

OPEN DATA FOR GROWTH AND ANTI-CORRUPTION

Why Open Data ?

Open data, like information, is a public good: available for all to access, use and apply. Data, whether coming from governments or companies, is considered open when it is shareable, comparable, reusable, timely, accessible and understandable.

Open data creates value both in social and economic terms:

- **Governments and companies** can do things better, streamlining and reducing costs.
- **Services** are able to be better planned, delivered and improved.
- **Greater trust** is generated in government by being more transparent and providing channels to use the data as part of checks-and-balances on government.

The benefits generated can be direct (by selling access to data), commercial (by using the data) or downstream (by spreading the value along the chain to consumers and users).

In 2013, G8 countries agreed to a set of six core principles, including that open data would be published 'openly by default' and 'usable by all' free of charge. Similar principles have been adapted by the G20 in 2015 and these countries have committed to implement and promote them.

Yet according to the Open Data Index, only nine per cent of all key government data sets (including government budgets, procurement tenders, legislation, company registers, land ownership and government spending) are in the open.

More needs to be done and companies, through the B20, are in a prime position to advance and benefit from the open data agenda.

What are the Benefits?

The benefits from open data go beyond a country's borders or a company's shareholders.

- For all countries, open data policies across key sectors, including many areas corresponding to G20 agenda, could release economic productivity amounting to between **US\$3 and US\$5 trillion annually**.¹
- For the G20, the uptick from making their data open is estimated at around **US\$ 13 trillion** over the next five years,² the equivalent of **1.1 percent GDP growth**.³
- For the EU, opening government data is projected to increase business activity by €40 billion each year, with indirect benefits totaling **up to €140 billion annually**.⁴
- For companies, investing in data also has its own pay off- with estimates ranging **from 20 to 60 per cent**, based on similar returns for investments in research and development.⁵

¹ See:

http://www.mckinsey.com/insights/business_technology/open_data_unlocking_innovation_and_performance_with_liquid_information.

² See: https://www.omidyar.com/sites/default/files/file_archive/insights/ON%20Report_061114_FNL.pdf.

³ Ibid.

⁴ See: http://europa.eu/rapid/press-release_MEMO-11-891_en.htm#footnote-2.

⁵ See: Salter, A.J. and Martin, B.R. (2001) 'The economic benefits of publicly funded basic research: a critical review,' Research Policy 30(3), pp509-532.; Scott, A., Steyn, G., Geuna, A., Brusoni, S. and Steinmueller, E. (2002); The Economic Returns to Basic Research and the Benefits of University-Industry Relationships

. Report to the Office of Science and Technology, London; Martin, B.R. and Tang, P. (2007) The benefits

Which Data Sets ?

Open data can incorporate a wide variety of data sets, from company reporting to government budgets and scientific data.

What is essential is that data sets can be easily combined, cross-checked and compared to generate information that business, governments and citizens can use to make better decisions about how to invest their resources.

When it comes to corruption, having open data can be a critical tool in the fight against it. Open data helps to provide more evidence to increase the detection of corruption. It also increases the accountability of individuals, helping to deter future cases of corruption.

One study suggests that open data could reduce the costs of corruption by about 10 per cent.⁶ Just in the EU, the costs of corruption are thought to shave one per cent off of the region's GDP, equivalent to an annual loss of 120 billion euros.⁷

Corruption trends to group around certain themes that open data must address: bribery, corrupt insider fraud, undeclared conflict of interests and improper use of public funds and lobbying abuses.⁸

Mapping these themes to sectors suggests that the following data sets should be made open (at a minimum):

- political parties: data on party budgets, financial and activity reports;
- parliaments and legislatures: data on lobbying activities and parliamentary and administrative data;
- business and private sector: company structures, the full name of the company, its unique identifier number, a list of company directors, its statutory filings and a list of significant shareholders;
- the judiciary: judges' contact details, case schedules and court decisions; and
- public officials: interest and asset declarations, lobbying, procurement processes.⁹

Common standards for specific data sets, such as the Open Contracting Global Principles and the International Aid Transparency Initiative (IATI), must be able to 'talk with each other.' This ability to link them up – or make them interoperable - is critical for dealing with some of the more intractable, complex corruption problems like tax evasion and money laundering.

Recommendations

Companies, through the B20, should commit to adopt, promote and implement open data. To do this, they must:

- Adopt the G20 Anti-corruption Open Data principles to ensure alignment and to effectively fight corruption.
- Commit to publish high quality and inter-operable data sets that meet open data standards.
- Focus, as a first step, on data sets that are most useful for combating corruption.
- Release data sets free of charge.
- Work with governments to improve and strengthen the publication and use of related data sets.

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of publicly funded research, SWEPS Paper No. 161, Science Policy Research Unit, University of Sussex, Brighton.; Sveikauskas, L. (2007) R&D and Productivity Growth: A Review of the Literature, US Bureau of Labor Statistics Working Paper 408, BLS, Washington, DC.; Hall, B.H., Mairesse, J. and Mohnen, P. (2009)

Measuring the returns to R&D, NBER Working Paper 15622, NBER, Cambridge MA.

⁶ https://www.omidyar.com/sites/default/files/file_archive/insights/ON%20Report_061114_FNL.pdf.

⁷ European Commission (2014). Report from the Commission to the Council and the European Parliament: EU anti-corruption report. COM(2014) 38 final Brussels, 3.2.2014

⁸ In 2014, Transparency International UK examined the impact open data could have had on specific instances of corrupt behaviour in the UK, drawing from a library of 95 case studies of corrupt behaviour from 2009 – 2014. See:

<http://www.transparency.org.uk/publications/how-open-data-can-help-tackle-corruption-policy-paper>.

⁹ Karolis Granickas (2014), Open Data as a Tool to Fight Corruption, European Public Sector Information Platform, Topic Report No. 2014/4. <https://ofti.org/wp-content/uploads/2014/05/221171136-Open-Data-as-a-Tool-to-Fight-Corruption.pdf>.