

## The Role of the Media in Development

*WDR 2001* looks at how the media supports markets

*This article originally appeared in Today, the daily E-Magazine for World Bank staff.*

**April 16, 2001**—"The media allows market agents to make informed choices, provides checks and balances to other market actors, facilitates competition in political and economic markets, and gives poor people a voice: in essence, it is a critical market supporting institution," said Roumeen Islam, Director of the *World Development Report 2001* during the opening of the consultative meeting on the role of media in development held last week in Washington.

The meeting was called to seek input into the chapter of the *WDR 2001—Institutions for Markets* which focuses on the role of the media in supporting integrated and inclusive markets. The chapter also looks at how the media contributes to development, and the factors that make it an effective institution.

Participants were drawn from a diverse group, including leaders of media companies, representatives of media freedom NGOs and international agencies that support media development, academics, World Bank staff, editors and publishers, and journalism students from developing countries.

In the first session, chaired by World Bank Chief Economist Nick Stern, presentations were made on how access to the media promotes better governance and improves the information flows on development issues. In discussions, participants emphasized the importance of



Vice President for External Affairs Mats Karlsson and WDR 2001 Director Roumeen Islam during the opening of the meeting



Professor Andrei Shleifer of Harvard University presented new research conducted for with WDR team on how ownership patterns influence the effectiveness of the media

access to both foreign and vernacular media in pressuring for better governance and reflecting the views of society. It was also highlighted that in countries with low income and low literacy rates, radio is the primary way for citizens to gain access to the media.

In later sessions, participants debated how media regulations restrict media freedom. In addition to academic presentations on the topic, journalists and publishers provided personal experiences on how information flows in the media are affected by regulations.

Danny Kaufmann, Director at the World Bank Institute, led discussions on how access to information is essential for the media to perform its market enhancing role. Freedom of Information acts, and adequate government capacity to manage information were highlighted as central to ensuring journalist access to information and high quality reporting.

Also featured at the meeting was new research conducted by the WDR team on how ownership patterns influence the effectiveness of the media. The study, presented by Andrei Shleifer of Harvard University, examines ownership structures of newspaper, television, and radio enterprises in 97 countries. State media ownership was found to be pervasive around the world and one of the main ways to control information flows, with countries with high state ownership of the media having less freedom of the press, inferior governance, and poorer health and education outcomes.

Participants agreed that the World Bank has a role to play in creating an enabling environment for the media to perform its market enhancing role. Current efforts by WBI to train investigative journalists and build capacity in managing media organizations were praised by some of the participants who had attended the training programs.

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Mahfuz Anam, Chief Editor of the Daily Star, spoke about his experience running a newspaper in Bangladesh



Caralee McLiesh, Simon Djankov and Roumeen Islam, organizers of the meeting

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*WDR 2001 "Institutions for Markets"*, visit [www.worldbank.org/wdr/2001](http://www.worldbank.org/wdr/2001).

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