



PROJECT *on* Middle East Democracy

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Millennium Challenge Corporation

Press Freedom and Poverty Reduction: Exploring Links in Developing Countries

875 15th Street, N.W., March 26th 9:00 PM – 3:30 PM

The Millennium Challenge Corporation (MCC) hosted a roundtable on the freedom of press and its role in economic growth. **Maureen Harrington** provided opening remarks for the event and **Alicia Phillips Mandaville** moderated the discussion. **Dr. Joseph Siegle** of Development Alternatives, Inc., **James Traub** of *The New York Times Magazine*, **Mark Whitehouse** of the International Research and Exchanges Board, and **Richard Winfield** of World Press Freedom Committee gave their opinions on the relationship between journalism and development.

Maureen Harrington briefly addressed the MCC's indicator system, which is used to qualify candidate countries for grants. Three of these indicators are based on democratic rights and institutions, and two of these incorporate press freedom.

Joseph Siegle provided information on a dataset of countries with annual per capita incomes of less than \$4,000, therefore meeting one of the qualifications for MCC grants. He noted that **countries with open media grow twice as fast as countries with restrictions on the press**. He discussed how journalism serves economic needs by disseminating information and making the government accountable to the people. **“In fact, (open press) changes the incentives for corruption then what exists in more closed media environment”**

Mark Whitehouse examined media as an important structural part of the economy. According to Whitehouse, media serves the roles of “employers, advertisers, and taxpayers.” He did note, however, that many well-intentioned, democratically inclined journalist organizations do not necessarily have the skills to run a business. **Because of this, wealthier countries can assist lesser-developed countries by consulting with their media outlets**. Whitehouse also said that mismanaged media can do harm to a country. **“It's an investment worth making.”**

James Traub began by saying that when he was invited to the event, he saw no connection between free press and economic growth. While agreeing that the media is an “indispensible instrument of accountability,” he pointed to examples of “Asian values” countries that have had great economic success while limiting political freedoms. He claimed that the Cold War demonstrated that the free market won out, rather than Western values. However, Traub believed that **a free media can provide commercial information without providing political information, and thus still help the country's economy**.

During the question and answer period, an audience member asked Siegle how the United Arab Emirates and Pakistan fit into this model. The questioner pointed out that the UAE has experienced great wealth with little political freedoms, and the opposite for Pakistan. Siegle responded first by saying that its natural resource endowment makes the UAE an exception to his model. For Pakistan, Siegle responded that **President Pervez Musharraf** had actually restricted the media heavily during the country's economically hard times. Only recently has he relaxed those restrictions.