

What you can't see

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There is an old expression: "What you can't see can't hurt you." I was reminded of it as my wife and I watched the HBO miniseries called 'Chernobyl'. The five-part series chronicles the explosion of a nuclear reactor in the Soviet Union in April 1986. Everything about the series is excellent, though I must admit it is not easy to watch. If you watch it, you will see some incredibly courageous Soviet citizens sacrificing their lives to save many more.

The series reveals the limited understanding of radiation on the part of the citizens in the surrounding communities, and especially in the political leadership of the Soviet Union at the time. In that case, what you could not see did kill many.

There is also something else that can't be seen. Opaqueness from pervasive secrecy in the Soviet Union hid information and knowledge; many in the Soviet Union, including those with a monumental need to know, could not see important information.

The series provides a damning portrait of the dangers of opaqueness.

Literally, the opaqueness contributed to the root cause of the accident, prevented more rapid and effective measures, caused delays in evacuating personnel and resulted in many more deaths than it might have.

The opaqueness nearly resulted in a far greater catastrophe.

In 2006, the former general secretary of the now-abolished Communist Party of the Soviet Union, Mikhail Gorbachev, said Chernobyl was the reason for the fall of the Soviet Union.

There have been other nuclear disasters, including Three Mile Island (in Pennsylvania) and Fukushima (a prefecture of Japan), though those incidents did not cause a system of government to collapse.

Chernobyl was devastating to the Soviet Union as it laid bare the problems created by pervasive secrecy and the associated fear of disclosure. That was despite Gorbachev's previously launched glasnost policy to open the country.

Opaqueness is a problem everywhere. I live in the US and we have scandals. My country has experienced a series of very ugly sexual harassments, sexual assaults of children and even indentured sexual servitude scandals in recent years.

If you look at each of the scandals, the unifying theme across all of them is the power opaqueness gives to bad people doing bad things. Bad actions are hidden from view.

When individuals live in an environment that is opaque, they often do not feel as compelled to report bad actions to the applicable authorities and the bad actions continue more easily.

Opaqueness provides the cover for corruption and often even worse actions.

Being an engineer by training, I have an analogy that corruption is the equivalent of mold, while opaqueness is the equivalent of a dark, warm place.

Corruption, like mold, loves the cover of darkness. Conversely, transparency is like sunlight; it disinfects and prevents problems.

“ Transparency helps maintain an ethical environment and a culture of doing good things in organizations ”

Islamic finance is about ethical investing. What does opaqueness have to do with Islamic finance?

There are two very important implications. First, ethics is about doing what is right and good. Transparency helps maintain an ethical environment and a culture of doing good things in organizations. That is true for all organizations, not just businesses. Second, companies that are opaque should be considered riskier and, hence, less attractive investment opportunities.

Simply put, opaqueness is important investment information.

Part of my duty of care is to help people understand the harm done by opaqueness. It is thoroughly inconsistent with good governance in not just businesses, but also countries, charities, schools, sports organizations and even religious organizations.

Fortunately, the world is growing more transparent with the help of technologies, including social media. As you reflect on your duty of care, please consider what you can do to make the world more transparent. ☺

