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Disclosing or obscuring? The politics of transparency in global climate governance

Aarti Gupta[1] and Michael Mason[2]

Transparency is increasingly evoked within public and private climate governance arrangements as a key means to enhance accountability and improve environmental outcomes. We review assumed links between transparency, accountability and environmental sustainability here, by identifying four rationales underpinning uptake of transparency in governance. We label these democratization, technocratization, marketization and privatization, and assess how they shape the scope and practices of climate disclosure, and to what effect. We find that all four are discernible in climate governance, yet the technocratic and privatization rationales tend to overtake the originally intended (more inclusive, and more public-good oriented) democratization and marketization rationales for transparency, particularly during institutionalization of disclosure systems. This reduces transparency's potential to enhance accountability or trigger more environmentally sustainable outcomes.

Addresses
[1] Environmental Policy Group, Department of Social Sciences, Wageningen University, Hollandseweg 1, 6706 KN Wageningen, The Netherlands
[2] Department of Geography and the Environment, London School of Economics and Political Science, Houghton Street, London WC2A 2AE, United Kingdom

Corresponding author: Gupta, Aarti (aarti.gupta@wur.nl)

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Introduction

Transparency is subject to growing social science scrutiny as an increasingly important mechanism of global sustainability governance and politics [1–5,6•]. In this article, we review recent scholarship on the nature and consequences of a transparency turn in global climate governance. We take as our point of departure the etymological meaning of transparency as 'seeing through' or making visible [7], and assess the politics of what is to be made visible, for whom and why in global climate governance. In so doing, we look at the role that targeted, intentional (voluntary and mandatory) disclosure is playing in the climate realm. A variety of public and private climate governance arrangements, including, inter alia, the United Nations Framework Convention on Climate Change (UNFCCC) and the Carbon Disclosure Project (CDP), now call for transparency as a way to monitor and/or reward various actors' climate mitigation actions and performance. Such 'governance by disclosure' [8] is intended to further a variety of goals, including holding disclosers to account and improving sustainability performance [9••, see also 10,11]. Yet whether transparency is able to deliver on such promises remains unevenly examined, particularly in the climate realm.

The prospect of climate transparency is linked to the increasingly heterogeneous and fragmented nature of climate governance — encompassing multilaterally negotiated treaties, transnational municipal networks, subnational actors, bilateral agreements, and voluntary corporate initiatives [12–16]. In such contexts, the demand and supply of transparency becomes multi-directional, flowing from and to a wide array of state and non-state actors, as well as consumers and citizens, rather than only from governments to interested publics. As such, the rationales for furthering transparency, and the governance benefits to be derived from disclosure, necessarily also vary, and may even be contrary to each other.

Many analysts of transparency begin with an optimistic view of its promise, only to subsequently highlight various perils in relying on disclosure in the quest for greater accountability and sustainability [17–20]. Where transparency fails to achieve its aims, scholars point to a range of explanations. These include inadequate design of disclosure, such as the means by which information is to be disclosed (whether electronic or otherwise); the attributes of information disclosed, such as whether it is standardized, accurate, and comprehensible [21•]; or else the quantity of disclosed information (whether complete or partial) [22•]. Certainly, more disclosure is not always or necessarily better, given that the empowering potential of transparency can rapidly be eroded if excessive or irrelevant information overwhelms recipients and results in a 'drowning in disclosure' [8, see also 23•]. Furthermore, in light of ever-greater flows of information, newly emerging intermediaries of transparency — auditors, verifiers, and certifiers of disclosed information — are becoming ever more important. These intermediaries constitute powerful new actors, with the potential to shape the impact of transparency in sustainability governance [24,25].

While these aspects of a transparency turn are increasingly the subject of scholarly attention, we contextualize such analyses here by systematically assessing the broader context shaping the uptake of disclosure in sustainability governance. In particular, we identify four distinct (but potentially overlapping) **rationales** that, we posit, are driving a transparency turn in global environmental and sustainability governance. We label these democratization, technocratization, marketization, and privatization, and assess whether they are discernible in public and private climate governance initiatives. If so, how do they interact with each other, which ones dominate, and to what effect? Such questions remain both timely and little addressed. We turn next to elaborating further on the four rationales, and then reviewing whether and how they shape the scope and practices of climate disclosure. We do so through examining transparency arrangements in both state-led and private climate governance arrangements. These include the multilateral climate negotiations under the UNFCCC; the Carbon Disclosure Project, as one of the most prominent voluntary corporate carbon disclosure initiatives; and disclosure arrangements in (voluntary) carbon offset markets. In concluding, we draw on our discussion to (re-) assess the multifaceted nature of a transparency turn in climate governance, and its consequences for securing more accountable and environmentally sustainable outcomes.

Why transparency: diverse rationales for disclosure

As we noted above, transparency is often invoked to further a variety of governance aims, given the multiple architects of 'governance by disclosure' in a global sustainability context. Thus, public actors might promote transparency to enhance accountability, informed choice, and/or informed participation of citizens or states (i.e. what we call a *democratization* imperative for disclosure). They might also promote transparency, however, as a key means to rationalize and improve decision-making, through reducing information asymmetries and/or requiring expert-driven, technical information to underpin 'sound scientific' decision-making (what we refer to here as a *technocratization* imperative for disclosure). On the other hand, private actors might voluntarily embrace transparency to further corporate sustainability goals, improve their public image, and/or avoid more stringent government regulation (a *privatization* imperative driving disclosure). Both public and private actors might also do so, furthermore, to facilitate the creation, functioning, and expansion of markets for environmental goods, or for performance-based compensation (a *marketization* impetus for disclosure).

These four rationales embody different logics of environmental governance, which reflect in turn wider processes of economic globalization and global environmental politics. The marketization and privatization rationales are often aligned with globally hegemonic (neoliberal) discourses privileging market-based solutions, economic valuation of environmental goods and services, and an enhanced role for private authority in global environmental governance. For climate governance, this may mean interpreting transparency and disclosure in terms of the information entitlements and needs primarily of market-based actors (e.g. the climate risk disclosure rules of the US Securities and Exchange Commission). Market-relevant transparency can and is solicited from both public and private actors, as well as individual citizens (e.g. personal carbon budgeting or offsetting).

Use of a marketization rationale can also be consistent with state-based, multilaterally negotiated governance architectures — as with disclosure requirements underpinning the smooth functioning of market-based flexibility

Box 1

Glossary of key terms

UNFCCC: United Nations Framework Convention on Climate Change
UNFCCC is the leading multilateral treaty addressing climate change, now in force for more than 20 years (since 1994). It has been ratified by 195 countries. http://unfccc.int/2860.php

KP: Kyoto Protocol
The Kyoto Protocol is a sub-treaty under the UNFCCC that lays down mandatory emission reduction targets for so-called Annex 1 (i.e. developed) countries.

CDM: Clean Development Mechanism
The CDM is one of the three 'flexibility mechanisms' in the UNFCCC's Kyoto Protocol. The CDM allows developed countries to support emission-reduction projects in developing countries, and count the reduced emissions towards their own emission reduction targets. https://cdm.unfccc.int/

CDP: Carbon Disclosure Project
The CDP is a non-profit organization specializing in the collection and disclosure of self-reported information about climate change, water and forest-risk date. https://www.cdp.net/en-US/Pages/HomePage.aspx

REDD+: Reducing Emissions from Deforestation and Forest Degradation in developing countries, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries
REDD+ is a mechanism under UNFCCC whereby developed countries can financially support developing countries to reduce emissions from forested lands and invest in low-carbon development. http://redd.unfccc.int/