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Freedom of the Media as Freedom from Corruption

Dustin Daniels
Abstract

Corruption over the past decade has emerged as one of the most important issues of economic success in the developing world. During this time several articles and publications have cited media freedom as a closely related component to the fighting of corruption, citing public scrutiny and political incentives as the main arguments. Despite these voices, several criticisms have questioned the validity of these stated relationships and have countered with arguments that condemn the measuring tools and indices used for the analysis of corruption. This paper has investigated the relationship that free media has in the fighting of corruption in the developing world, and the strength of the indices used to measure these components. This study also included political freedom as an additional explanatory variable to investigate the importance of other social freedoms on corruption. Using several different indices from several institutions, this paper has found that although different in their approaches, many of these measuring tools come to the same conclusion about the levels of corruption, political freedom and media freedom around the world, a fact that rejects the former criticisms. Furthermore, this paper through a regression analysis shows that media indeed has a very strong non-linear relationship to corruption and can be more robustly seen after a certain threshold. With the newly found confidence in the measuring tools, and strong empirical evidence that media freedom is an important component to anti-corruption efforts, this paper offers some policy strategies that could help apply this relationship.

Keywords: Media Freedom, Corruption, Economic Development
Freedom of the Media as Freedom from Corruption

By

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defended on April 14, 2011.

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Professor Mark Isaac
Thesis Director

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Professor Mark Ziegler
Outside Committee Member

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Professor Doug Norton
Committee Member
“Were it left to me to decide whether we should have a government without newspapers, or newspapers without a government, I should not hesitate a moment to prefer the latter.”

Thomas Jefferson

Synopsis

Corruption is one of the most serious issues facing the developing world today. Simplistically stated, corruption can be defined as the use of public office or position for private gain. Since 1995, Transparency International has issued an annual Corruption Perceptions Index, which measures the prevalence of corruption based upon surveys of business people, helping to push the issue into mainstream development discourse. Similarly, for many years the World Bank has collected a range of data on corruption, including a 100,000 firm survey and a set of indicators of governance and institutional quality. Studies attribute natural resource revenues and foreign aid as some of the main fueling mechanisms of corruption worldwide. Macro and micro-level corruption fundamentally distorts public policy, leads to a misallocation of resources, deters foreign investment, causes a crippling amount of capital flight and ultimately hurts private sector development. Corruption in the developing world also poses a serious political challenge as it undermines democracy and perpetuates bad governance, a combination that has resulted in human rights violations and kleptocratic regimes. This paper focuses on the forms and effects of corruption on different regions of the world and the use of media freedom in combating the issue. This paper is motivated by recent research which has shown that higher corruption is detrimental to economic performance, which has lead to a general acceptance that corruption is one of the central issues in development policy.

This paper will analyze the roles of media in the developing world as it relates to corruption and public accountability, to determine if they can be considered to be strong,

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or even essential, components of curing corruption. The stance of this thesis does not forward that these two factors are the only issues involved in fighting corruption, but rather that their presence, expansion, and application may be key to any long-term anti-corruption success. To successfully prove this, a wide range of data has been reviewed to determine if the presence of these media freedom exists and if so, to estimate the impact it makes. This paper will also include measures of political freedom to observe another popularly cited variable in the fight against corruption. In addition, some case studies on the effects of media and political freedoms will be evaluated in an attempt to address both the praises and criticisms of each in a way that attempts to display the relationship between media and corruption. After an analysis of the relationship between these two components and corruption is conducted, this paper will make policy and strategy recommendations that apply these findings.

Initial Analysis

 Freedoms such as free press are generally considered important human rights and powerful controls against government malfeasance. An independent press is probably one of the most effective ways to uncover trespassing government officials, as any independent journalist has a strong incentive to investigate and uncover stories on wrongdoing and attempt to disperse the information to the masses. Countries with a free press should, therefore, have less corruption than countries where free press is not present. Preliminarily, the hypothesis of this paper was that the existence, expansion, and application of free media would strongly determine levels of corruption. From many different voices on the matter there is evidence of a significant relationship between more press freedom and less corruption in a large cross-section of countries. Likewise, this paper maintains that the expansion of political freedoms, simply defined by things like the existence of political competition and voter participation, is a strong component of success against corruption as well. In addition, in the realm of political freedom it appears that efforts that attempt to decentralize and create monitoring structures that include community members and push for transparency in public dealings has also shown to be

\[\text{Ibid}\]
successful. There are some strong and relevant criticisms to these types of efforts however, as well as for media and political freedom in general.

In terms of the media, though there is strong evidence that its existence inside a country can help keep people aware of corruption, it is difficult to say if freedom of the media alone can be enough to fight corruption if no other political freedoms are present. In other words, yes people may be informed about corruption, but what if they are still unable to do anything about it? Another concern is that although it is ideal to view media as a type of watchdog for the people, in reality media firms have the same incentive to participate in corrupt practices with a public entity as any other private firm, not to mention the potential incentive these firms have to release false campaigns and accusations against the government and the country’s state of corruption if these stories are likely to capture public attention and increase revenue\(^5\). No one likes to hear boring news after all. In addition, there are many different ways in which the media are controlled across countries, which may lead to very different outcomes for corruption. Restrictive legislation, threats, physical harassment, verbal abuse, financial extortion, censorship, media concentration, intimidation, violent assaults, high entry costs and access restrictions to the media market are some of the most common restrictions to press freedom\(^6\). Yet there is nothing to suggest that the effect of these restrictions is homogenous, or the effect of any one restriction would be equal in all situations. There is also concern that media freedom’s apparent relationship to corruption simply picks up wealth effects and the institutional environment, rather than positively impacting corruption to the scale that is regularly reported\(^7\).

In regards to political freedom, some very real concerns about its potential application have also been brought up. One criticism is that an abrupt expansion of political freedoms


does not ensure that the best and most non-corrupt leaders are chosen, especially where a large portion of a country’s population is uneducated or has no access to free media\(^8\). Additionally, though decentralization and grassroots monitoring systems have proven useful against corruption in some instances, it is a concern that these positive effects may only be felt if and when the institutions of country are strong and the capacity to properly oversee public activities is fully realized\(^9\). Another issue is that although political freedoms are usually cited as good for society, some countries have been successful in economic development by focusing on economic freedom first, even though both freedoms are intricately linked and one can strengthen the other\(^10\). Finally, political freedom inside a country with many corrupt and ruthless leaders is not easy to implement. It can lead to political unrest, instability, and even civil conflict, all things that perpetually hurt a country socially and economically.

As is evident from the stated criticisms, a consensus on the impact of media and political freedoms on corruption has not yet been reached in popular development discourse. Despite this, the topic of this paper is still relevant and useful because findings that show the relationship of media freedom and political freedom to corruption can offer a better understanding of where development practitioners can start addressing the issue and how legitimate the stated criticisms actually are against them. More on these relationships will be discussed later.

**Corruption Defined**

Corruption is not a simple topic. It manifests in many forms and affects areas of society in different ways. Paying a bribe to a guard on the Burundian border to receive a visa is not necessarily the same as the President of Chad diverting development aid into weapons purchases, though in both cases an unethical use of public power is taking place.

\(^{8}\) Ibid

The beauty of these two examples however, is that despite their differences, the manner in which they are measured is very similar and therefore informs how we rank the level of corruption within a country. This is because corruption indices are based off personal perceptions and experiences. The latter of these two examples can more appropriately be defined as institutional corruption or the misuse of public funds by the governments, or public sectors, of specific countries by resource diversion or other means, and can be classified through three major characteristics: bribery, misappropriation, and nepotism. As each of these actions is inherently related, it is their existence and use by major political institutions that makes them of direct concern. To briefly define these words in the intended context, the following are the related definitions. Bribery is a trade-off between two participants or two groups of participants, one who bribes and one who accepts a bribe. In guaranteeing a bribed service and in accepting a bribe, a government official misuses his position and thus breaches the norms tied to his position. Though in some places corrupt practices are the “norm” in terms of their frequency, a position as a public servant means that it is unlawful and unethical to participate in corrupt practices. Misappropriation is an action usually conducted by groups of public servants who have some scope in deciding how to allocate funds, who ultimately do so in a way that is removed from an intended use or for personal gain. Nepotism is when an official position is exploited to give preference to individuals or groups with whom a public officer has a close relationship. In a broader sense, nepotism when spoken about in development is the giving of preferential treatment to said people in awarding privileges such as licenses, contracts or employment, an action that greatly contributes to inequality and furthers group divisions.

Corruption undermines economic development by hindering investment and causing considerable inefficiency. Corrupt practices undercut noble international efforts to improve the health, educational attainments, welfare, and human rights of some of the


12 *Ibid*

13 *Ibid*
most troubled regions of the world. In many ways, corruption is also responsible for the numerous areas of the globe that are now controlled by criminalized states that are responsible for the drastic underdevelopment of their countries, with places like Zimbabwe and Myanmar serving as extreme examples. As it relates to foreign aid, corruption takes resources away from many initiatives that aim to help the poor and leave countries in debt. Though these resources do not guarantee benefits to those living in poverty, it is difficult to pinpoint the overall effect that aid could have due to the lack of opportunities to view its proper use. Corruption also generates drastic inefficiency and distortions inside the public sector. It does so by diverting public investment into capital projects where bribes and kickbacks are common. A widespread example is a kickback agreement between a public official and a private company, where the company submits a higher bid than what would be set by a proper competitive market, receives the government contract, and then diverts a percentage of the funds back to the corrupt official who arranged it. This example of misappropriation of funds is often found in large-scale development projects, as there are fewer risks of being caught. From a private-sector standpoint, corruption increases the cost of business through the price of illicit payments, which in-turn deters international investment and destroys domestic incentives to create formal-sector businesses. This problem, mixed with other restrictions on economic freedoms such as land-rights and private contract enforcement, directly explains the large informal markets in the developing world. Large informal markets, strictly from an economic development perspective, are not necessarily good for developing countries because the ability to tax businesses and accumulate financial resources for investments in public works and social welfare programs becomes increasingly hard as the sector grows.

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There are prevailing attitudes about what constitutes corruption in different parts of the world. Despite the different ways it manifests, it is important to note that corruption is an issue everywhere in the world, whether it be the “good ol’ boy” antics of the United States, or the resource exploiting leaders of Angola. Although not particularly indigenous to poorer parts of the world, neither through culture or pathology, corruption is indeed a major problem of the developing world. It is interesting to investigate some of the possible reasons why corruption, especially in developing countries, has been such a huge problem. At one extreme, particularly with the poorest countries of the world, an “anything goes” mentality for public business and governance prevails. In these places corruption is habitualized, institutionalized and practiced so much that people no longer recognize it as something adverse or unexpected. It is as if countries breed corruption into the expectation of their citizens, a practice that can last for generations. But how do people become susceptible to corruption? There seems to be a common theme in most of the areas where widespread corruption takes place: scarcity, morality, and governance. As this doesn’t exactly produce an epiphany of thought on corruption, it does offer a practical outlook on what it’s driving factors are. Economically, people are not paid what they should be. Socially, public officials do not practice moral behavior and a standard of ethics due to an incentive problem. And politically, citizens are unable to demand better governance from their leaders or choose better ones. From this standpoint, the problem of corruption emerges as not just a problem of government accountability, but of the quality of the human condition as it relates to rights, needs and cultural norms. It is the complexity of the problem that offers a bit of understanding for why it is still a major issue of development.

Aid and Corruption

Over the past 60 years at least $1 trillion of development aid has been transferred to

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21 Ibid
some of the poorest areas of the world. Yet real per-capita income today in Sub-Saharan Africa is lower than it was in the 1970s, and more than 50% of the population lives on less than a dollar a day\(^2\). The U.S. government provided $12.9 billion in official development assistance in 2009, most of it through the U.S. Agency for International Development (USAID), and has spent hundreds of billions in aid since World War II\(^3\). Sadly, many of the recipients of U.S. development aid are poorer now than they were before receiving assistance. Many critics have attributed these dismal numbers to the drastic misuse of funds that have in some cases only provided a small fraction of the resources that were intended. Another reason is the U.S. and other international financial institutions have given development aid that has come with economic conditions that focused on pro-market reforms and domestic capitalist gains through strategies such as those outlined in what came to be known as the Washington Consensus. These conditions were not successful as they were often tainted with donor-interests or free-market economic theory that most developed countries never followed during their early efforts to grow. To add insult to injury, many countries who did not accept these strategies ended up growing even more than those that did. In recent years, some academics and commentators in the mass media have argued that in transition economies and in emerging economies, market liberalization and privatization have significantly increased corruption\(^4\). It is argued that these reforms have served the vested interests of the corrupt elite and that reforms surrounded by weak institutions are a risky business\(^5\).

Because of these experiences, foreign aid has gotten a bad reputation and is currently one of the hot button issues between development economists. Worse still is that virtually the entire concept of aid conditionality has become the cornerstone of arguments that


label the true intentions of Western governments as neo-imperialist. And with conditions such as the investment in areas strategic to the donor country, ergo oil and other natural resources, it seems that the idea is not without a base.

**Fighting Corruption: Case Studies**

As numerous case studies from regions all around the world have shown, the role of mass media in curbing corruption through public scrutiny and political transparency is vital. By eliminating restrictions placed on the free flow of information, it allows for media outlets to inform and report to their respective masses on the damaging actions of government officials and other state supported initiatives. As the displacement of corrupt practices involves an alteration of political incentives, this change gives citizens the starting point they need to demand better leadership and transparent economic management.

In Peru, for instance, a situation in which the Chief of the secret police was bribing judges, politicians, and news outlets, ended after the uncorrupt press of the country worked to expose the system by informing the public, despite strong media infrastructure\(^\text{26}\). A similar situation has been documented in Thailand in 1998, as public scrutiny forced the removal of corrupt public officers who were engaging in a corrupt healthcare scheme\(^\text{27}\). A study in Nigeria has also produced similar claims, explaining that free press equals more democratic governance and therefore more participation and activism on the part of society\(^\text{28}\). Economist Amartya Sen in an earlier era, even goes as far as to argue that freedom of the press is the dividing factor between the successes of India and the downfalls of China in the amount of deaths caused by famine\(^\text{29}\). In any case,


free press and a free-flow of information has shown time and again that it can yield benefits socially and economically. Access and freedom of the media also has credibility and prestige worldwide, as institutions such as the United Nations have taken a stand for media and communication infrastructure.

In places like Rwanda, government officials have tackled corruption by grossly increasing the harshness of the possible punishments that could be given to individuals who are found guilty of being corrupt. The government has also invested a vast amount of resources in attempting to expand the information and communication technology of the country, a process that will make the transfer of information, whether through internet, cell phone, and radio broadcast much easier. These efforts have produced outstanding results as it relates to limiting corruption, as Rwanda performs relatively well in corruption controls, in a region where corruption is rampant. Other credible anti-corruption polices that have been shown to work are the use of communities in managing and investigating the use of public funds through grassroots monitoring systems, a strategy that has resulted in less missing public funds in Indonesia. Some lessons learned from development programs in Brazil, India and Uganda have taken this idea a step further and concluded that local participation, outside of major government officials, is necessary in project selection, implementation and in ensuring that participants have an incentive to ensure that the aid is used effectively and honestly.

The Criticisms of Studying Corruption

Before we are able to take a confident look at the corruption data, it is imperative to consider the major criticisms and concerns of studying corruption. The first and most widely cited argument is that corruption cannot be measured or the tools that are used to


measure corruption are generic or vague. As was stated earlier, measuring corruption is not an easy task, and because it occurs in such diverse places in the world, it is difficult to remain uniform and objective in the evaluation of the levels of corruption within different countries. Despite this difficulty, corruption can, and is being measured effectively. The first way corruption is being measured is through the gathering of the informed views of relevant stakeholders. This tactic includes the use of surveys from firms, public officials, and individuals, as well from outside observers like NGOs and the private sector. These sources offer a wide range of perspectives that show the perceptions of corruption based on an individuals’ actual experience, which is often the best and only information we have due to the lack of paper trails corruption schemes leave behind. One anecdotal example of the importance of perceptions could be if people believe their courts and police are corrupt, they will not want to use their services regardless of what the objective reality is. It is also telling that the correlation of corruption from cross-country surveys of domestic firms tends to be very highly correlated with perceptions from commercial risk rating agencies or multilateral development banks. The second way corruption is being measured is through the tracking of a country’s institutional features such as procurement practices and budget transparency. This tactic provides information on the opportunities and incentives for corruption, which although does not directly measure the issue, it does provide useful indicators. The final way corruption is being measured is through the audit of specific projects, which can be purely financial or more detailed comparisons of spending with the physical output of projects. These types of audits can provide information about malfeasance in specific projects, but usually tend to be one-time confined to specific projects and countries.

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37 Ibid
Another criticism of corruption measures is that because they are “subjective” and not actionable they cannot guide policy or strategy that effectively fights corruption. Again, this criticism is not well grounded, as several different surveys of firms and individuals ask detailed and disaggregated questions about corruption in different areas of government. Even though these questions do not always point to specific reforms, they are indeed very useful in identifying priorities. In addition, tracking perceptions about corruption can be a useful way of monitoring the success of the current anticorruption strategies, evaluating how effective or ineffective they actually are. The last criticism of measuring corruption is the idea that there is no need to look so closely at the issue because many countries that score high in corruption still have healthy economic growth. Skeptics of the anti-corruption agenda are quick to point out countries such as Bangladesh that score poorly on most cross-country assessments of corruption, yet have managed to turn in impressive growth performance over the past decade. These exceptions should not be confused however, as the majority of empirical findings of corruption show that it adversely affects growth in the long run. Studies have shown that a one standard-deviation increase in corruption lowers investment rates by three percentage points and lowers average annual growth by about one percentage point\(^{38}\).

**What Does the Data Say?**

To properly study the effects of variables such as political freedoms and free media on corruption, strong measuring tools had to be selected. As there are many indices and measurements for each of these components, it is necessary to include a wide range of perspectives and approaches to ensure the analysis is as conclusive as possible. The first step was to locate and choose two measuring tools to use when interpreting corruption, media freedom and political freedom around the world. An attempt was made to find indices created using different processes and approaches from different institutions.

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Though these tools are measuring the same social realities, the way in which they build their index is different, allowing an analysis of the similarities and differences across indices. After selecting the respectable indices to measure the variables, correlation tests were conducted between each index and its counterpart. The results were quite profound as the correlation coefficients were very high in virtually all of the tests. When various institutions set out to measure something like corruption, taking diverse paths, but are still ending at the same or similar conclusions, it speaks to perhaps the strength of the indices and more importantly to the weakness of the arguments against them. Though there are many criticisms of the indices used to measure corruption, political freedom, and media, these concerns are less powerful if multiple indices similar results. If their measurements are truly flawed then how can their common conclusion be explained?

**Corruption Data**

After a review of the outlets available, the 2010 Corruption Perceptions Index from Transparency International and the 2010 Control of Corruption Index from the World Bank were the two indices chosen to represent our measurement of corruption around the world. The Corruption Perceptions Index is an index calculated using data from 13 different surveys or assessments produced by 10 independent organizations, including the African Development Bank, the Asian Development Bank, the Economist Intelligence Unit, Bertelsmann Foundation, Freedom House, Global Insights, Institute for Management Development, Political and Economic Risk Consultancy, the World Economic Forum and the World Bank. It produces a score of 1-10, with 10 representing “very clean” or non-corrupt countries and 1 representing “highly corrupt” countries.

The World Bank’s Control of Corruption Index is an index used to capture perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption. The index is comprised by 21 different independent organizations such as Business Enterprise Environment Survey, Transparency International Global Competitiveness Report, Political Economic Risk Consultancy

Corruption Asia Survey, Vanderbilt University Americas Barometer, and the Institute for Management and Development World Competitiveness Yearbook. After deciding on these two indices, a correlation test was conducted to determine how compatible these two different measures were in their interpretation of corruption in the world. The correlation coefficient between the two indices came in at .98076, displaying a stunningly high correlation. Though the former index is one of the inputs into the latter, it is still only one of over twenty different inputs from around the world.

**Political Freedom Data**

In deciding on the two measures to represent Political Freedom, the 2010 Freedom in the World Survey from Freedom House and the 2010 Index of Democracy index from the Economist Intelligence Unit were chosen.

The Freedom in the World Survey provides an annual evaluation of the state of global freedom as experienced by individuals. The survey measures freedom, or the opportunity to act spontaneously in a variety of fields outside the control of the government and other centers of potential domination, according to two broad categories: political rights and civil liberties. The political freedoms category is defined based in three criteria, the electoral process, political pluralism and participation and the function of government. The civil liberties category is defined by four criteria, including, the freedom of expression and belief, associational and organizational rights, the rule of law, and personal autonomy and individual rights. The survey assigns each country and territory a numerical rating, on a scale of 1 to 7, for political rights and an analogous rating for civil liberties (a rating of 1 indicates the highest degree of freedom and 7 the lowest level of freedom).

The Economist Intelligence Unit’s Index of Democracy, (a rating that indicates 0 as the lowest level of freedom and 10 representing the highest), is based on the ratings for 60


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indicators grouped in five categories: electoral process and pluralism; civil liberties; the functioning of government; political participation; and political culture. The five categories are interrelated and form a coherent conceptual whole.

After deciding on these two indices, a correlation test was conducted to determine how compatible these two different measures were in their interpretation of political freedom around the world. The correlation coefficient between the two indices came in at -.93514.

**Media Freedom Data**

And finally, the measuring tools chosen to analyze media freedom were the 2010 Worldwide Press Freedom Index from Reporters without Borders and the 2009 Freedom of the Press Index from Freedom House.

The Worldwide Press Freedom Index is an annual ranking of countries compiled and published by Reporters Without Borders based upon the organization's assessment of their press freedom records. The report is based on a questionnaire sent to partner organizations of Reporters Without Borders (14 freedom of expression groups in five continents) and its 130 correspondents around the world, as well as to journalists, researchers, jurists and human rights activists. To compile this index, Reporters Without Borders prepared a questionnaire with 40 criteria that assess the state of press freedom in each country. A point system is used when interpreting the questions asked on the questionnaire, meaning that a higher score shows less media freedom and a low score shows high media freedom.

The 2010 Freedom of the Press index, which provides analytical reports and numerical ratings for 196 countries and territories, continues a process conducted since 1980 by Freedom House. The index currently comprises 23 methodology questions and 109 indicators divided into three broad categories: the legal environment, the political

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44 Ibid
environment, and the economic environment. Countries are given a total score from 0 (best) to 100 (worst). For each methodology question, a lower number of points is allotted for a more free situation, while a higher number of points are assigned for a less free environment.

After deciding on these two indices, a correlation test was conducted to determine how compatible these two different measures were in their interpretation of media freedom around the world. The correlation coefficient between the two indices came in at .83791, displaying another high correlation between another set of measures.

**Cross Correlation Tests**

After running correlation tests between each index and it counterpart, cross correlation tests were conducted between indices measuring different social realities. Tests were conducted between measures of media freedom and political freedom, corruption and political freedom, and media freedom and corruption. The following Tables 1a, 1b, and 1c show the results.

**Table 1a.**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>2010 CPI</td>
<td>-.5222</td>
<td>-.6586</td>
</tr>
<tr>
<td>W.B. Corruption</td>
<td>-.5287</td>
<td>-.6697</td>
</tr>
</tbody>
</table>

**Table 1b.**


46 Ibid
As the Tables show, the cross correlations between many indices are quite high. Though not as high as the correlation tests between indices measuring the same issue, these correlation results show that there is a measurable relationship between the three components. After seeing the correlation relationships between the different indices, the basis for a stronger investigation was set.

In an effort to ensure the integrity of this study, the indices shown to have the lowest correlation relationships were selected for a regression analysis. In the case of corruption and political freedom, the 2010 Freedom in the World Survey and the 2010 Corruption Perceptions Index were selected because of their correlation coefficient of -.6450. Likewise, between corruption and media freedom, the 2010 Worldwide Press Freedom index and the 2010 Corruption Perceptions Index were selected because of their correlation coefficient of -.5222. In the case of both political freedom and media freedom, the 2010 Corruption Perception Index was found to be the least correlated to any other measure.

### Table 1c.

<table>
<thead>
<tr>
<th></th>
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<tr>
<td>F.H. World</td>
<td>.6624</td>
<td>.9311</td>
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<tr>
<td>E.I.U. Democracy</td>
<td>-.7077</td>
<td>-.8525</td>
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<table>
<thead>
<tr>
<th>Cross Correlation of Corruption and Political Freedom</th>
<th>2010 CPI</th>
<th>W.B. Corruption</th>
</tr>
</thead>
<tbody>
<tr>
<td>F.H. World</td>
<td>-.6450</td>
<td>-.6605</td>
</tr>
<tr>
<td>E.I.U. Democracy</td>
<td>.7007</td>
<td>.7164</td>
</tr>
</tbody>
</table>
Regression Analysis

After determining the correlated relationships between all of the chosen indices, a regression analysis was conducted using the Freedom House Freedom in the World Index and the World Wide Press Freedom Index from Reporters without Borders as the explanatory variables and Transparency International Corruption Perceptions Index as the dependent variable. The results of the first regression are shown on Table 2 and Graph 1.

Table 2.

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Standard Error</th>
<th>t Stat</th>
<th>P-value</th>
<th>Multiple R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Standard Error</th>
<th>Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>6.437207633</td>
<td>0.273296199</td>
<td>23.55395965</td>
<td>1.36837E-52</td>
<td>0.637532971</td>
<td>0.406448289</td>
<td>1.63819907</td>
<td>155</td>
</tr>
<tr>
<td>FH Fr in W</td>
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<td>0.114938405</td>
<td>-5.879301853</td>
<td>2.52101E-08</td>
<td>0.398638398</td>
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<tr>
<td>WWPressFr</td>
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<td>0.009269152</td>
<td>-0.237135676</td>
<td>0.812870842</td>
<td></td>
<td>1.63819907</td>
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</tr>
</tbody>
</table>

Graph 1.

As can be observed in Table 2, the t-statistic for our political freedom index (Freedom in the World) was around -5.8793, showing a very robust relationship. The t-statistic for our media freedom index (Worldwide Press Freedom) however was -0.2371, showing a very
weak relationship. Keep in mind that because of the way the indices that were chosen for the regression are structured, a high number for the Corruption Perception Index represents a “clean,” or not corrupt country, a low number in Worldwide Press Index shows a “free”, or with high media freedoms country, and a low number in the Freedom of the World Index means a very politically “free” country. This would of course explain the sign differences between the t-statistics. When interpreting the relationship that media has with corruption, the t-statistic shows a weak relationship, but the graph seems to show a strong relationship as the Media index gets lower. Seeing this, a second regression analysis was conducted, but this time using the additional explanatory variable of “WWPressFrSQ,” or the Worldwide Press Freedom Index squared. This variable was included to investigate a possible non-linear relationship between media freedom and corruption. The results can be seen by examining Table 3 and Graph 2.

Table 3.

<table>
<thead>
<tr>
<th></th>
<th>Coefficients</th>
<th>Standard Error</th>
<th>t Stat</th>
<th>P-value</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Standard Error</th>
<th>Observations</th>
</tr>
</thead>
<tbody>
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<td>Intercept</td>
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<td>0.291991107</td>
<td>24.38223919</td>
<td>3.18718E-54</td>
<td>0.485433348</td>
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</tr>
<tr>
<td>FH Fr in W</td>
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<td>0.115335541</td>
<td>-4.1011711</td>
<td>6.69756E-05</td>
<td>0.47521017</td>
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<tr>
<td>WWPRESSFr</td>
<td>0.095259877</td>
<td>0.021180782</td>
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<td>1.530352697</td>
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<td>WWPRESSFrSQ</td>
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<td>4.814377364</td>
<td>3.55261E-06</td>
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</tr>
</tbody>
</table>

Graph 2.

**WWPressFr Line Fit Plot**

- TI Corruption PI
- Predicted TI Corruption PI

Daniels 22
As can be seen by Table 3, the t-statistic of the new explanatory variable (WWPressFrSQ) is 4.814, showing a very interesting change. This jump in the t-statistic means that there is indeed a strong relationship between media freedom and corruption, however that relationship is non-linear. This analysis says that changes in media freedom inside countries with very high levels of corruption do not make very large differences in corruption levels until a certain threshold. After reaching that threshold, which looks to be about 21, changes to media freedom seem to have a very profound effect on the levels of corruption within a country. An interesting point to make is that after the correction for the non-linearity of the press freedom variables, both political freedom and media freedom are shown to have strong explanatory influence, or measurable independent effects even though they are somewhat correlated. And though not a wildly popular argument, there have been a few different voices on the topic that have found similar nonlinear results as it relates to media freedom and lower levels of corruption\textsuperscript{47}. In addition, other researchers have also cited a non-linear relationship between corruption and democratic freedoms, but were including media freedoms in the mix of those rights\textsuperscript{48}.

**Regression with Threshold**

To further explore the relationship between free media and corruption in this study, a third regression analysis was conducted applying the apparent threshold that was observed in the second regression. In this analysis a fourth explanatory variable was used, “TH2,” which represents the World Wide Press Freedom index for countries that score a 21 or below. Table 4 displays these results.


Table 4

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Standard Error</th>
<th>t Stat</th>
<th>P-value</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Standard Error</th>
<th>Observat.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>7.215168684</td>
<td>0.316464211</td>
<td>22.79931955</td>
<td>0.685988278</td>
<td>0.470579917</td>
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<td>FH Fr in W</td>
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<td>0.108925206</td>
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<td>TH2</td>
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<td>0.020518257</td>
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</tbody>
</table>

TH2 is WWPress Freedom below 21

The results tell a stronger story than the latter two regressions. As the second regression confirmed non-linearity, the interpretation was still opaque. After including the threshold, the results make a much clearer argument for why this subject should be looked at a little more closely. Though this analysis in its entirety cannot conclusively show the relationship between free media and corruption due to the simplicity of explanatory variables and controls, it does perhaps show a meaningful relationship between the two that should be investigated further, especially in countries that fall below our observed threshold. As it relates to corruption, this regression can be interpreted as saying that as media freedom gets worse inside a country, it makes a much more profound difference in countries that have high levels of media freedom. Once countries are passed the threshold of 21, a country appears to be already too far gone in terms of its corruption problems, and media freedom can do little to help. If the country of Sudan shuts down its internet more often than Yemen, it doesn’t mean all that much in terms of in country corruption levels. If the United States government shuts down ten more newspapers then Switzerland however, the effects would be much more profound.

Policy and Strategy Recommendations

From this analysis it can be concluded that media freedom and political freedom both play roles in fighting corruption, with some countries showing a stronger relationship than others. As stated, it appears that only after a certain threshold are countries really
affected by media freedom. However, once those countries pass that threshold, media freedom shows an extremely robust relationship. Though more research will need to be conducted to determine what factors, policies, and characteristics in general are shared by countries that are strongly affected by media freedom, this study does make an argument for why these characteristics might be worth strengthening in an effort to cure corruption in the developing world. Because strengthening political freedom is a much more discussed and vetted topic than media freedom, the following are some policy recommendations that address ways that media freedom might be expanded and used effectively against corruption.

The first major policy consideration is to tie aid conditionality to the expansion and support of media freedom. Though conditionality has not shown itself to be a very effective tool for economic success over the past several decades, it seems like the conditions themselves have been troublesome and have not had the best interest of poor countries. Conditionality should not be the act of bribing governments to adhere and follow rules that as an end result cause dependence and economic unfairness. It should, however, be a tool to ensure that the leaders of developing countries are taking steps towards better governance and long-term economic growth. Some examples of expansion or support of free media could be the use of laws ensuring the freedom of the press, freedom of speech, and protection for journalists and media outlets in as conditions for development assistance. Another could be the establishment of international agreements or partnerships between countries and World news outlets to assist in the strengthening of media infrastructure and to help with the evaluation and reporting of media injustices that exist within a country. By making development aid conditional upon the liberalization of free press and the free flow of information, it would show a very meaningful stance from development institutions that corruption is indeed a top priority and in many cases an essential component to economic development. It would also provide a strong incentive for some countries to make free media a domestic priority. Related policy strategies could be the possibility of aid forgiveness offered to countries that implement free media as well, again offering a strong financial incentive.

Another policy consideration is for foreign governments and development institutions to
establish a trend of encouraging countries to invest in ICT and media infrastructure, to ensure the mass dispersion of information within a country and to perhaps lower the cost of entry for people who hope to establish news outlets. Some of the main problems of free media are the lack of reliable infrastructure to ensure news is accessible to the general population at a reasonable cost, and the barriers to enter the market on behalf of entrepreneurs, citizens, and journalists. By looking much more favorably on development projects that propose to invest in these very important components of free media, development institutions could help create a larger incentive for governments to include such plans and potentially receive more funding.

Some final policy considerations to consider involve the domestic policies of countries outside the developing world. In countries that have transnational corporations that operate in developing countries, such as the United States, policymakers could offer financial incentives to those companies that make an effort to work with countries that have low levels of corruption or who are working with anti-corruption efforts. Tax breaks and deductions for organizations that make an honest effort to work with non-corrupt countries would send a message to the international community that measures that ensure free media and political freedoms are very much related to their future economic relationships. Though a bit extreme, it could even be a strong and effective stance if coalitions of large multi-national businesses adhered to an agreement that pledges that they only work with non-corrupt countries. This might be accomplished through the pressures of consumers or of the general public who make it known that they do not approve of supporting companies that deal with corrupt countries that mistreat their people. Though a long shot, these proposed efforts relate to the general need of the international community to recognize that bold steps need to be taken if global corruption is to be reduced.

**Conclusion**

Media freedom in this study has been shown to have a non-linear relationship with corruption. The relationship is most robust after a certain threshold, a point that could inform future policy diagnoses in a way that perhaps shows media freedom’s real role in
fighting corruption. This paper has also shown that political freedom also has a relationship with corruption, or specifically the right to participate in free and fair elections and participate in project monitoring. Finally, this paper has also shown the validity and strength of the indices and tools used to evaluate corruption, media freedom and political freedom by showing high correlations between the measures despite diverse approaches in how they were assembled.

As this analysis is a cross sectional study that only looks at data for a singular year and not across time, it is important to understand the data limitations of how we interpret the results. Additionally, with no controls and only three explanatory variables, this study is a very simple econometric model that may not be telling the entire story. Despite this, a strong groundwork for a future investigation of media freedom and corruption has been set and some preliminary questions have been answered. Future research on this topic might investigate what policies, strategies, and characteristics that countries with high free media levels and low corruption levels have in common to perhaps pinpoint what prescriptions are most successful, or to see if there is another variable that is not being considered. In addition, other explanatory variables such as religious values should be included in the analysis to ensure that freedom of the media indeed is the defining component of anti-corruption efforts. From a policy perspective, this paper has offered some policy recommendations that involve both a commitment from the international community as well as ways in which the incentives for the governments of developing countries can be changed. It is imperative that this issue continues to be placed as a top priority in development research.
**Bibliography**

**General Corruption and Governance/Development Reference**


Media/Political Freedoms and Corruption References


Index References


