rather as merchandise which is bought and sold according to the 'logic' of the dominant market. In this context, the audiences are treated as a market to whom messages are 'sold' and not as people who are exercising their right to information
- Communication structures are set up to implement individual and collective rights of peoples and societies: the right to communicate. As with democracy, the 'social' aspects of communications have become increasingly recognized as a fundamental dimension of their contemporary functions
- The modeling of communication structures can no longer be left exclusively in the hands of private or public bureaucrats. Instruments and institutions based on widespread social participation are being recognized as necessary in order to evaluate, assess and supervise the manner in which communication structures are established and perform their social functions. This has led to the idea that communications should be seen as a public service, whether in private or in public hands, and should be organized accordingly.
- The historical itinerary of democracy and communications naturally leads to the issues involved in the democratization of communications. Both have their origin in a liberal affirmation of the individual; both have evolved in different cycles towards a recognition of their social dimensions; and today both are objects of concern from the perspective of the accountability of power. In a wide framework, these tendencies point to the fact that democratic communications are a part of a democratic society, but also that communications are a means for the democratization of society. Communications, being a part of democracy, are also an instrument of its achievement.
- In an overall sense, communication structures are legitimate if they reflect a democratically accepted social system in a country. The social consensus with respect to the role and functions of communication must result from an open debate in the context of a participatory process.
- Communication structures need to be socially representative of the major forces, classes and social movements which constitute the reality of a given society. This is because of the nature of the information product. Adequate representation is not necessary to produce shoes or aeroplanes, but it is necessary to produce information. Information has to do with values, perceptions, visions, understandings. From news dispatches to computer programming, subjective elements intervene. Representative social groups and organizations must be adequately present with their own perspectives, ideas and values.

- Imperfect, incomplete and asymmetric information are key sources of market failure, hence inefficiency. A growing body of research addresses the ways in which individual rights to information (e.g. in the form of Freedom of Information Acts) can help to increase efficiency by increasing the availability and quality of available information. Stiglitz (1999) sets out a theoretical framework for analysing the ways in which the absence of freedom of information can result in inefficient resource allocation and economic inefficiency. He highlights the adverse economic effects of the failure to respect the right to freedom of information, suggesting that less access to information often results in capture by special interests and in corruption by government officials, with strongly adverse consequences for investment and economic growth. Market imperfections give rise to agency problems (e.g. disparities in the actions of managers and interests and shareholders).
- In the private sector, informational asymmetries can create barriers to the entry of outside managers to takeovers, increasing managerial rents at the expense of shareholders, with the lack of information for outsiders increasing the costs of transition and making it more expensive to change management teams. Similarly, in the public sector, informational asymmetries can place elected officials at an advantage over their competitors. Stiglitz concludes that lack of freedom of information benefits incumbents over rivals, resulting in distortions in private and public decision-making. Strengthening rights to information can reduce the magnitude and consequences of these agency problems, with greater access to information and resulting in better, more efficient, resource allocation.
- The possible 'efficiency effects' of rights discussed above include not only the ways in which rights recognitions can result in improved access to information, but also the ways in which rights recognitions can promote efficient resource allocation by strengthening accountability and ensuring that appropriate 'democratic control mechanisms' are in place. It is relevant, then, that Stiglitz (2002) links the advantages of increased information to extensions of accountability and transparency in both the corporate and public sectors. He emphasises the participatory processes as a 'public good' – with an active civil society functioning as a check on abuses of power and influence and a source countervailing power.