



Media, Broadcasting, and Good Governance

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Background for Presentation at ABU-FES Developing Broadcasters Seminar on News Reporting and Production

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Media, Transparency, Data and Development

- “There has never been a famine in any country that has been a democracy with a relatively free press. . . I know of no exception.”

Amartya Sen, Nobel Laureate

- “It is now generally recognized that better, more timely, information results in better, more efficient resource allocations.”

Joseph Stiglitz, Nobel Laureate

- “If you cannot measure a problem, you cannot address it.”

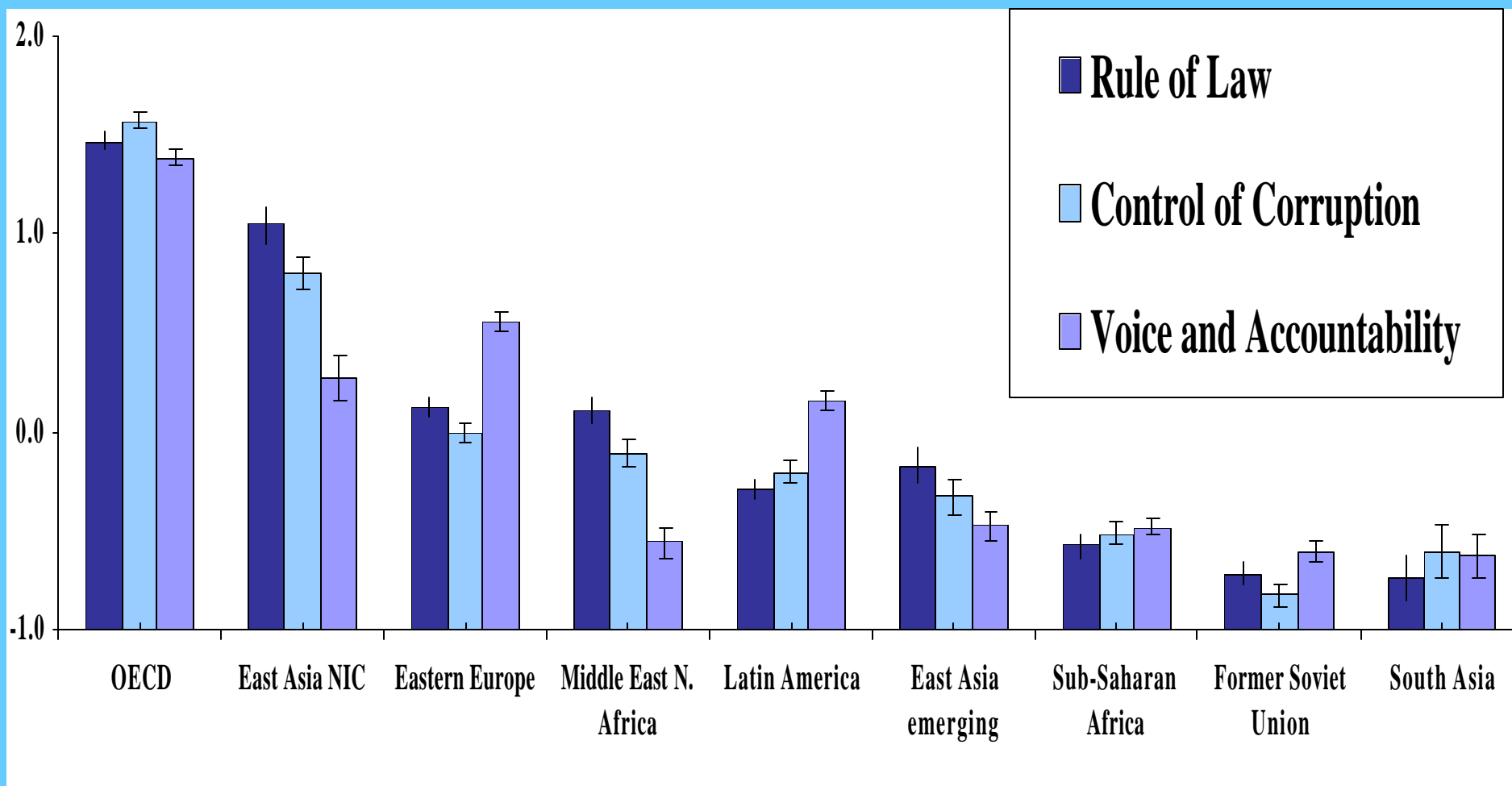
Lord Kelvin

Freedom of Expression and Effective Media and Broadcasting: A Broader Governance and Empirical Perspective

- **Freedom of Expression** often viewed as a single issue independent from others -- *instead of integral component of transparency and good governance*
- **The interaction between Civil Society and effective Media and Communication** is essential in strategy for addressing misgovernance and corruption
- **Indicators are a key driver for change** -- *Power of Data:*
 - **Powerful data indicators:** those that draw public attention to problems and suggest reforms
 - **Need to disseminate better data information on media and governance**

Rule of Law, Voice and Accountability and Control of Corruption, Regional Averages

Good Governance

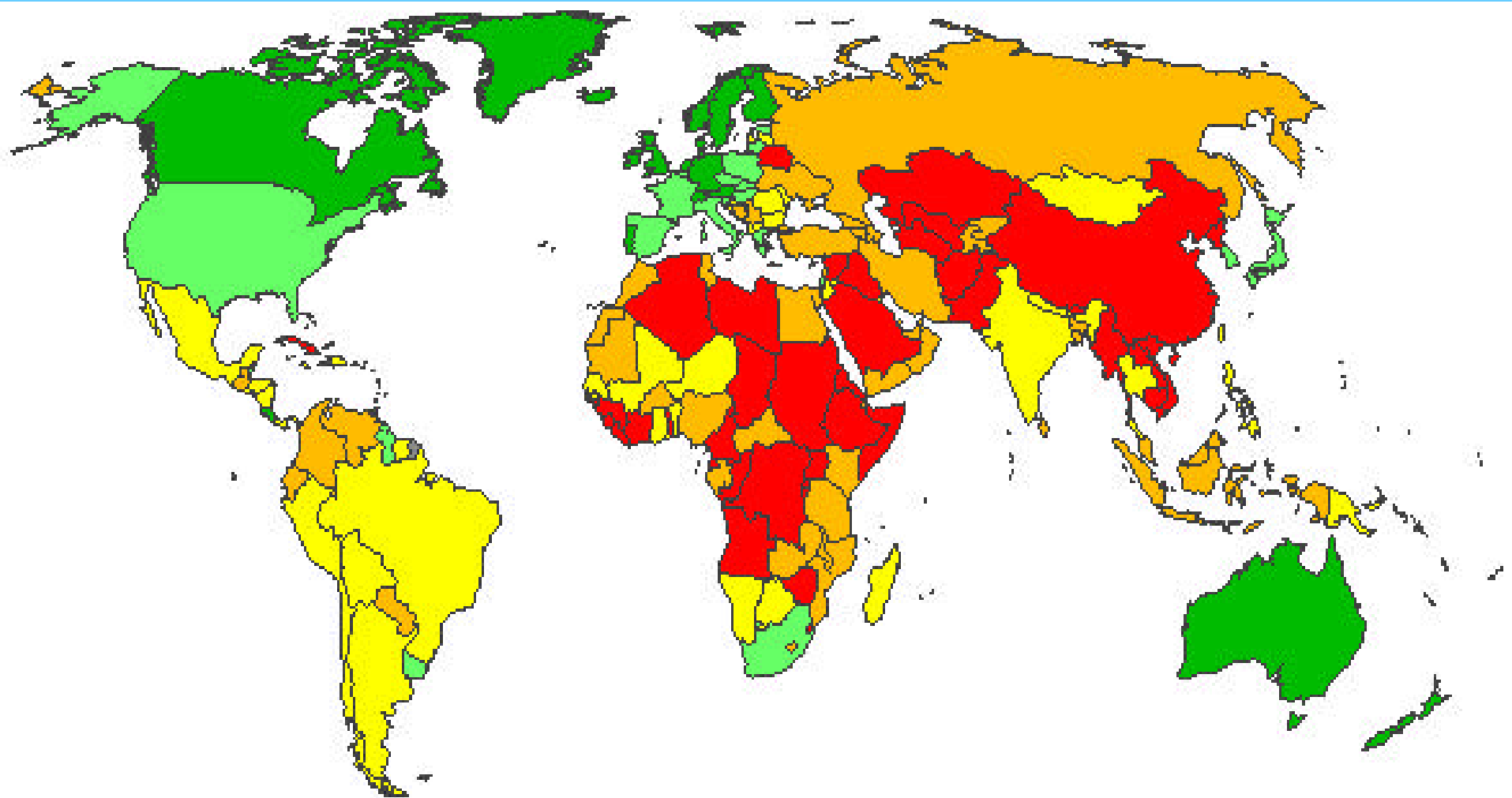


Poor Governance

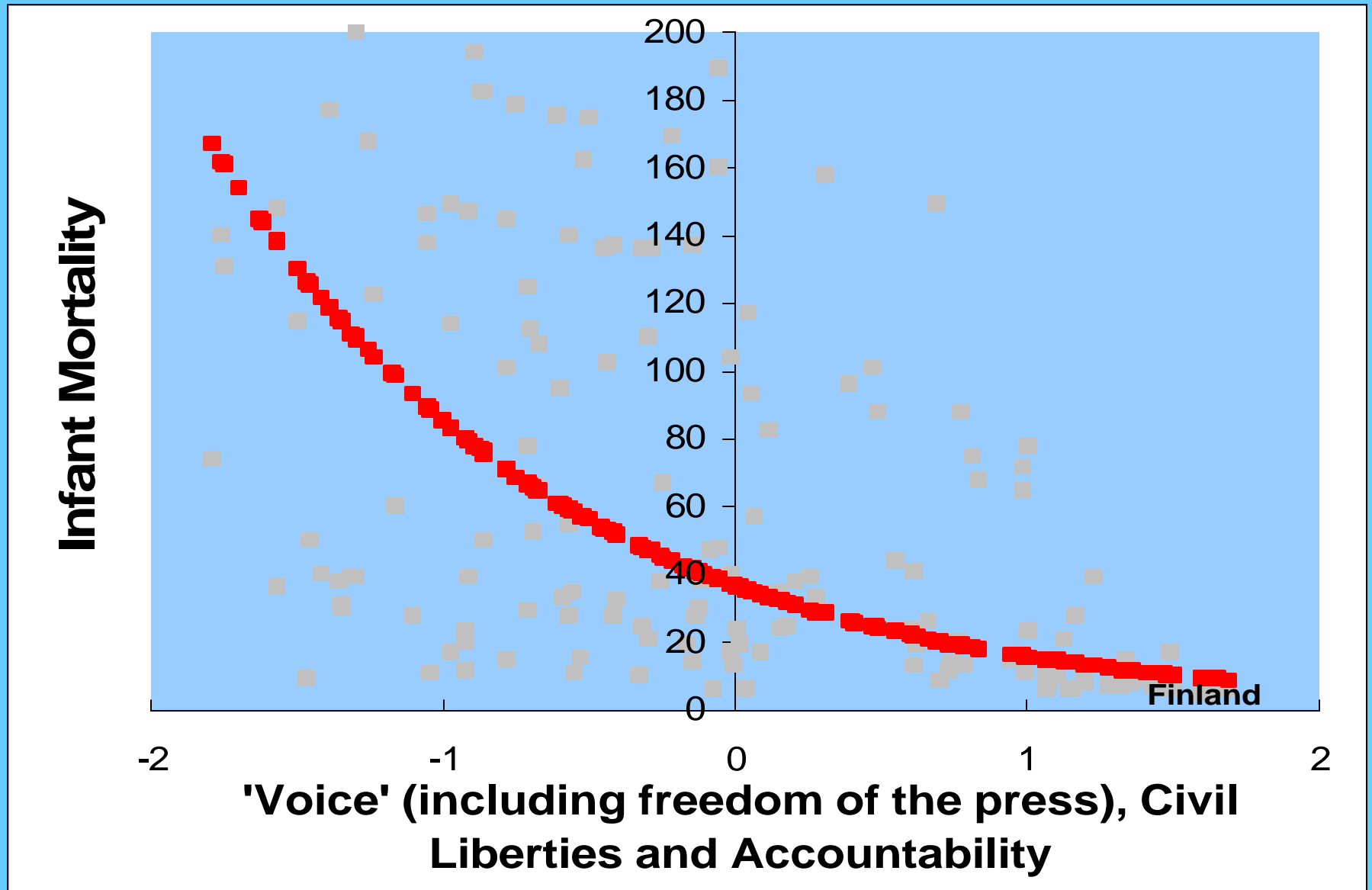
Source: Governance Research Indicators (KKZ) based from data in D. Kaufmann and A. Kraay, 'Growth without Governance', for 175 countries, details at <http://www.worldbank.org/wbi/governance/pubs/growthgov.htm>. Units in vertical axis are expressed in terms of standard deviations around zero. Country and regional average estimates are subject to margins of error (illustrated by thin line atop each column), implying caution in interpretation of the estimates and that no precise country rating is warranted. See also regional clarifications in note 6.

'Traffic Light' World Map

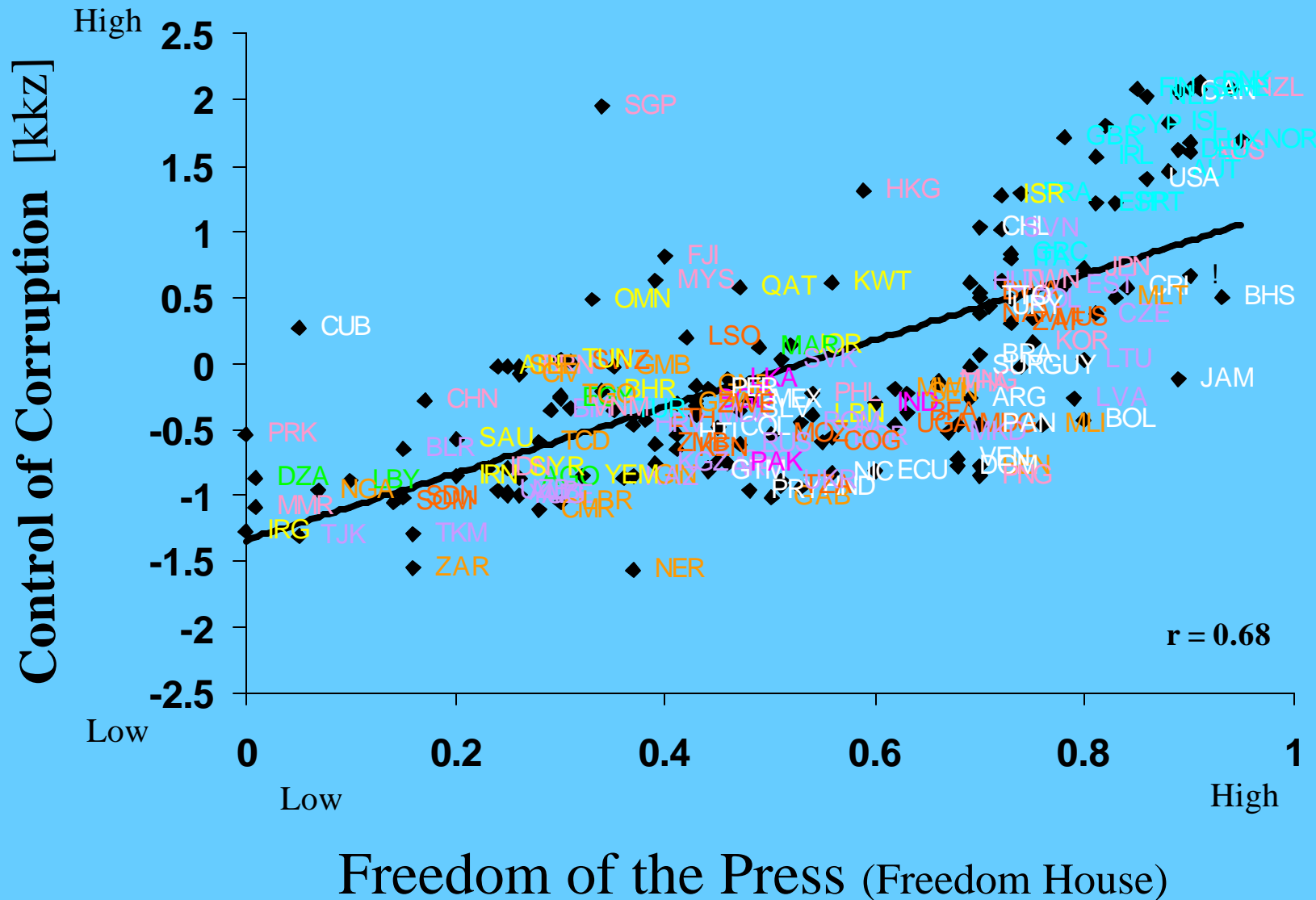
Voice and Accountability – 2000



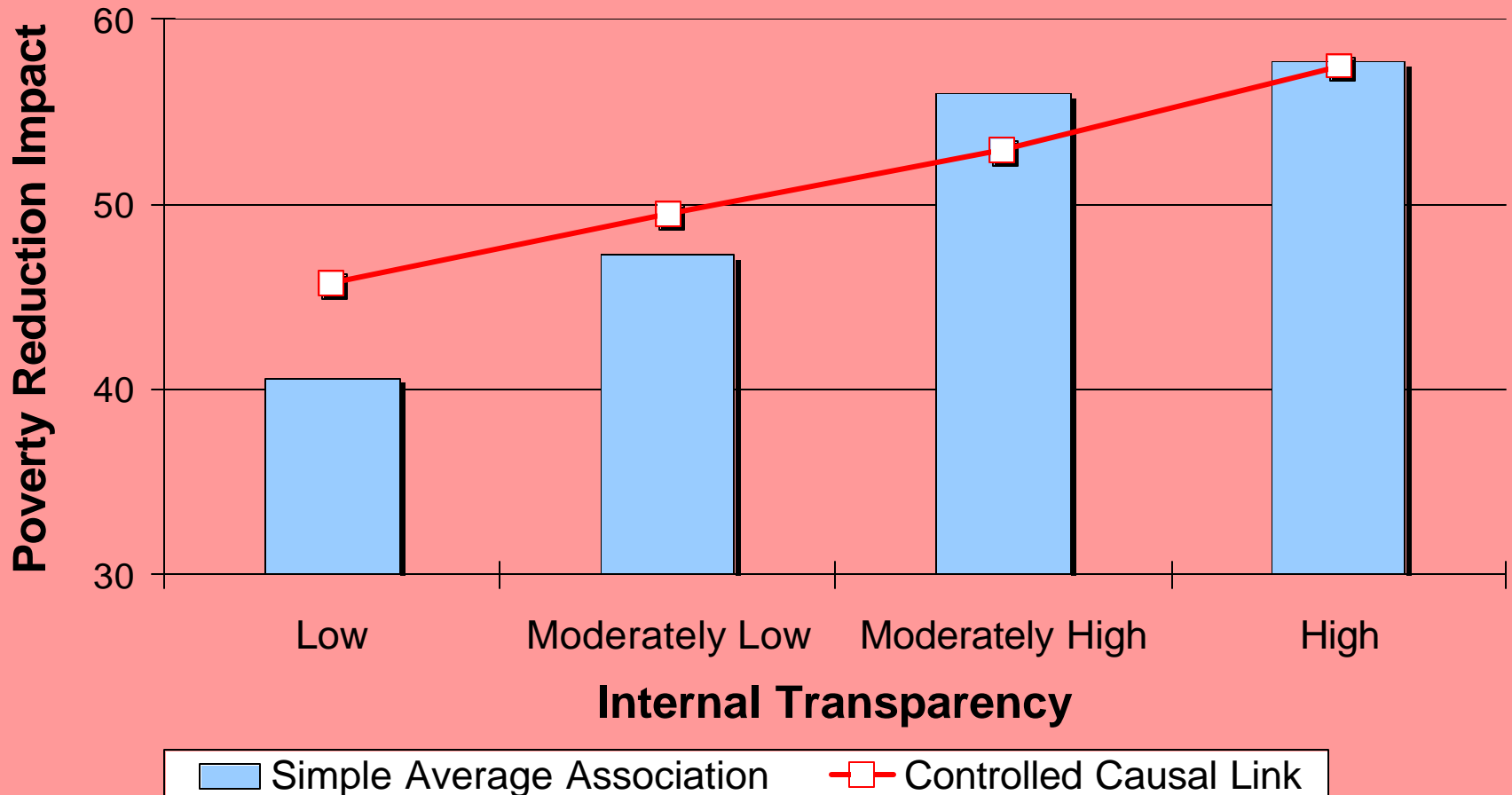
Voice & Accountability Matters for Development



Control of Corruption and Freedom of the Press

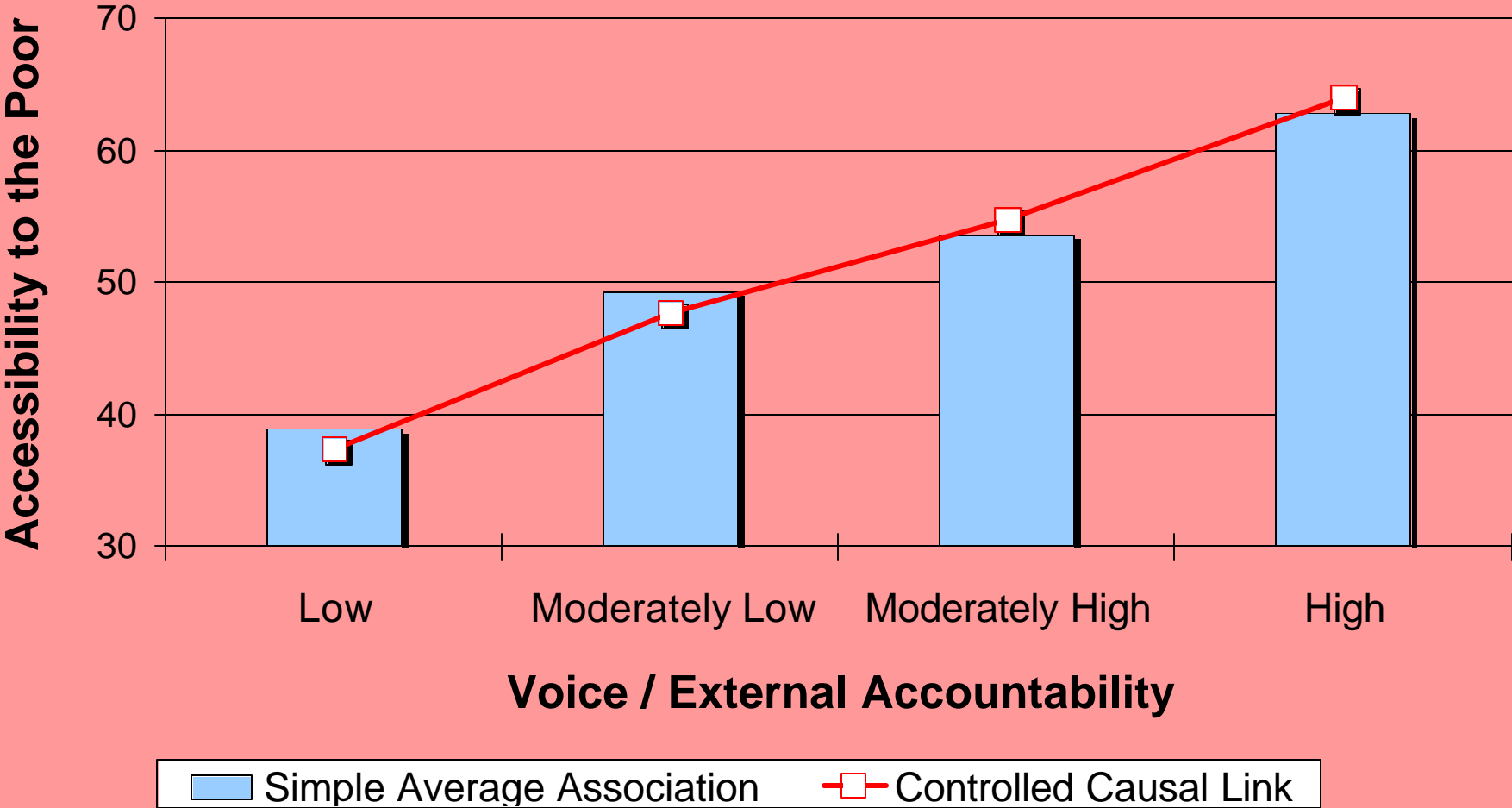


Transparency within Government Agencies Increases Their Poverty Reduction Impact in Bolivia



Based on Bolivia Public Officials Survey. The sample of institutions includes 50 national, departmental, 8 and municipal agencies which are a priori anticipated to have a major impact on poverty reduction.

Citizen Voice Improves Accessibility of Public Services to the Poor in Bolivia

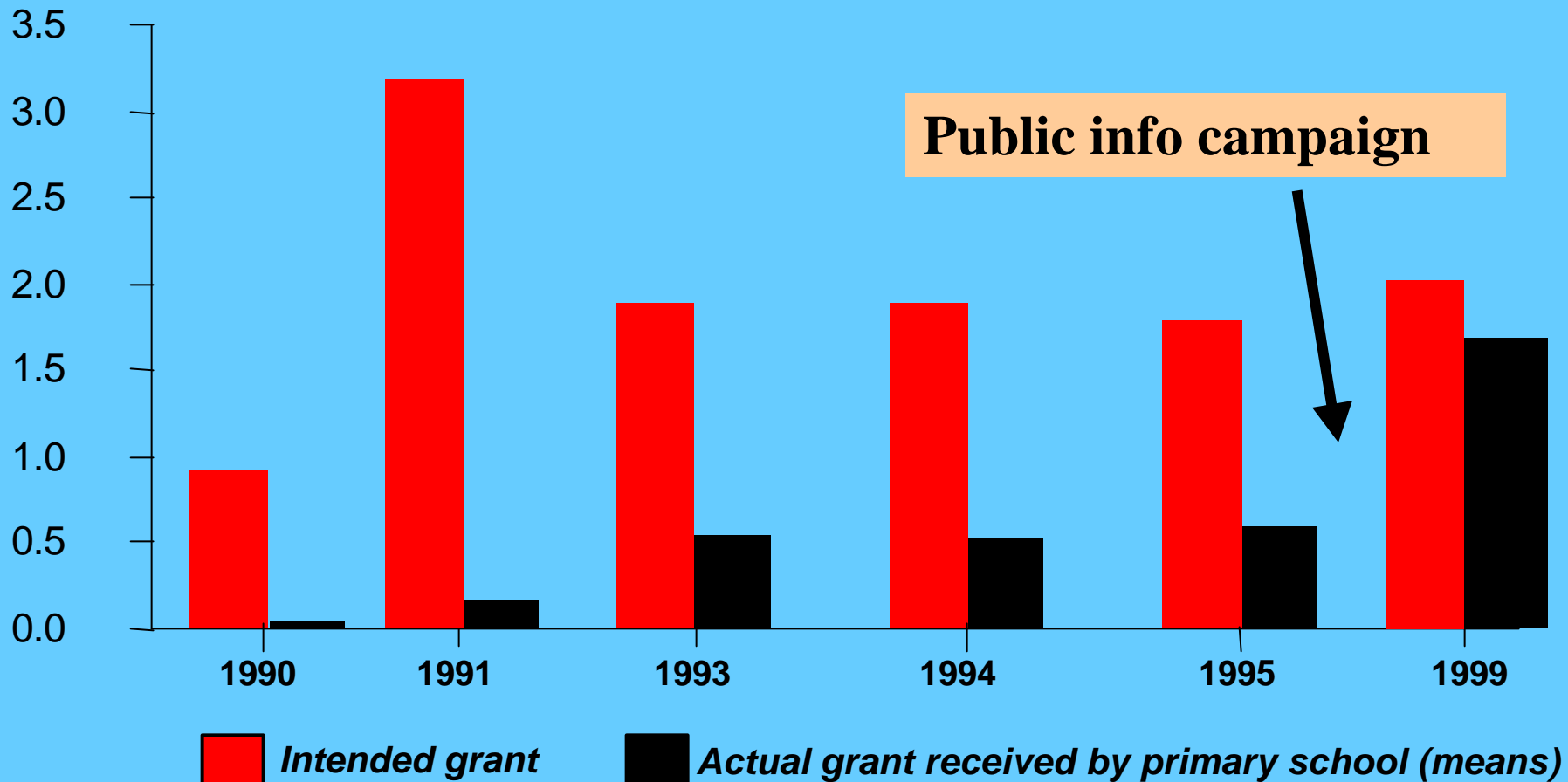


Based on Bolivia Public Officials Survey. The sample of institutions includes 44 national, departmental, and municipal agencies which are a priori anticipated to be accessible to the poor

Transparency and Citizen Oversight

US\$ per student

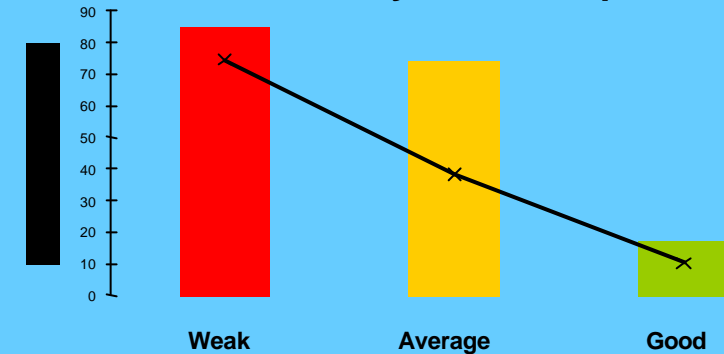
Tracking Education Dollars in Uganda



Source: Uganda Public Expenditure Tracking Surveys

The Economic Development 'Dividend' of Good Public Governance

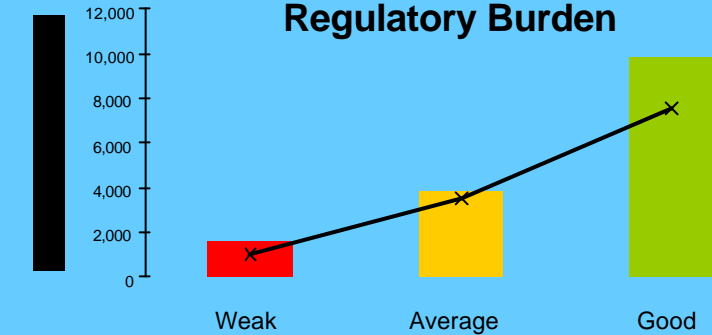
Infant Mortality and Corruption



Development Dividend

Control of Corruption

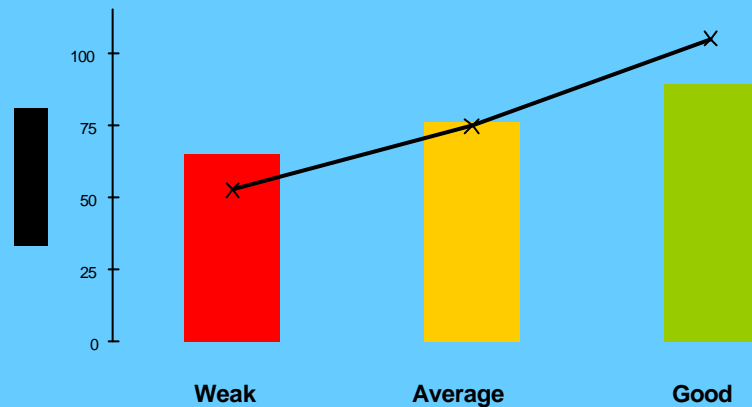
Per Capita Income and Regulatory Burden



Development Dividend

Regulatory Burden

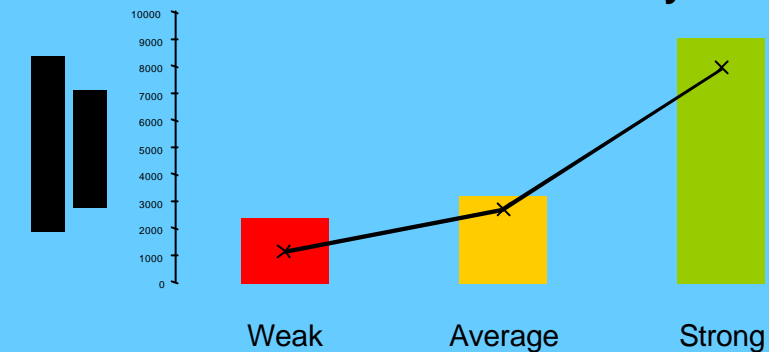
Literacy and Rule of Law



Development Dividend

Rule of Law

Per Capita Income and Voice and Accountability

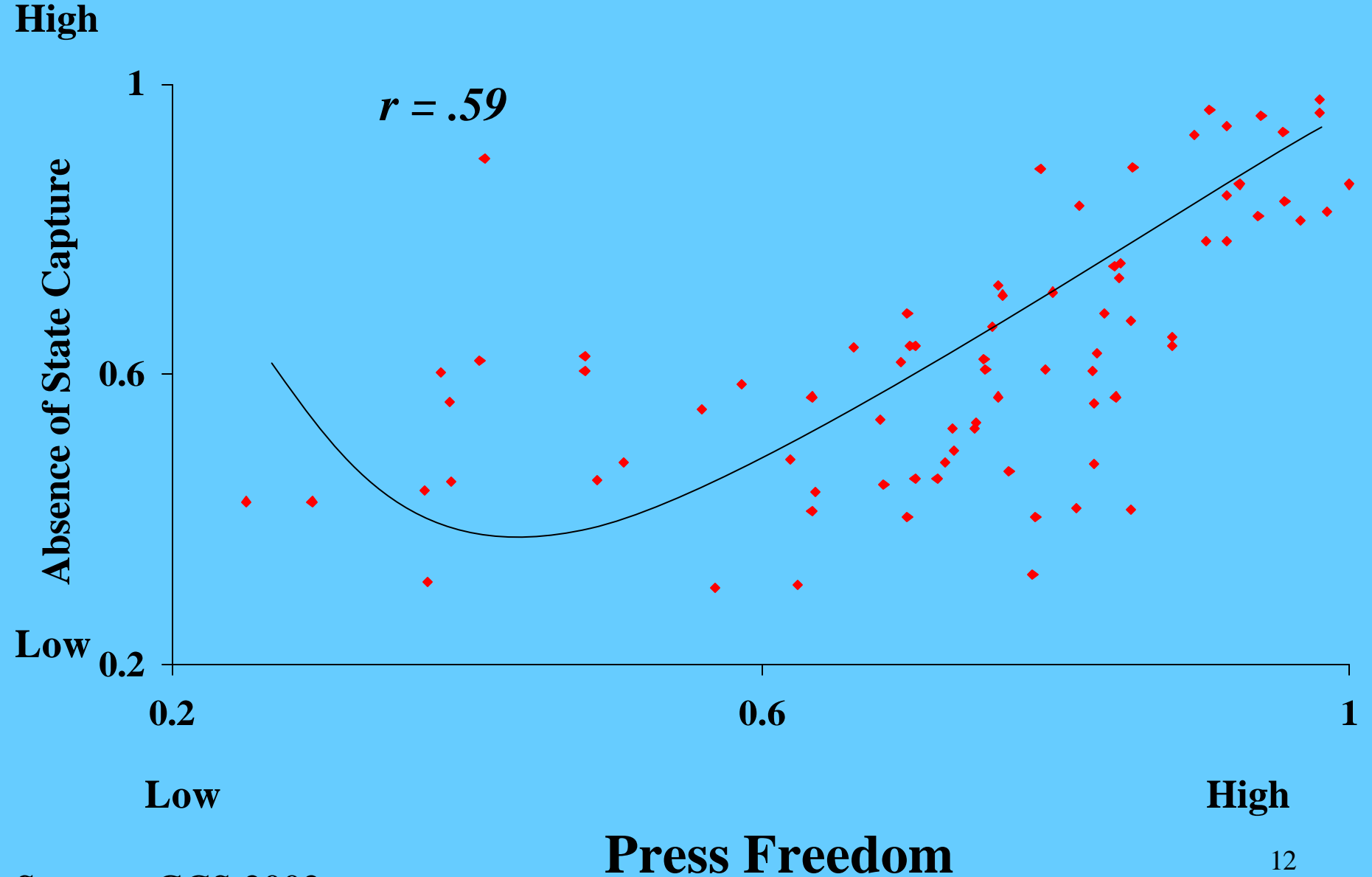


Development Dividend

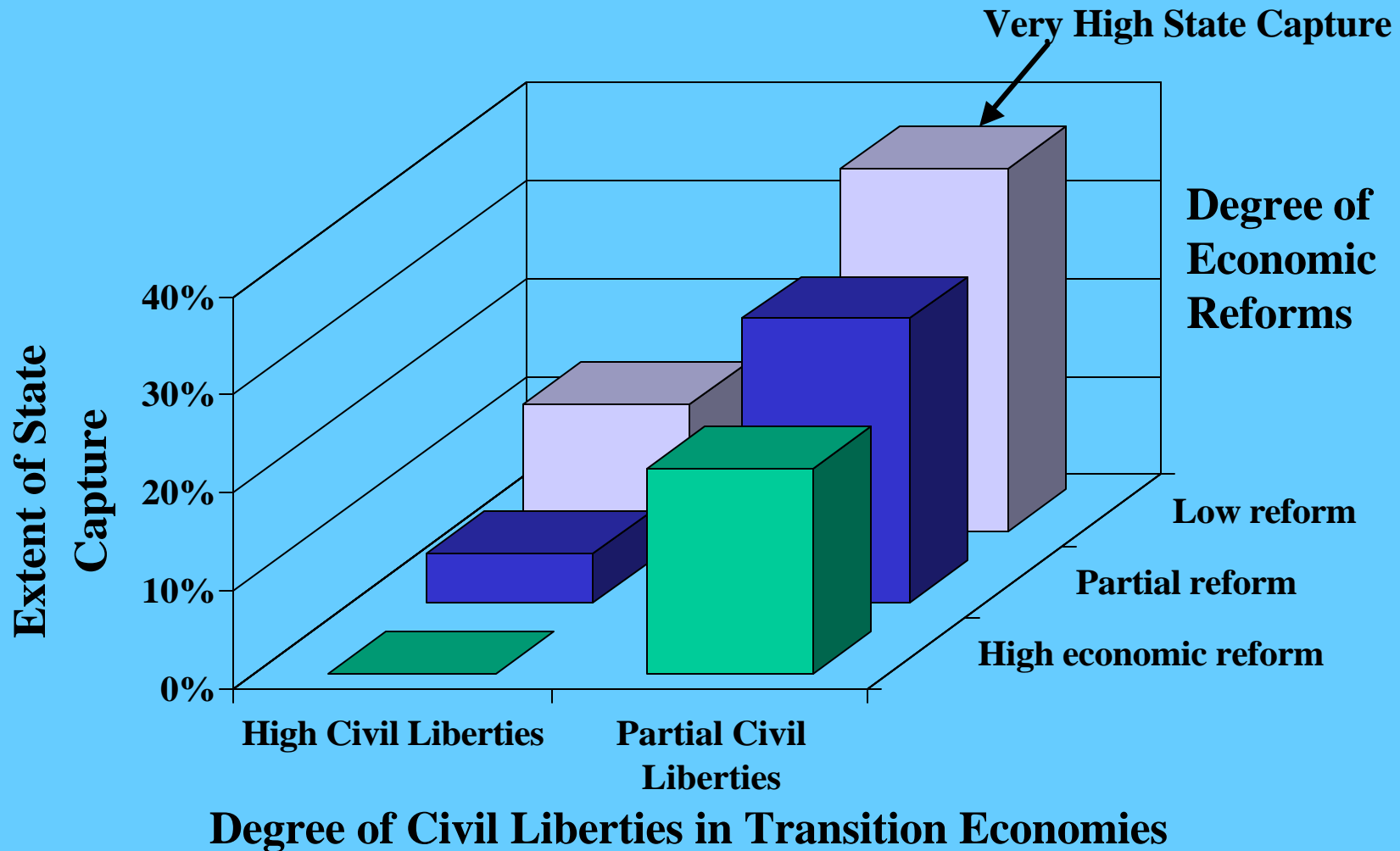
Voice and Accountability

Note: The bars depict the simple correlation between good governance and development outcomes. The line depicts the predicted value when taking into account the causality effects ("Development Dividend") from improved governance to better development outcomes. For data and methodological details visit <http://www.worldbank.org/wbi/governance>.

State Capture vs. Freedom of the Press



State Capture: A By-Product of Low Civil Liberties and Slow Economic Reforms



Problems of Media in Emerging Economies

- **Lack of legal protections for free speech**
- **Repressive misuse of libel & insult laws**
- **Weak institutional capacity in the country to respond to media disclosures**
- **Weak management and corporate governance within media sector**
- **Capture of the Industry by a few (*in some cases*)**
- **Lack of independent finance**
- **Insufficient expertise on key subjects**
- **Lack of comprehensive data on the industry: “management in the dark”**

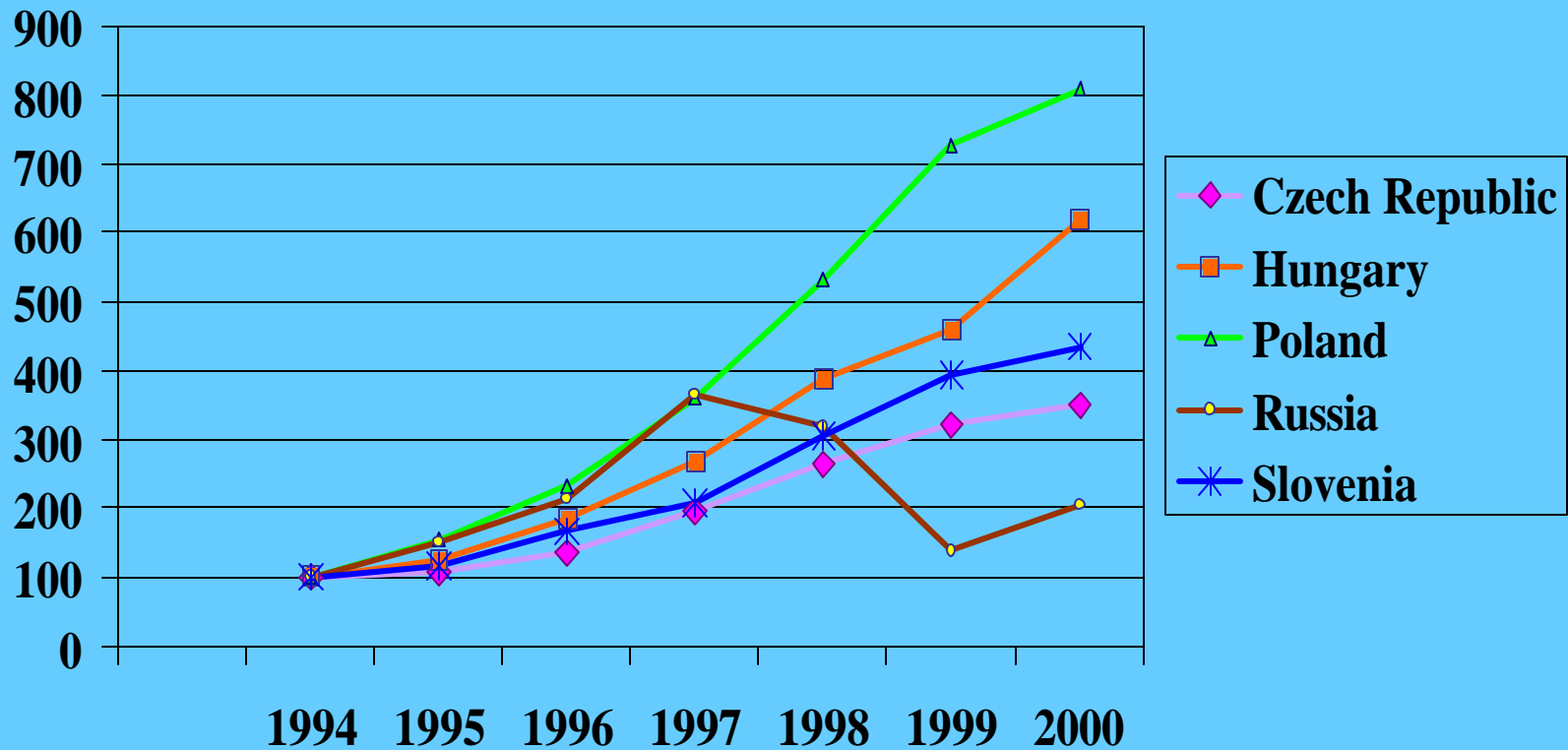
The Central European ‘Laboratory’

- **An industry transformed in a short period of time**
- **New legislation enacted**
- **State owners replaced by investors, foreign and domestic**
- **Some journalism of excellent quality takes hold**
- **Emergence from the dark: data on a promising new industry**

Case study in Poland: Rzeczpospolita

- **Government sold stake in Party daily (1991)**
- **Managers did management training**
- **Journalists studied economics**
- **Beefed up economics/ business coverage**
- **Advertising revenues soared, spurred by strong demand for business page**
- **Today newspaper is independent, profitable**

Advertising Expenditure 1994=100



Source: World Association of Newspapers: World Press Trends 2001

Economic and institutional reform and links to the media

- **Economic growth linked to demand for information**
- **Providers of that information compete for new audiences and advertisers**
- **Media becomes more independent and plays crucial role of monitoring public and private sector behavior**
- **Advocate for institutional change**
- **Demand for rigorous information creates “culture of truth-telling” where facts can be checked and verified**

Beijing Youth Daily

18 April 2003

HEADLINE

“RMB 280,000 Has Been Misappropriated”

Story about how a local official had confiscated money that was repaid to 500 farmers who successfully sued a seed company for poor quality products.

Lessons from Asia

- **Despite well-known claims of a less free “Asian model” economic growth in Asian went hand-in-hand with a growing freedoms**
- **“Asian tigers” liberalized business information which led to more freedom in other areas**
- **Financial crisis 1998 widely understood as failure of information flow—and lack of freedom of the press**

The next frontier: China?

- Last five years have seen major relaxation on some aspects of press freedom**
- Southeast China, in particular, is seeing major explosion of competition among media companies.**
- SARS exposed weakness of information flow and brought renewed calls for more freedom**
- Political shake-up and potential opening up in China due to the interface of a critical event (SARS), cross-border information flows, and technology**

But are lessons of media development successes, as in Central Europe, transferable to other regions?

- Public sector and governance reforms that focus on transparency, competition**
- Diversifying ownership of the media & de-linking media from public funding**
- Growing public disclosure by media companies of their financial results leads to investor confidence**
- Measures to encouraging investment, including from foreigners**
- The media's role: focus on quality content and a strong, independent voice**

Entry Points: Media are key Advocates for Good Governance Reforms

- **Governance reforms:** inclusion of media issues in training and in implementation of reforms
- **Public sector reforms:** stronger emphasis on access to information at all levels, privatization and deregulation of media, foreign investment in media – complemented with other public sector reforms
- **Private sector:** building knowledge about links between economic performance and good corporate governance/transparency
- **Knowledge economy:** showing links between successful use/creation of knowledge and quality/ freedom of media

The Power of Data

- **Country and international indicators: towards improved internationally comparable indicators on freedom of expression**
 - *New data is out there but rarely well publicized*
 - *Journalists and broadcasters can play a key role by:*
 - 1. Disseminating information on how countries are performing, and holding politicians accountable, &*
 - 2. Providing not only disclosures but also provoking debate about solutions*

Media/Communication Industry and Firm-Level indicators: data disclosure (including on actual ownership of media/broadcasting company)⁴

But by contrast with some best practices, why so many media companies 'squander' their freedom with poor journalism?

- Where undeveloped advertising markets, media depend on circulation to fund their activities.**
- Often this translates into 3 S's: Scandal, Sex & Sports**
- Low literacy and education levels in many developing countries; tv and radio more important than print media**
- Troubling tendency: sponsorship by politicians or business moguls.**
- Inadequate business acumen among media managers in developing countries**
- Advertising-focused publications compete for the higher end of the market; advertisers prefer serious publications: image enhancement.**
- Insight: newspapers in Central Europe charge a premium for advertising on the business pages.**

Role of IFI's and Donor Agencies

- **Set example, providing access to documents, decisions, people, data – *internet power...***
- **Emphasize *access* in public sector reforms**
- **Encourage governments (central, regional, local) to reduce ownership/subsidies to media**
- **Involve media early in governance diagnostics and formulation of anticorruption programs**
- **New approaches to learning programs, including management, specialized journalistic fields, with intensive use of rigorous data**
- **Make data and research easily accessible (*vs.myths*)**

A Learning Program Illustration: Regional Media Capacity Building in Russia/CIS

- **Based on needs assessment done 1999-2000**
- **Management training network in five Russian cities (now expanded to Ukraine as well)**
- **Training 1200 managers of local and regional newspapers over three years**
- **Focus: Financial independence, Budgeting**
- **Follow-up: training of journalists in economics and business and investigative journalism**

General: Also, major learning programs in business/economic journalism and in media development in Latin America, Asia, Africa.

WBI Media Development Program – *Integral Component of Global Governance*

- **Major Training programs through DL/VC and through internet – hundreds of journalists in each activity, regions, diverse languages – 1000s reached**
- **Access to information issues, as well as media self-regulation & codes of conduct are concrete components of these activities**
- **Major program of learning/training with partners for thousands of journalists in Latin America**
- **Challenges: i) Integrate with other key stakeholders; ii) Analyze frankly and provide tools to address issues of capture & misgovernance within media; iii) adapting to local realities, and, iv) Work with media on *Power of Data***

Data for Analysis and informing Policy Advise, not for Precise Rankings

Data in this presentation is from aggregate governance indicators, surveys, and expert polls and is subject to a margin of error. It is not intended for precise comparative rankings across countries, but to illustrate performance measures to assist in drawing implications for strategy. It does not reflect official views on rankings by the World Bank or its Board of Directors. Errors are responsibility of the author(s), who benefited in this work from collaboration with many Bank staff and outside experts.

www.worldbank.org/wbi/governance

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