

3. Transparency and Trust.

Mastering a crisis deliberatively

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In this section I will analyse the relationship between governmental transparency and public trust. In doing so, I want to figure out under which circumstances transparency can lead to an increased trust in government. Answering these questions will be of utmost importance for the way we organise politics as a society. Do we want a clear distinction between governors and governed? Or do we rather wish a conception of politics in which every citizen can participate? Whether we decide for the first or the second of these options will in turn also determine our expectations with regard to transparency. Transparency is not a monolithic concept and it occurs in many different forms (cf. Heald, 2006). In this paper I will attempt to develop an understanding of transparency which is embedded in the framework of deliberative democracy (Held, 2006; Warren, 1999). This means that transparency cannot stop with the retrospective provision of governmental information.

Indeed, policy-makers seem to have acknowledged the potential of expanded transparency. In an attempt to comply with the demands for increased transparency, governments have launched freedom of information legislations (Birkinshaw, 2006; Relly & Sabharwal, 2009). In 2005, the German government, too, has set up such a law. According to this act “[everyone] is entitled to official information from the authorities of the Federal Government” (Freedom of Information Act, 2005, art.1). However, the exceptions from this general rule included in the law prevent that the citizen enjoys transparency which enables him to better monitor governmental working. These exceptions comprise for instance drafts and working papers of governmental institutions. Jeannine Relly and Meghna Sabharwal conclude that freedom of information laws do not suffice to improve the public’s perception of transparency (Relly & Sabharwal, 2009). Further, this implies that the notion of transparency implicit in such pieces of legislation (i.e. retrospective delivery of information) does not encourage citizens to trust their government.

Some scholars push this assertion even a step further. They are sceptical about the transparency’s ability to establish citizen trust. An especially harsh point of criticism is articulated by Onora O’Neill (2002). In her account the expansion of transparency will only lead to an overload of information. This overload makes it impossible for the citizens to monitor the government any better. Thus they have no incentive to place more trust in the government than before.

Yet even in the face of such kind of criticism I want to defend the case for transparency. I will do so through a case study of the German management of the financial crisis in particular, the Financial Market Stability Act of 18 October 2008. In crisis situations more trust in the government is required. “In times of crisis which have broad public or citizen implications, all eyes turn to government” (Drennan & McConnell, 2007, p.25).¹ If governmental actors master the crisis effectively then they have the chance to encourage public trust. Transparency might help in convincing citizens that appropriate countermeasures are taken. People can always trace back why a certain decision has been made. With that said the question occurs why politicians do not employ the same strategies during the ordinary policy-making process.

I will focus on the role of the parliamentary representative. Arguably the MP is the most immediate link between the citizens and their rulers (Schwennike, 2011). If citizen-state dialogue is in place at the moment, it is in the form of the open office hour in the electoral district. I have conducted two interviews with MPs who were representatives in 2008. In selecting my interview partners I paid attention to the fact that either ruling as well as opposition parties are represented. Furthermore, my respondents represent both, major and minor parties.

Questions I asked during the interviews were subdivided into three major topics. The first topic concerned the open office hours in general. Who is attending these sessions? What issues are being dealt with? The second bloc of questions approached the issue of trust in politics. The last part was about the concrete case of the financial crisis management of the German government.

The paper starts with the subject of transparency in crisis situations. This will be done first in a more general matter by a literature review on this subject. Afterwards, a contextualisation of the financial crisis in Germany will be conducted. This contextualisation deals first with the state of trust in Germany before it deals with the financial crisis itself.

1 How important government's performance during crisis is shown by the former German foreign minister, Joschka Fischer, who points out that the efficient crisis management during the Elbe flood saved Chancellor Schröder's re-election in 2002 (Fischer, 2010). The opposite case is depicted by Drennan and McConnell in reference to the reactions of the Spanish government after the Madrid bombings. The authors point out that the government's faltering response to the events was the major reason for its loss in the election two days after (Drennan & McConnell, 2007). A paramount example was for a long time provided by the EHEC crisis. The source of the epidemic unclear, but every second day regulators pointed to a different potential vegetable which might have caused the crisis. The ever-changing information raise scepticism about the government's ability to master this crisis – and might become the very source of public distrust.

The next section deals explicitly with the management of the financial crisis. When dealing with the financial crisis I will exclusively focus on the Financial Market Stability Act of 18th October 2008. It will be argued that the crisis management can be considered as deliberative. The responsiveness of the governmental actors is seen as the major reason why bank bailout was supported by a majority of the people.

After the analysis and evaluation of the German crisis management, I will make the link between transparency and deliberation explicit. In line with Mark E. Warren (1999) I will argue that both concepts are indeed complementary. I will show the advantages of further public involvement in politics and defend deliberation against the claim of ignorant citizens.

Finally I will give a brief review of the findings of this paper.

Transparency in crisis management

In the definition of Lynn T. Drennan and Allan McConnell, a crisis is “a situation or an episode in which different actors and groups seek to attribute meaning to a particular set of circumstances which pose extraordinary threats to an individual, institution and/or society” (Drennan & McConnell, 2007, p.2). In such a situation government’s performance is extremely important – also for the times after the direct crisis management. “Not only are there enormous expectations that government and the public sector will intervene, but the job of government becomes difficult or even impossible if intervention does not occur” (p.24). Therefore transparency during the process of crisis management seems to be imperative.

Similarly a shared crisis offers the strongest incentive for a society to focus on collective expectations rather than on individual interests of its constituent parts, too (Breeman, 2006). The Financial Market Stability Act offers a case in point. The law was accepted with the support of a large majority of the representatives of the *Bundestag*. Further the German government was able to maintain high levels of support for its crisis management despite the fact that the population worried about giving too much money to the causers of the crisis. Against the background of a shared crisis the constituent parts of society “will continue playing the ‘societal game’ despite any doubts they might develop about it” (p.175).

Simultaneously, a crisis confronts the government with a disturbing dilemma (Drennan & McConnell, 2007). If the government waits until more reliable data about the causes of the crisis are available, the government risks to become accused of passivity. On the other hand, if it takes spontaneous action then the action might turn out to – in the worst case – unwillingly intensify the crisis.

One possible response to this dilemma seems to be the dialogue with those affected by the crisis. In doing so, the government can acquire first hand information about how the crisis is perceived. From these information the government may hope to deduce the most appropriate form of response to the crisis. Löfstedt (2009) reminds us that trusting the government is one of the main variables in explaining public perception of risks and crises. Nonetheless, this can only be beneficial if the government itself is reliable (Levi, 1998). If the public believes the government willing and competent enough to master the crisis, the situation appears less severe. Through citizen-state dialogue the government can promote a positive perception of the crisis management and foster trust (Braithwaite, 1998). This, too, provides part of the explanation why the German population kept calm during the financial crisis.

But if a climate of distrust has taking root then the public seeks alternative sources of information beyond government's reports (Löfstedt, 2009). For this case the author has developed a risk management decision tree. The initial step would be to determine why the government has lost the citizens' trust. According to Löfstedt this can have three major reasons. First the government can be seen as unfair or impartial in its decisions. That is the public senses that some interests are systematically favoured over others. To overcome this problem it is necessary that decision-makers engage in a process of public deliberation. Only if this criterion is met then the public can evaluate whether all relevant interests have been heard.

Secondly, the electorate can doubt whether governmental agents are competent enough to manage the current crisis. If this is the case officials have to hire third-party expertise or rely on the expertise of the civil servants. However, it is important to note that if the government chooses the first of these two options it risks to become accused of partiality. By relying on external expert knowledge the government makes itself dependent. Nothing prevents these experts from having an incentive to push for a certain solution to the problem which favours their own interests.

The same is true for the final point. As a third problem, Löfstedt refers to the problem that government action can be seen as inefficient. As a solution, the scholar suggests that the government could hire competent economists to find more efficient measures to solve the crisis. The problem with this approach is then who bears the costs of the most

efficient crisis solving mechanism? The mere fact that a particular solution is the most efficient way to overcome the crisis in question does not mean that the costs of doing so are equally dispersed among all parts of society. I will come back to Löfstedt's crisis management decision tree when I will evaluate the German crisis management.

Governmental trust in Germany

Political scholars have pointed out that there is a general decline of trust in government globally since the 1980s (e.g. Löfstedt, 2009). A similar trend can be observed by the voter turnout for national elections. Both developments can be observed in Germany, too. However, by international standards the German electoral turnout remained very high (Bartsch, 2009; Schmidt, 2003). If we accept the premise that electoral turnout is positively related to public trust, we ought to conclude that public trust, too, is still high in Germany.

Ursula Feist (1992) has argued in favour of a direct link between voting participation and public trust. In any event, a genuine democracy requires the participation of the people. She insists that we have to take the reasons for non-voting serious. In her account the electorate desires two major things. First, he wishes that his interests are represented by the government and second, he wants that this is done effectively. If one government cannot comply with these demands then the voter wants to have an alternative. Therefore, he is disappointed if a change in government does not bring about a change in the government's political direction. This, unfortunately, is more often than not the case. In recent years the two major parties CDU/CSU and SPD have lost many of their ideological differences. With that said it comes with no surprise that the electoral turnout decreases. People are disappointed to see that "changes in government brought about a replacement of the political actors, but not a real policy shift" (p.53, my translation).

That the level of trust in government is decreasing reveals a closer examination of peoples' estimation of the different party's competences. Infratest dimap, a German opinion research institute, notes that a quarter of the citizenry believes that no party is able to promote Germany's economic growth. A similar number of people does not believe that any party could improve the educational system or could make society any fairer. Even higher numbers were obtained in regard to a just tax system (32%) and a responsible usage of tax payers' money (47%)² (infratest dimap, 2008a). The general trend is obvious

2 The last figure might be excessively high because the government has just set up the Financial Market Stability Act in the very same month. The huge amount of tax payers' money used to bail out banks may have caused some distortions in the public perceptions of how the government deals with its money.

and summarised in the question about which party could “solve the most important problems in Germany” (p.4). 35% of the respondents answered that none of the parties is able to do so. More than one third of the population in Germany doubts the competence of the ruling class to act for the well-being of the citizenry. Logically, it is hard for this part to trust the government.

The final aspect I want to touch upon to evaluate the level of trust in Germany is the relationship between governed and governors. Löfstedt (2009) describes Germany as a neo-corporatist country, i.e. regulations are made in dialogue with the industry and the people believed that the country’s elites rule and regulate in their best interest. Interesting in this regard, however, is that this faithful relationship between rulers and ruled has changed over years dramatically.

In her study *Citizen Movements and Technological Policymaking in Germany* Carol Hager (1993) provides a case in point. During the 1970s, citizens become increasingly concerned with the ecological side effects of the country’s economic progress. Whereas in earlier decades people were willing to accept these economy-ecology trade-offs this spirit changed in those days significantly. Simultaneously, ecological activists became aware that important decisions were not made by political actors they can control and hold accountable, but rather by anonymous bureaucracies. Interaction, to say nothing about a genuine dialogue, between activists and bureaucracies was hardly ever achieved. Rather “[grass-roots] activists and bureaucratic policymakers [met] only at demonstrations and in administrative courts” (p.45). Activists no longer only worried about the environment but also started to doubt whether the public has any influence in the political process. The impression of being excluded from the political decision-making process was further underpinned by the institutions’ reaction to the demands of extended citizen involvement. The more the wider public demanded to participate in the decision-making process, the more bureaucracies insisted on their expertise which was argued as indispensable for participation. Jürgen Habermas insists that this meant a de facto degradation of the citizen to some sort of client of bureaucratic policy outputs (paraphrased in *ibid.*).

In order to change this, the activists had two possibilities. The first one were demonstrations and site occupations which had the aim to prevent that companies ‘create facts’ (like cutting woods) already before the final jurisdiction has been made – a common practice during those days (p.50). However, this tactic was gradually rejected because, as Hager argues, it threatened the long-term goal of democratisation. To achieve this some activists followed the second path of appealing to administrative courts and entering the existing political system in form of green or alternative parties. While the consequences

of this approach took longer to unfold, they proved to be more profound and sustainable. Showing a high level of expertise (that bureaucrats were denying them) in front of the court, activists achieved judgements that helped to undermine the legitimacy of the existing decision-making procedure (pp.51-2). On the other hand, the green parties worked as the “parliamentary arm of the citizen initiative movement” (p.52) and succeeded to built up a platform for these groups within the established political system. While it has to be said that the mass mobilisation of these groups has waned over time and no sustainable platform for extended citizen involvement has yet been found, activist groups succeeded in raising attention to political fields that were prior to them left to bureaucratic ‘experts’.

What can now be deduced from this for the general topic of this subsection on trust in Germany? If we accept high voter participation in national elections as an indicator for high citizen trust, we have to note that Germany has maintained a relatively high level of trust in government (Bartsch, 2009; Schmidt, 2003).

On the other hand it has also to be acknowledged that there exist potential threats to public trust. Roughly a quarter of the population assesses the competences of the political actors as inadequate. For this part of the population it is consequently rather hard to place trust in the government.

This distrust is intensified when appropriate possibilities for citizen involvement are barred. In the face of secretive and non-transparent policy-making processes the citizen asks justifiably why he is excluded and whether this system is then still to be called a democracy. However, this seems to imply, too, that if citizen participation is encouraged this could improve the legitimacy of the political decision-making process. An increased legitimacy in turn means that people have a stronger incentive to trust the government. Interestingly, in this respect the government’s trust in its citizens is of vital importance as well. Political participation and expanded citizen involvement are mostly blocked because the electorate is regarded as ill-informed. Therefore, the government and other political actors must place trust in the citizens’ capacity to engage in the policy-making process.

The German bank bailout

The preceding section has aimed to shed light on the role of trust in Germany. I will now turn to the issue of the financial crisis. It is obvious that this paper cannot deal with the crisis in its entirety. Since the case study of this essay deals with the Financial Market Stability Act of 18th October 2008, I will focus exclusively on the three-month period of

October to December 2008. During these months “one billion became [...] the smallest arithmetic unit” (Steinbrück, 2010, p. 180, my translation).³

The application of the notion of transparency and trust to the concrete case of the financial crisis is not for nothing. Arguably, part of the explanation for the events of 2007/08 was the non-transparency in the financial sector. Two particular aspects of non-transparency are analysed by the then German financial minister, Peer Steinbrück in his work *Unterm Strich*.

Steinbrück traces the origins of the crisis back to the housing bubble in the United States. The problem was not that banks granted credits to people who were hardly in the position to repay these credits. Rather the problem starts with the banks’ strategy to bundle these subprime-credits⁴ into derivatives and to resale it to other financial market-actors (i.e. other banks, insurance companies, pension funds, etc.). These derivatives were so complex that the investors were not able to judge the attached risks appropriately. The problem of non-transparency (at least in this context) is that provided information do not suffice to make an educated judgement. They are either incomplete or incomprehensible. Thus if transparency is to be of any benefit, the information provided must be complete and intelligible to the recipient.

The second aspect of non-transparency arose from the fact that these derivatives were not traded on open platforms like stock exchanges and thus were not subordinated to any form of supervision by third actors, like governmental agencies. Accordingly, no one was able to interfere at the markets and to put this practice of spreading the risks to a halt before it could cause serious harm to investors; or, as it has turned out, to society at large. Consequently, if transparency is to be applied properly there must be a mechanism of accountability attached to it. If the public receives intelligible information about mismanagement, or in the case of government maladministration, the citizen has to be provided the chance to hold the people involved responsible.

It is false to believe that the crisis had only financial and economic implications. Of course banks had to admit losses and the crisis subsequently infected the country’s

3 Naturally, this means that some aspects of the financial crisis, such as the currency crisis of the Euro or the economic and monetary problems of some European states, have to be left aside. Therefore, I do not consider it of any value to recall the ‘major steps’ of the development of this specific crisis. Readers interested in such an overview are referred to the archives of quality newspapers or for a more academic analysis to the work of Nouriel Roubini and Stephen Mihm (2010) *Das Ende der Weltwirtschaft und ihre Zukunft*. Frankfurt/Main: Campus. (original title: *Crisis economics*).

4 A subprime-credit is a credit that either has a mortgage rate higher than 90% or whose total amount exceeds 45% of the client’s annual gross income (Steinbrück, 2010).

industry and economy. However, what is particularly important for this paper is the loss of trust that the financial actors had to bear. The public feared for its savings. A great proportion of the population was also angry about the fact that they had to bear the costs of the banks' mismanagement (infratest dimap, 2008a; Forschungsgruppe Wahlen, 2008a). Moreover, the banks, too, distrusted each other. No one could say how beleaguered the other was (Roubini & Mihm, 2010). Therefore, the intra-bank trade nearly collapsed. If this would have happened, Steinbrück and Roubini and Mihm agree, this would have led to even more disastrous consequences for the real economy than as it actually had. In fact, this would have meant that the financial institutes would not have had enough money to allocate credits to companies in the real economy. Companies' investments and research in new technologies and machines would have become impossible.

With the Financial Market Stability Act (FMStG) of 18th October 2008 the German government tried to re-install the superiority of politics over the forces of the free market (cf. Steinbrück, 2010). The FMStG embraced 400 billion Euros in form of state guarantees for institutions facing difficulties. Additionally, 80 billion Euros were supplied to the banks as credits. In total these 480 billion Euros exceeded the annual budget of the federal government of that year by nearly 70%.⁵ The aim of this act was the "stabilisation of the financial market through overcoming the liquidity shortages" in the market (FMStG, art. 2, paragraph 1). By doing so the government hoped to enable financial institutions to improve their capital ratio making them more stable in future crises. Yet in the public perception the total of 480 billion Euros was seen as real money. This confusion explains most of the citizens' outrage concerning the Financial Market Stability Act (interviews). As one of the interviewees said: "Even for me as a politician, these dimensions were no longer comprehensible". So it comes with no surprise that 95% of the citizens were angry about the fact that the taxpayers had to bear the costs of the financial crisis (infratest dimap, 2008a).⁶

Anyway, opinion polls suggest that the majority of the German population held still a positive view on the government's crisis management. According to the *Deutschlandtrend* of November 2008 75% were generally satisfied with government's performance during

5 The annual budget of the federal government for 2008 comprised 283.2 billion Euro. For a detailed account on what the federal budget embraced cf.: <http://www.mz-web.de/servlet/ContentServer?pagename=ksta/mdsBild/popup&aid=1194628298663>; retrieved on 5 March 2011.

6 On the other hand, it has to be noted that applying for state guarantees or credits was extremely costly for the respective institute. In applying for governmental support, the bank had also to admit that the government henceforth would interfere in the everyday decision-making (FMStG, art. 10). This implied measures as for instance cutting back the salary of the institution's managers to 500.000 Euro per year.

this phase of the crisis (infratest dimap, 2008b). In particular the Financial Market Stability Act was supported by 61% of the people (Forschungsgruppe Wahlen, 2008b). How can this discrepancy between anger and support be explained? In the remainder of this paper I will argue that this is due to an increased level of government's transparency.

Evaluating the German Management of the Financial Crisis

In the section on transparency and crisis management I have introduced Löfstedt's crisis management strategies. These strategies were deliberation, consulting external experts and the economist approach. Now it is time to come back to this. It is important to note that all these strategies are ideal types. In practice they occur mostly in mixed forms. In the German case the management of the financial crisis was indeed a mixture of cooperation with external experts (i.e. the financial industry and the German Central Bank) and deliberation. Whereas the first point is unconditionally admitted by politicians (interviews) as well as journalists (Blome, Diekmann & Quoos, 2008; Kautz & Kleine, 2008), the latter point deserves some elaboration.

In fact the citizens were not directly engaged in the crisis management process. Therefore it seems rather appealing to refer to the approach of the German government as a paramount example of ordinary top-down risk communication. Instead, however, I want to argue that the German government showed a considerable degree of responsiveness towards the doubts and fears of the larger public. Therefore the label deliberative is likewise well founded.

David Held (2006) shows that there exists a spectrum of what deliberation could mean. On the extreme pro-deliberative side it is about the establishment of citizen juries and the creation of a common forum in which public and politicians debate collectively. In a weaker sense deliberation starts already with government's responsiveness to the citizens' interest. The renewal of the representative democratic system is most important to the proponents of this understanding of deliberation. As Christopher Hood insists the government has the duty to give reason for its decisions to the electorate (Hood, 2006a, p.15).

In line with this argument, it is noteworthy that Chancellor Angela Merkel as well as then finance minister Peer Steinbrück tried to emphasise that the welfare of the population was always at the centre stage of their efforts ("Wir werden das Vertrauen der Sparer schützen", 2008). This view is confirmed by the interviewees. As one respondent said he always tried to sketch the consequences for the ordinary citizen. "If it would be your credit institute which will go bankrupt and your savings as a consequence would have been lost, would you then also oppose the bailout?" By raising this kind of questions

the parliamentary representative sensed that he could reach some form of understanding for the Financial Market Stability Act. Yet public scepticism remained.

Additionally to this focus on the population's welfare the newspaper interviews give testimony to an extraordinary degree of governmental openness towards the public. During an interview on 26 October 2008 (eight days after the Financial Stability Act has been adopted) Steinbrück said that "every all-clear signal would be wrong". Later in the same interview he went even further when he said: "I do not throw dust into the citizens' eyes and say: we have everything under control" ("Finanzkrise Steinbrück malt Schwarz für 2009", 2008, my translation). This puts a sharp contrast to what is usually the case in the field of politics. The common scenario is described by Ursula Feist as follows:

Although [politicians] have neither the economical nor the technological or social development under their control, they still claim power and competence to influence these processes and took responsibility without any chance of delivery. (Feist, 1992, p.54, my translation)

My interview partners agreed that especially in respect to the European integration national politicians ought to be more open and honest to the electorate upon which decision they still have the final say and upon which they have not (cf. Schmidt, 2003).

Obviously, the above mentioned measures belong to the political-symbolic domain. That is they do not really do anything to change the state of the world. Rather they are employed to calm down the situation.

According to the scholars Drennan and McConnell (2007) the aim of political-symbolic responses are twofold. First decision makers must engage in sense making, i.e. they have to explain what is actually happening and what impact these events might have. The next step then would be to attempt to attach meaning to the crisis. This latter part focuses on the specific causes of the events and tries concretely to determine what should be done about them. However, as the scholars remind us, operational and political-symbolic actions to the case of crisis are not completely distinct from each other (Drennan & McConnell, 2007, pp.160-1).⁷

In any event the question remains what the individual MP did or could have done in order to foster the public's understanding and support for the bank bailout and the Financial Market Stability Act. As the journalist Christoph Schwennike claims in a

7 In this case the Financial Market Stability Act would belong to the operational responses to the crisis, see also the section of crisis management.

recent article for the German magazine *Der Spiegel*: “The open office hour is the place where politics meets indeed reality [... it is] in one word the burning lens of the real life” (Schwennike, 2011, my translation). However, the information obtained during the interviews raise doubts about this.

Indeed all interviewees claimed that the open office hours (which are held about once in a month) are a major source for information concerning the citizens’ needs and wishes. In this context the representatives become also confronted with the public’s dissatisfaction about politics in general and the government in particular. Despite apprehension for frustration if parties’ campaign promises are not delivered, politicians perceive the declining trust in their work as unjustified. Independent from each other, both interviewees suggested that citizens are increasingly focusing on their own needs and wishes. In doing so they ignore what these demands might mean for society at large (see also Dalton, 2005; Steinbrück, 2010). In the citizen’s view on politics a compromise does not exist – at least not as a valuable solution to a specific problem. It is then the task of the government to balance all particular interests and act in society’s common interest.

Additionally politicians sense that these meetings provide them with the opportunity to counteract the decrease in public trust. As one of my interview partners said: “To re-establish trust, personal contact and face-to-face communication is indispensable”. However, it is important to note that the opportunities to do so are not the same for each party.

Whereas during my interview with a representative of a so called *Volkspartei* (i.e. major party), the answers suggested that the MP gets into contact with a good cross-section of the population.⁸ The representative of a minor party reports that she is only visited by the politically interested part of the population. After all the attendance to the open office hours is relatively weak, she said. Due to the different composition of the people attending the open office hours, the topical focus during these sessions differs accordingly. For the major party the citizens’ concerns centre more on local issues or even individual problems with the authorities. Questions about national policies are hardly ever raised. These questions are addressed in theme nights and public presentations. With the questions asked during the sessions of minor parties it is the other way around. The subjects dealt with do indeed focus on national policies.

Since the open office hours of major parties’ representatives are attended by a greater variety of people, one might assume that they are more capable of re-establishing trust.

8 An exception are long-term unemployed and businesses.

However, despite the above mentioned reason that the topical focus lies more on local issues there are some additional reasons why the open office hours are in fact not able to re-establish the citizens' trust in the government.

These short-comings have a more institutional character. First of all, due to the politicians' packed schedule, it is indeed hard to get into contact with your respective parliamentary representative. Christoph Schwennike (2011) faced this problem when he tried to get into contact with Chancellor Angela Merkel via her open office hours in her electoral district. Despite Merkel's public statements that it is "just good to have an electoral district as parliamentary representative and experience how the real life works there" (quoted in Schwennike, 2011, my translation), the author did not even succeed in getting into contact with Merkel's assistant.⁹ This does not merely apply to the German Chancellor and her minister, however, but to less prominent MPs, too. All parliamentary representatives have 22 weeks with plenary session during which they cannot be active in their respective constituency.

Another problem which representatives face especially in more rural regions is that their electoral districts encompass quite large areas. For instance, the electoral district of the major party's MP I have interviewed comprises 19 townships and an area around 80 km from north to south. This given it is no surprise if the representative is not available for all parts of its electorate all the time.

But even if these institutional short-comings could be overcome somehow another problem remains. As the MP of the minor party remarks: "The trust you are able to establish [or re-establish] is essentially personally bound". In other words: the citizen may trust his or her respective representative but this does not mean that he or she will also have confidence in the government or politics at large.

The empirical basis of this paper may not suffice to deduce any general conclusion from it. However, the findings suggest that neither major party-representatives nor their minor party-counterparts are able to re-establish trust during the open office hours. They can neither advocate certain policies nor can they achieve a general trust in political procedures and politicians.

9 This finding fits also to my personal experience in conducting this study. As a common pattern: e-mails remained unanswered and phone calls got lost in the storages of the politicians' answering machines.

Transparency and Deliberation

At the present the electorate's ability to influence is mainly restricted to one measure: the vote. Unfortunately, as Bernard Manin, Adam Przeworski and Susan C. Stokes (1999) remind us, this tool has to fulfil two different purposes at the same time. Either it can work as a selection tool to vote good politicians into office or it can work as a sanction for bad policies implemented by the government. In practice of course these two views are not mutually exclusive. Instead, a mixture of both will be at work in each voting decision (cf. Fearon, 1999). Thus the authors conclude, in order to reach both an optimal selection and optimal accountability elections are a relatively blunt weapon.

Interestingly, Manin, Przeworski and Stokes suggest that in contemporary societies deviation from the mandate is always seen as a form of betrayal. "Even if voters believe that deviation from the mandate was beneficial for them, they discount future promises of politicians who acquire a reputation of renegeing on their campaign promises" (Manin, Przeworski & Stokes, 1999, p.33). This finding is confirmed by the interviews. Earlier I have stated that citizens increasingly do not value compromises although they are indispensable in representative democracies. Concessions on publicly stated position are seen as betrayal "even if [politicians] change a previously stated position in the direction of what the public seems to want now" (Fearon, 1999, pp.62-63).¹⁰

If the government has to deviate from its mandate a great deal of citizen-state dialogue is required in order to communicate why deviation was necessary. In a thought-experiment Manin, Przeworski and Stokes (1999) refer to the case in which a particular policy is only in the electorate's interest if the general conditions are good. This is the case, for instance, if economic growth allows the state to lower the tax ratio. Such policy would be unfavourable in a state of sudden economic downturn when tax revenues are declining and social welfare expenditures such as unemployment benefits are increasing. Although, the incumbent government may be elected for its promise to reduce taxes, to do so would ultimately harm population's interest in a government able to act. Hence we see that the citizens' expressed mandate is not always in line with their unsaid interest.

The problem of the government's mandate runs additionally into trouble since

10 An illustration of this principle working in practice is depicted in the current German discussion about the nuclear power phase-out. Prior to the nuclear accident in Fukushima, Chancellor Angela Merkel was a strong proponent of nuclear power plants. Her government even proposed an extension of the phase-out period. In the face of the event in Japan, however, she changed her position and is now planning an accelerated phase-out. Despite the fact that this phase-out is supported by a large proportion of the population, Merkel faced a lot of criticism for her policy shift. In an interview in the German weekly *Die Zeit* her predecessor Gerhard Schröder judged that such policy shifts "do not create trust" in the government (Kamertöns, H.-B. & Lebert, S. (2011, 24 March). *Das schafft kein Vertrauen, Die Zeit*, p.21).

electoral campaigns mostly focus on few important issues. Jacques Thomassen (1999) insists that parties offer a package deal to the electorate. That is that agreeing with the party's position on these important issues makes you automatically consenting to all other views the party has. According to Anne Philipps (1995) this automatism does hardly fit reality. For her it is an illusion to believe that sharing one party's opinion in respect to issue A necessarily means that you agree to the party's view with regard to issue B. Therefore she concludes that the citizens' interest is more important than their beliefs about particular policies. Quoting John Burnheim she states: "I should prefer my interests to be safeguarded rather than my more or less shaky opinions prevail" (p.160).

Despite those shaky opinions, we have seen in the work of Carol Hager (1993) that if the public feels its access to genuine political participation to be threatened, citizens do indeed become active and informed. Moreover, parliamentary representatives, too, sometimes face that they lack important information.

This point is articulated in a recent article by Stefan Tillmann in the *Financial Times Deutschland*. Tillmann (2011) claims that in respect to major decisions the MPs often feel that they do not have the final say any more. This is particularly obvious in respect to the Financial Market Stability Act. As the minor party's representative I have interviewed reported, the parliament was not included in the decisions about which bank gets how much money. Though the budget is the sovereign right of the parliament, "a commission of state secretaries and just one or two politicians" decided to whom money was allocated. But the parliamentarians do not only feel excluded from decisive decisions. They furthermore also sense that the government does not provide them with necessary information in order to make informed judgements. This, Tillmann argues, is due to the fact that the executive is becoming increasingly powerful. This ends in a marginalisation of the parliament. From this follows, that any criticism against more opportunities for citizen involvement cannot be based on the argument of citizens' lack of knowledge.

On the contrary, if deliberative democracy is really about that "government and citizens have to give reason to one another" (Hood, 2006a, p.15), as Hood claims, then these extended possibilities for citizen involvement become indeed indispensable. Anne Phillips (1995) believes that an increased degree of citizen participation enables the electorate to check personal beliefs. In the face of counterarguments the population has the opportunity to become convinced that a different course of policy might be more appropriate to safeguard the citizens' interest (cf. Held, 2006). In the secrecy of the ballot box and loneliness of voting booth such a chance is not provided.

According to David Held, deliberation has a great advantage over other forms of representative democracy in that it "fosters a sense of political efficacy, generates a

concern with collective problems and nurtures the formation of a knowledgeable citizenry capable of pursuing the common good” (p.231). In doing so the source of legitimacy shifts from a more outcome oriented (i.e. do the policies adopted safeguard the common good) to a more process oriented conception of legitimacy (i.e. has every relevant stakeholder been heard). As soon as genuine deliberation and a citizen-state dialogue takes place so that the public becomes more knowledgeable, possible distortion of the principle of representation due to sectional interests become apparent. This given, deliberation is believed to enhance the legitimacy of the political system.

This view is shared by Mark E. Warren (1999) who states that deliberation and trust are complementary to each other. The reason for this, Warren says is the open nature of deliberative processes. “While it is hard to imagine a fully transparent politics, deliberative politics tend toward the open displays of reason, justifications, and motivations” (p.341). This display of reasons for compromise has the effect that electorate does no longer feel betrayed when the compromise does not fit the party’s-campaign promise. Furthermore, deliberation does also improve the level of public trust. If a reciprocal relationship between citizens and government is reached, the risk that granted trust is misused is limited since the public knows more about the government and its actions. This increased knowledge does also mean that monitoring and holding to account of institutions and politicians becomes easier.

Conclusion

The overall aim of this study has been to explore the relation between transparency and trust. I have pointed out that transparency is not a monolithic concept. In fact that means that not every understanding of transparency is capable of strengthening public trust. As we have seen for instance Freedom to Information legislation is not able to foster the public’s perception of transparency and trust. If transparency should be of any value, policy-makers have to avoid an overload of information and ensure that the provided information are intelligible.

Any system that wishes to encourage trust must entail a measure of punishment and accountability at the trustee’s disposal. In the German context this study has argued that public trust is still high. However, there exist possible threats to the level of citizen trust, too. For instance that the two major parties CDU/CSU and SPD became increasingly similar

to each other in recent years. In the face of this development, voting becomes futile in the public's perception. Replacement of the political personal no longer causes policy shifts.

Yet the German government could benefit from the high level of trust during the crisis management. Despite public anger about the fact that the causers of the crisis were bailed out with tax payer's money, the majority of the citizenry were willing to acknowledge the effectiveness of the crisis management. I have argued that this support can be explained by the high degree of governmental responsiveness. Therefore, I have called this form of management deliberative. However, not only in respect to the Financial Market Stability, representatives cannot re-establish public trust during the open office hours. Ultimately, the trust politicians establish is essentially personally bound. Whereas I may end up trusting my respective MP after attending his open office hour I will not necessarily trust politicians and political decision-making generally.

This given, the political elite has to find other forms to regain citizen trust. This paper has attempted to make the case for further public involvement and political deliberation. Deliberation strengthens the legitimacy of the political decision-making process. We have seen that elections are too weak an instrument of control as to encourage trust in government. Interests have been given a higher weight than mere believes about courses of policy.

Furthermore deliberation and transparency are complementary to each other. A transparent style of policy-making encourages the citizen to become informed and to engage in political deliberation. In this respect I hope I could have made clear that any argument against citizen involvement cannot be based on the citizens' lack of knowledge. Involvement in public deliberation provides the citizen with the opportunity to check own believes. In this context, the citizen develops an increased understanding of politics and the needs of other parts of society. On the contrary, we have seen that parliamentary representatives, too, face problems to collect all relevant information to make an informed decision.

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