

**A New Approach to Development:
The Role of the Press**

**A WAN/World Bank Conference held on
13 June 1999 in Zürich, Switzerland**

A New Approach to Development: The Role of the Press

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Introduction

In its mission to promote and assist the development of a free press around the world, the World Association of Newspapers has in recent years been giving more and more time to the challenge of convincing the international community, and particularly its inter-governmental organisations, to consider the establishment of a strong, free and independent press sector as a necessary pre-condition to all real and durable progress in economic, social and political development and stability.

It is to the great credit of the World Bank that it has not only seized upon, but is now actively promoting the argument and philosophy that the free flow of information, leading to transparency and good governance and to the education of informed and responsible citizens, is a vital ingredient in the special alchemy that we need to make progress in the field of development. It is absolutely unacceptable, at the end of our 20th century, that vast swathes of humanity, whole peoples, struggle on a daily basis simply to survive, to find clean water, to eat properly, to resist disease, to get even a basic education.

It is the profound belief of the World Association of Newspapers that editors and publishers in developing countries have an enormous contribution to make to overcoming these problems, if only given a fair chance to play the fundamental role for which newspapers and other media exist: to report, inform and analyse - in full freedom - on the actions of all players in government and in society.

WAN argues, in short:

- That programmes to tackle the economic and social problems of developing and transitional countries cannot be fully effective, and are indeed often condemned to failure, without open, fair and well-managed government.
- That honest, transparent and effective government - and, of course, democracy, cannot exist without a strong, free and independent press.
- And finally, that the establishment of such a press in developing and transitional countries can only be ensured in the short-term by major external efforts to aid the creation of economically viable press enterprises.

The groundbreaking WAN/World Bank meeting in Zürich, which this report endeavours to summarise, brought together one hundred and eighty publishers and

editors from around the world to discuss the role of the press in effective development strategies.

Participants included nearly forty editors and other senior news executives from eighteen countries which are being considered by the World Bank for Comprehensive Development Programme pilot projects.

Warm thanks are due to the Swiss Federal Office for Foreign Economic Affairs for their generous financial support, which made the holding of the Conference possible.

Timothy Balding
Director General
World Association of Newspapers

September 1999

Note: WAN bears full responsibility for the contents of this report.

A New Approach to Development: The Role of the Press
Festaal, Dolder Grand Hotel, Zürich
13 June 1999

The Programme

11h00 *Introduction and Overview* by Bengt Braun, President, World Association of Newspapers and Jean-Francois Rischard, Vice President for Europe, The World Bank.

11h10-13h00 *The Role of the Press in Good Governance and Effective Development Strategies*
 Panellists will examine how a free, independent press can make a positive contribution to successful development and look at the role of information in working economies and how it affects governance, companies and citizens. The special problems in developing countries of access to information, the corruption of journalists and their sources and the problems of funding will be discussed.

Panellists:

T.N. Ninan, Editor and Publisher, "Business Standard", India;
 Robert J. Samuelson, Syndicated Columnist, Newsweek and The Washington Post, USA;
 Beat Kappeler, Columnist, Weltwoche, Switzerland

Moderator: Mark Nelson, World Bank Institute

Questions to Panel and Discussion

13h00-14h00: Lunch

Speaker: Mr. Jörg Al Reding, Chief of Operations, Economic Cooperation with Developing and Transition Countries, Federal Office for Foreign Economic Affairs, Switzerland

14h00-14h30 *The Changing World Bank*

Speaker: Jean-Francois Rischard, Vice President for Europe, The World Bank

14h30-15h30 *Live from Washington D.C. by video conference, James D. Wolfensohn, President of The World Bank Group, will address the conference and discuss the issues with participants.*

15h30-17h30 *The Challenge Ahead*

A panel of editors and publishers from developing countries, notably those where CDF pilot projects are under consideration, will analyse the opportunities provided by the new approach to development, examine the likely obstacles, and discuss the conditions needed for the press to play a constructive role.

Panellists:

William Pike, Managing Director, « The New Vision », Uganda - Nahil El-Sharif, Chief Editor, « Ad-Dustour », Jordan - Chungsoo Kim, Senior Analyst for Economic Affairs, « The Joongang Ilbo », South Korea - Diegou Bailly, Publisher, "Le Jour", Ivory Coast - Cornel Nistorescu, General Manager, "Evenimentual Zilei", Romania - Harold Hoyte, President and Editor in Chief, Nation Publishing Co. Ltd., Barbados

Open debate on next steps and how institutions like the World Bank can work together with the press.

Moderator: Timothy Balding, World Association of Newspapers

Progress and the press

The challenges facing the developing world are grounded in cold, hard facts: Three billion people, more than half the world's present population, must survive on less than \$3 a day. Every year, that population grows by more than 80 million people. Every second, an acre of forest is lost on the planet. There are 150 million children unable to go to school, 1.5 billion people without access to clean water, 2 billion people without access to sewers.

This is the challenge facing the World Bank as the planet moves from the 20th century to the 21st. And the bank, which coordinates billions of dollars worth of development projects in transitional countries around the globe, is worried. As many as 60 countries could fall by the wayside if the transition isn't handled right, says Jean-Francois Rischard, the World Bank's vice president for Europe.

'Everything is about to change because we're entering the age of information, and leaving the industrial age', he says.

Information is the lifeblood of the new economic age: Success is measured not so much by the output of steel or the raw resources of the land and sea - but by the output of knowledge and the well-cultivated resources of skilled workers and nimble markets.

Is it any wonder, then, that the World Bank is taking a much broader approach to development? Or that there is a larger role to be played by journalists, the primary brokers of information?

The emphasis on a wider range of development issues already is standard procedure at the bank: In recent years, the amount of money lent in the social sector has risen from less than 5 percent to 25-30 percent. Almost \$1 billion is being lent for 70 AIDS prevention projects, and there are programs for environmental protection, private-sector development, anti-corruption efforts and cultural heritage preservation.

In the bank's new approach, known as the Comprehensive Development Framework, 13 facets of development are taken into account: the financial system as well as governance, the legal and justice system, the social safety net, education and health, the environment, water and energy supplies, transportation and telecommunications, strategies for development of rural and urban areas and private-sector growth.

‘It’s becoming potentially the way that development will be done in the future’, Rischard says.

This wider approach requires a wider base of participation: not only government officials and development experts, but also private-sector executives and representatives of civil society. Among the hallmarks of the Comprehensive Development Framework are transparency, openness, accountability.

‘More countries than we’ve ever seen before are making the link between civil liberties and successful economic development’, says Mark Nelson of the World Bank’s Economic Development Institute. He cites the examples of Indonesia as well as Poland and other Central European countries, where new newspapers have blossomed in the aftermath of economic upheaval.

World Bank President James Wolfensohn puts it plainly: ‘Freedom of expression and freedom of the press are surely essential elements in the development process’, he says.

All this comes as music to the ears of independent journalists.

Transparency, openness and accountability mesh perfectly with the conditions that promote a free press: open access to economic information and public meetings, freedom of expression and protection from official harassment.

Does this mean that international aid should become directly linked to press freedom? The situation isn’t that simple: The World Bank’s charter doesn’t permit the institution to get involved in politics. However, the flow of information also has an economic and social impact - and that’s where the World Bank can express its concern.

Wolfensohn says he probably couldn’t use his office publicly as a bully pulpit to fight against, say, the imprisonment of journalists.

‘However’, he says, ‘it’s very possible for me to advise a prime minister or president that these activities are not going to win him any friends with the bank, and that they’re destroying the reputation of the country internationally, and they will affect the investment that goes into their countries - and implying very much that it will affect the investment that comes in from the bank as an economic and social matter.’

Freedom isn’t enough

As essential as a free press is to the new development process, more still is needed in order to derive the full benefit in the information age: The media industry must be healthy as well as free.

'Media penetration is as important as a free press', says T.J. Ninan, editor and publisher of the Business Standard in India. 'It is a necessary but not sufficient condition to have a free press.'

Economic columnist Robert Samuelson agrees: 'A free press is a great thing - but it is not the only great thing, and by itself will not lead to other great things.'

The other major part of the magic formula has to do with what Samuelson calls a 'large press' - a media industry on a sound financial footing, supported by a critical mass of readers and advertisers. The existence of a large press is an indicator that an economy is ready for development, he says.

'I think - and this may be more of a wish than a fact - that a free press and a large press may in the future be somewhat more important to economic development than it has in the past,' Samuelson said.

Nelson notes that there has been an 'explosion in economic and business coverage' worldwide - creating a symbiotic relationship between rising economies and the rise of the press.

Here's how Swedish publisher Bengt Braun, president of the World Association of Newspapers, explains the circular linkage between economic development, press freedoms and the economic viability of the press:

'Programs to tackle the economic problems in developing and transitional countries cannot be fully effective, and indeed are often condemned to failure, without open, fair and well-managed government.'

Such a government - indeed, democracy itself - cannot exist without a strong, free and independent press, Braun says.

'The establishment of such a press in developing and transitional countries can only be ensured in the short term by major external efforts to aid the creation of economically viable press enterprises', he concludes.

Such a linkage can create a virtuous circle - or, if the conditions are not right, a vicious circle: Economies out of joint can weaken the information industry. A weak information industry can find it more difficult to promote the flow of information. And constricted information flow can sap investor confidence, putting the economy further out of joint.

Diegou Bailly, publisher of Le Jour in the Ivory Coast, says he has seen this dark dynamic at work in his country. He says the Ivorian press has had to deal with several threats at once: increased harassment by a government wielding a new, more restrictive press law, as well as currency devaluation.

Timothy Balding, director general of the World Association of Newspapers, indicates that the Ivory Coast's situation is far from unique: Newspapers throughout the developing world desperately need outside support if they are to survive and eventually prosper.

'In fact, a Marshall Plan is needed for the press,' he says.

A free information marketplace brings benefits to all sides in the development process. By the same token, the information industry has to be nurtured, like any other industry in a developing nation.

The virtuous - or vicious - circle extends from the media deep into society: What good are independent newspapers if a population is illiterate? Or if the newspapers can't afford newsprint and ink, printing and delivery systems? Or if 'independent' journalists must rely on under-the-table payoffs from corrupt officials or businessmen or just plain mafiosi to make ends meet?

Newspapers have traditionally taken an interest in the welfare of their readers - to build reader loyalty and enhance their image in the community. Such activities range from investigative journalism to editorial advocacy campaigns to service programs in literacy, education and youth development. The Indian newspaper Malayala Manorama has even sponsored accident insurance plans for its readers, as well as a program to recognize farmers and to rebuild a community in the wake of a 1993 earthquake.

So in reality, it wouldn't be correct to say the World Bank is prescribing a new role for the press. Rather, the World Bank wants to build on what newspapers around the world are already doing for the communities they serve.

From his days as a journalist, Nelson recalls the examples of the highly publicized debate in Western Europe over the creation of the European Union, or the role taken on by the press in Eastern Europe during that region's dramatic political and economic changes.

'We would like to debate how this process can be extended to other parts of the world, to the less successful countries, the ones that need development the most,' Nelson says.

How news media can contribute

What roles can news media play in the development process? The most basic role, at least in the context of economic issues, is to facilitate the transfer of information among the players in the game - to serve as a 'nervous system' for business and financial activity. Such information can range from the daily stock quotes, printed in agate type, to the inch-high headlines heralding an impending merger or financial scandal.

In a rapidly changing global economy, such information can no longer be closely held by a clique of top-level insiders - a class Ninan calls the 'privilegentsia.' Rather, the ups and downs of business and the economy need to be distributed more democratically, to international as well as domestic investors. Such openness is in line with the globalization of the world's financial system.

'The system has become more transparent to ordinary players,' Ninan says. This 'nervous system' provides a feedback loop for the development process as well: An informed press can translate economic development programs into terms understandable to local readers, delve into the ground-level implications of those programs, then report also on how the public is reacting and how the programs are being put into practice.

The media also can provide an independent assessment of the development process. Pointing out the shortcomings of particular programs can serve as an essential step toward making those programs more responsive to the true needs of the people being served.

The role of the press looms particularly large in light of the World Bank's increasing emphasis on good governance: 'Most countries are in trouble because of governance,' Rischard observes.

No other institution is as well-placed as the independent press to act as a watchdog for bad governance and corruption. Rischard says the World Bank is counting on the press in countries that receive development aid to take a 'role in exposing corruption.'

If the media are to serve as 'honest brokers' of information, they cannot be mere cheerleaders for governments or even for development agencies. This may lead to uncomfortable situations - but unless such situations are handled openly, they will erode the foundations of the new approach to economic development.

Focusing on corruption

In the past, some have argued that favoritism and kickbacks are a necessary evil for developing countries. But Samuelson says that rationalization is becoming even more untenable in light of the new global economy.

'There is an increasingly large school of thought that believes corruption may actually retard economic growth,' he says.

Corrupt business practices are essentially a hidden tax on economic activity, in Samuelson's view. They also interfere with the evolution of the economy, since in a corrupt society, the fittest companies may not be the ones in charge. Corruption is particularly harmful for countries that rely upon an inflow of international capital, Samuelson says.

'If foreign investors know that a society is corrupt, then they will most likely stay out. In a world economy, where multinational companies can pick where they will invest, companies will tend to pick countries where they feel more comfortable,' he says.

Of course, even the media industry is not innately immune to under-the-table enticements. In post-Soviet Russia, for example, there were many reports about journalists who supplemented their paychecks by running complimentary articles in exchange for bribes (or running uncomplimentary articles about the briber's rivals). Tycoons bought newspapers primarily to further their own business or political agenda - sparking a slogan made only half in jest: 'If you don't like the news, buy some of your own.'

A closed media market, manipulated by either government officials or self-aggrandizing millionaires, can lead to distortions. But if the media marketplace is open to new players and free choice, the truth will out.

'In time, the situation resolves itself, and readers of course are very much part of the equation,' Balding of WAN says. 'I think the quality of journalists, and the quality of editors, is the real key to this question. We encourage the independence of the press from any influence. But it is also a fundamental facet of freedom of the press that you have the right to publish a newspaper to promote your own interests.'

Ninan notes that the last decade or so, three powerful Indian business groups started up daily newspapers in hopes of turning policy their way - 'and all have failed for one reason or the other,' he says.

'The best model that seems to work very well is the one that says publishers don't have any interests outside the media.'

In an unusual twist, Chinese dissident Wei Jingsheng says unofficial publishers are turning official corruption to their advantage: Local authorities look the other way while illegal publications - dealing with matters ranging from low pornography to high political commentary - are run off at countryside printing houses. The illegal printing houses have come to represent 32 percent of the publishing market in China, he claims.

'The official press is forced into liberalizing official publications. Controls are slowly eroding in the face of the success of these unofficial publications. People believe in what they read in unofficial publications much more than what they read in the official press', he says.

Wei admits that the illegal press flourishes largely because 'there is a considerable amount of corruption in the world of the press.'

'We can't always afford to be pure and idealistic in our mode of operating,' he says.

But seen in another light, the Chinese example illustrates how even a tightly controlled society must eventually bend to the dynamics of the information marketplace. A freer marketplace would leave no room for such corruption, Wei maintains.

'Freedom of expression is a prerequisite for adequately addressing questions of corruption,' he says.

Journalists continue to face ethical questions even in regions that enjoy full freedom of the press. Beat Kappeler, a columnist for the Swiss publication *Weltwoche*, worries about the subtler influences felt by journalists.

'I do not fear bullets, but I fear the sweet temptations,' he says.

Business journalists in particular should watch out for the siren song of consulting work, the revolving door between public relations and newspaper reporting, the cozy relationships that reporters may develop with their sources.

'The journalist should write about the rich and the powerful, but he should not mingle with them,' Kappeler says.

Editors should pay their journalists well, and refrain from outside business ventures. If journalists want to branch out, Kappeler recommends that they pursue less controversial avenues, such as writing books, teaching classes - or lecturing at conferences.

How news media can benefit

Society has a lot to gain from this new approach to development - and the press in particular has a lot to gain as well.

The clearest opportunities relate to training: Seminars in business/economic reporting could yield a rich return, with journalists writing more knowledgeably about the day's developments as well as the wider context of economic issues. Specialized programs could give business journalists a deeper understanding of how international development works - and lay out the specifics of the development process, country by country. Training programs also could lay out techniques for monitoring governance and working with other sectors of civil society.

Meanwhile, management training could put newspapers and other private media companies on a firmer financial footing. The World Association of Newspapers places particular emphasis on this facet and more than 4,500 newspaper executives in developing countries have participated in training programs coordinated by the association, over the past decade.

Internet training and access could play an important part in the 21st-century approach to management assistance. 'A big development will be the ability that the Internet is giving us to transfer skills electronically,' Balding says. Already, the World Association of Newspapers has instituted a program that links publishers in French-speaking West Africa with industry experts in France.

The Internet also will make it easier for the World Bank to share information relating to the development process - the detailed strategy for each country, as well as contact information for all the major players in the process and the yardsticks for each development plan. Under the Comprehensive Development Plan, this information and more will be made available via a Web-based network.

'You'll have the whole map of what's going on,' Rischarde promises.

Economic development also helps newspapers improve their bottom line in the three major areas that determine whether publishers rise or fall: circulation, advertising and cost reduction.

As more players enter the marketplace, the demand for timely and accurate market information grows: How did the markets do? Who's making deals with whom? What jobs are becoming available? Elias Rusike, publisher of Zimbabwe's Financial Gazette, says the newspaper 'becomes compulsory reading' for those engaged in local business.

And that draws more advertisers to local newspapers. 'If they want to recruit highly trained people, they have to advertise in the Financial Gazette and the Zimbabwe Independent,' Rusike says.

The link between economic growth and advertising growth is obvious in other regions of the world as well: Polish newspapers, for example, now derive 60 percent of their revenue from advertising related to business and the economy.

'The more contestable the market, the fatter newspapers become,' Ninan observes.

More advanced markets prepare the ground for technological innovation in the newspaper industry as well. This can range from computerized typesetting, to satellite page transmission, to upgraded press facilities, to alternative sources of newsprint such as kenaf, which the World Association of Newspapers has had a hand in pioneering. Domestic channels for newsprint and other supplies become more attractive, reducing the dependence on imported goods.

Add in more favorable conditions for lending, and you have a much brighter picture for investment and international partnerships. The ideal result is a virtuous circle, with a vigorous, vigilant press capable of speaking out more forcefully on behalf of social change - and sharing in the fruits of those changes.

Case studies

But how does this all work out in reality? Here are six case studies that illustrate how newspapers figure in the development debate:

Uganda: When he took over as editor of the government-owned newspaper New Vision in 1986, William Pike expected that there would soon be 'a new Uganda that would be part of an African renaissance.' But that 'new Uganda' still hasn't arrived.

'The road has been longer and harder than anyone expected,' he says. 'Uganda has had to contend with all the problems of underdevelopment, insurrection, drought, floods, corruption, low world commodity prices.'

Nevertheless, in Pike's view there is movement along the road: Economic growth has averaged 6 percent a year over the past decade, and on the political front, the press as well as the parliament has gained a freer hand.

'Many of our strongest stories come out of Parliament, while Parliament follows up investigative newspaper stories that might otherwise be forgotten,' he says.

That linkage between a free press and a free parliament should be a key feature in the World Bank's Comprehensive Development Framework, he says.

'Freedom of the press, combined with liberalization, provided a market opportunity that allowed the New Vision to grow into a successful business,' he says. His publishing company is anticipating \$1 million in profits in 1999, on a total turnover of \$10 million.

'In its turn, a free press has helped Ugandan development,' he says. He can tick off several factors - including the rise of investor confidence in Uganda, the press efforts to hold government accountable for its abuses, its support for economic liberalization, its role as a forum for civic debate and its role in educating the public about important social issues such as the spread of the AIDS virus. Newspapers, he says, 'provide leadership on key issues.'

While Pike declares that 'in Uganda there is a free press,' he also says the country's press also must be held accountable - for the truth.

'As long as something is true, we don't get into trouble. Politicians may grumble if the story is true, but they don't do anything,' he says. 'The problems arise when a story is false. Then the government can become reactionary and slap on criminal charges for publishing false news or sedition.'

This point leads Pike to cite the New Vision's competitors: 'Some of our competitors make it a point of pride to always be oppositional to government and never to

apologize. But ultimately this leaves the reader wondering what is objective and subjective, true and false.'

A sense of balance, he says, is key.

'In a country which had a million dead between 1971 and 1986, moderation is valued by today's reader. Moderation is profitable, and moderation underpins political stability and supports economic growth.'

Jordan: Freedom of the press is more the exception than the rule in the Arab world, says Nahil El-Sharif, chief editor of the Jordanian newspaper Ad-Dustour.

Many of the region's leading newspapers are state-owned, or in the case of Iraq and Syria, party-owned. Relatively few newspapers are privately owned and independent. And even though expatriate Arabic-language newspapers may seem free, 'in reality they have their own restrictions because they are tied to the money, they are tied to governments and businesses.'

The challenges for the newspaper industry aren't exclusively political, El-Sharif says. On one hand there is the competition from satellite television, controlled by international media concerns. On the other hand there are the cultural sensitivities of Arab societies.

'Sometimes these sensitivities are used by governments to achieve political control,' he says. Such restrictions 'play an important role in limiting freedom for the Arab press.'

In some cases, Arab journalists have made their mark by tackling social issues and engaging in investigative reporting, says El-Sharif, who himself has taught investigative reporting techniques to his Arab colleagues. But much more professional training is needed, he says. In some circles, there's a painfully obvious lack of objectivity and fairness in presenting opposing views, he says.

Turning specifically to Jordan, El-Sharif notes that the country's press law has been a subject of hot debate - in fact, Jordan has had three press laws put into force in recent years.

One issue has to do with the accreditation of chief editors: 'The government wants to set very high standards for chief editors in order to limit the scope of people who could take that position.' One version of the law would require chief editors to have 10 years of full-time journalistic experience, and would extend journalistic status only to members of the country's press association. El-Sharif says that law was due for cancellation.

‘As independent, free journalists, we are fighting against these restrictions because it is not really the government’s business to set standards,’ he says. ‘We are talking about free press, and the newspaper itself chooses the editor it sees fit.’

El-Sharif says he is heartened by what he has heard about the World Bank’s new approach to development, since it gives the press a higher profile. ‘I think it looks very encouraging,’ he says.

South Korea: ‘The press has been very successful in mobilizing the resources and constantly motivating people,’ says Chungsoo Kim, senior analyst for economic affairs at Joongang Ilbo.

The Korean press has become much freer in recent years, said Kim, although direct criticism of the president is still largely off-limits.

Kim, a U.S.-educated economist who switched from officialdom to journalism, has seen his country move from a time of rapid growth to an era in which equity and sustainability are key aims. The press, he says, could take some credit for the success of its campaign for a more reliable safety net and the implementation of financial reforms recommended by the International Monetary Fund.

‘I think the active role of the Korean press has been instrumental for the Korean government to change its economic development plan into a middle-term and long-term economic and social plan. And that has been the basis of all the welfare-related programs we have now,’ he says.

But there are still significant concerns about the course of the Korean economy: Kim is worried about the overinvolvement of the government in private-sector reforms - as well as the fact that many business moves are still shrouded in secrecy. Journalists still lack adequate access to information.

Kim hoped that the World Bank’s new approach could help strengthen the infrastructure for free-market mechanisms in Korea

The Asian financial crisis illustrates what can go wrong when information isn’t brought out into the open, Kim says.

‘Everyone knew that Korean companies were and are heavily indebted. Korean-managed banks and companies were the most serious cause of the crisis.’

What will it take to have a completely free press in Korea? Kim says the industry’s red ink and other financial problems are a big factor behind its reluctance to tread too heavily on controversial ground.

‘First we have to be financially very sound, otherwise we could never be free of our fear of the government pressuring the banks not to lend any more to the press,’ he

says. 'The most important thing is that we have our own share of not-so-transparent transactions. We distinctly feel that the most the press can do is to reflect the way the current society runs. So we should clean ourselves up first.'

Ivory Coast: Diegou Bailly, publisher of the Ivorian newspaper *Le Jour*, says his country's press is beset by problems on three sides: political, legal and economic.

Before 1990, when a multiparty political system was restored in the Ivory Coast, 'there were no problems - there was no freedom - and basically all newspapers had to sing in favor of national unity,' he said. The press was controlled by the government, and there was little latitude for journalists to step over the line.

Since 1990, there has been more latitude for the press, but more peril as well, due to the legal situation under new press laws. The laws have led to the imprisonment of 30 journalists in those nine years, 'so you see there is a strong control of the political party in power over the press - strong repression there.'

Newspapers are caught up in a 'bipolar system,' with strongly partisan publications supporting either the governing party or moves toward greater democracy. The atmosphere has become so partisan that it's 'hard to say what the people are interested in,' Bailly says.

Looking beyond the legal perils and the political polarization, Bailly says 'there are even greater obstacles, something even a bit more pernicious, when you look at things economically speaking.'

The cost of supplies for publishing newspapers went up as much as tenfold, he said, with the result that 200 Ivorian publications have gone under since 1990.

The more restrictive environment has made the media industry less attractive to investors. 'In some cases, people would like to invest in newspapers, but pressure was brought to bear by the government,' he says.

In his view, the survival of the Ivorian press depends on rising above political divisiveness and putting the industry on a firmer financial footing.

'The press will have to be seen as a buoyant economic sector - now it's seen only as a political mouthpiece,' he said.

'In order for the press to fulfill its role as I see it, it's very important for the press to no longer be in the political realm, but move into the economic realm, where it's possible to secure investment, financing, funding for the press.'

It will take 'political will' to turn the situation around. Political restrictions will have to be loosened; meanwhile, newspapers themselves will have to move away from their chumminess with politicians.

And instead of pursuing policies that put newspapers out of business, the government should see their potential as 'a very important vector of economic growth,' he said.

Romania: Since the fall of Nicolae Ceaucescu in 1989, Romania's publishing industry has gone through its own revolution, says Cornel Nistorescu, general manager of Evenimentul Zilei.

Nistorescu says he's fortunate to have no complaints about the status of press freedom in Romania: 'Maybe in some other meetings, the government will complain concerning the freedom of the press which we succeeded to have.'

In the past 10 years, hundreds of newspapers and privately operated broadcast channels have arisen 'because of the hunger of the population' for information.

'Only two communist newspapers survived, but now (they) are private,' he said. 'And the state controls only a national TV channel and a radio channel, but both of them have lower impact than many others that are private. That means the Romanian media is really free. That doesn't mean that it's also professional.'

Nistorescu indicated that increasing the professionalism and the self-regulation of the media was the biggest current challenge. Of particular concern is the complex relationship involving advertisers, journalists and those in power. Fortunately, Nistorescu said, Romanian journalists have built a strong community to safeguard their interests.

'The community of the media tried to preserve their rights, their position, building self-regulations for relations with advertising agencies, with clients, with power and also their avenues to the community.'

Romanian media outlets are attracting investment from international publishing interests such as Bertelsmann and Axel Springer - and Nistorescu said he was 'convinced that the globalized phenomenon will come.'

As far as relations with the Romanian government go, Nistorescu said the politicians were pressing for a law regulating the press, while journalists were pressing for a law providing freer access to information. 'And finally, we had neither of them,' he said.

On balance, that's not such a bad outcome, Nistorescu says. 'This community is really strong, and journalists finally are able to find out all the information they need from those in power. We succeed to find anything that we need.'

Barbados: The biggest obstacle to economic development is ignorance, says Harold Hoyte, president and editor of Barbados' Nation Publishing Co. Ltd. And that is where the media comes into play.

'Wherever the media exists, its role should be to fill the vacuum of ignorance wherever it exists, both in high places and even among the humble,' he declares.

When it comes to development aid, 'the media must be a tool to serve those who give, and those who receive. It must influence the giving and direct the receiving.'

Development agencies as well as developing societies can fall prey to the dangers of ignorance. Indeed, Hoyte advises those involved on the giving side that 'you must first rid yourselves of your own ignorance.'

Barbados and other countries around the world have been lumped together under several labels - such as 'transitional' countries or 'less successful' countries.

'We naturally don't agree with all these descriptions,' Hoyte says, 'but we know that they suit people who have determined that there is a world of **us** and there is a world of **them**.'

'We are the **them** people. We are mostly from the southern regions, where resources have historically been exploited for advancement of the **us** world - or we have suffered from the ravages of war, or yet again, we are located in regions of the world which are impacted by severe natural disasters, or even worse, we have so divided our lands that we seem not to be able to escape from the trauma caused by racial and religious differences.

'The challenge of development agencies is to understand us in the context of all these tragedies - and to do the right thing.'

Too often, Hoyte says, development agencies don't take proper account for the local nuances of the cultures with which they are working. Just in Hoyte's region of the world, which is often lumped together as 'South America,' there are English-speaking, French-speaking, Dutch-speaking, Spanish-speaking and Portuguese-speaking indigenous cultures as well as influences from Europe, Asia and Africa; all the religions of the world plus some special to the region; and wide variation in literacy levels, political traditions, mores and affluence.

'Can you imagine the complexity of these cultures?' he asks. It would be a gross mistake to take the same approach to development in all these countries within such a huge geographical region, let alone use an approach similar to that used in other parts of the world.

Hoyte uses his own country as an illustration: When the International Monetary Fund recommended a devaluation of the Barbadian dollar, the government decided

on a different strategy. The strength of the currency was considered so important to the nation's self-image that the government decided to reduce social services instead. The unions agreed to a wage freeze, and civil servants accepted a cut in their wages - achieving the fiscal goal by means suited to Barbadian society.

'We determined for ourselves, based on our own nuances, how we would deal with the problem of devaluation, and we did not have it imposed from outside,' Hoyte says. 'Unless there is a sense of the nuance of a society, then an international organization can come in and destroy a society.'

The media can play a great role in this regard.

'Media can provide the local knowledge that helps to fill the vacuum of ignorance that exists on all sides,' Hoyte says. Journalists are skilled at knowing how information is best transmitted to the society in which they work. They can fill the knowledge gaps that development agencies might have about those local nuances. And they can also fill the gaps in their readership's understanding of the world's economic workings.

Hoyte strikes a note of caution about the increasing globalization of economies. Such a trend, he says, could represent a 'new onslaught against developing countries.' Once again, international investors may look at the developing countries merely as new markets for goods. 'With globalization, there is going to be an inclination once again to ignore the basic interests of developing countries,' he says.

And once again, the media of the nations involved could help to fill the gap of ignorance.

'International organizations have an important role to play in ensuring that the new economic order is not a return to the old economic order,' Hoyte says. 'Together, the media must work to sensitize international organizations to the fact that with every new international development, there is a new economic challenge for the less well off.'

'The challenges we face are to recognize these impeding changes and then to do something about them proactively, not reactively,' he says.

His final plea came down to two words: 'Involve us.'

So what is to be done?

The message from development officials as well as journalists in developing countries is clear: The press has to play a bigger role in the process aimed at easing the plight of the world's poorest.

There are many facets to the press' role: to bridge the knowledge gap between those who give and those who receive; to act as an efficient 'nervous system' for the transmission of economic information; to provide a forum for the development debate; to champion the fundamental rights necessary for a society's functioning; to serve as an engine for sustainable economic progress; and to monitor the entire process, creating a feedback loop that leads to better governance.

A free and independent press can serve as the ideal guide and watchdog for governments and givers of aid. But a malnourished watchdog is of little use: To be truly free and independent, the press must be economically sound as well.

'The development process is a process of freedom,' the World Bank's James Wolfensohn says. Development and freedom are linked in a spiral: A vibrant, independent press promotes healthy economic development, and advantageous economic conditions provide fertile ground for the growth of an independent press.

The Ivorian experience illustrates what can happen over the course of just a decade when the spiral turns downward, while the Romanian experience shows what an upward spiral can bring in the same time frame.

How can the press play a bigger part in what WAN President Bengt Braun calls the 'special alchemy' of development? Here are some of the key ingredients:

Training: Development agencies should build on professional training programs already in place - to educate budding writers and editors on the fundamentals of international economics, to further explain the intricacies of the development process to experienced journalists, to sharpen the management skills of newspaper executives, to provide pointers for attracting domestic as well as international investment.

'We need training for financial manager, marketing managers and production and technical managers,' says Zimbabwe's Elias Rusike. 'Yes, the training of journalists is important, but if there is poor management control, if there is poor marketing, the efforts of those journalists come to naught.'

Training opportunities could include in-person consultations and classes as well as satellite-based distance learning programs, Internet-based discussion groups, videos, handbooks and pamphlets tailored to regional and local media markets.

Equal access to training and information is essential.

'We've been told about the training of journalists. What happens to training?' Rusike asks. 'UNESCO proposes to give training to journalists, but when support in training comes from the Ministry of Information and the Ministry of Education, you find that government newspapers and agencies are the beneficiaries of such facilities. The independent press is not included in such training.'

Technology: New tools should be employed to aid in the economic development of the media industry itself: This may involve developing new channels for obtaining newsprint and other supplies, or building new regional press facilities, or facilitating new telecommunication channels - which could be used to gather well as disseminate information.

Care must be taken here as well, not only to ensure equal access to technology aid, but also to use technologies appropriate to the social and economic setting. For example, setting up computerized editorial systems and newspaper Web sites would be of little benefit in rural communities where electrical power is intermittent, where computers would be anachronisms. But in a rapidly growing urban environment, computerization could be an important part of the development equation.

Over the long term, investments in the media infrastructure could yield a rich return - not only in financial terms, but also in wider terms of social and economic welfare.

Transparency: Under the Comprehensive Development Framework, journalists should have unprecedented access to the workings of the development process. In each country, the strategy for economic development - and the roles set forth for each sector in that strategy - will be laid out for all to see, on the Internet as well as on paper.

The press also will have access to the people behind the documents: government and private sector, multilateral and bilateral organizations as well as the key players in civil society. Journalists will be able to track progress toward the key milestones in the development scheme.

The media also will play a part in anti-corruption programs, following through on its traditional role as watchdog in a free society.

Talking together: Journalists should play up their other traditional roles as well: as facilitators, as explainers, as opinion-makers, as teachers, as witnesses, as critics, as encouragers.

The media can facilitate local, regional and national dialogues involving all the sectors involved in the development debate. In particular, the press can give voice to those who often seem voiceless: society's poorest, who are the intended beneficiaries of development aid but sometimes end up being victimized.

Journalists should help answer questions that their readers, advertisers and partners may have about the development process - but they should also address the shortcomings of development officials themselves.

This could sometimes be an unpleasant task.

‘Many development agencies themselves do not fully comprehend the impediment which ignorance imposes,’ Harold Hoyte of Barbados says.

But the multiple flows of information - to ordinary readers and business leaders as well as to government officials and development agencies - is essential in order to set up a ‘feedback loop,’ a virtuous circle that leads from poverty to progress.

The World Association of Newspapers has agreed to take a leading role in the dialogue involving its members as well as officials from the World Bank.

The media’s education effort should extend beyond the world’s developing countries: Rischard says journalists in more developed countries need to do a much better job of explaining ‘planet demographics’ to their readers: for example, why it’s important to address potential water shortages in the Middle East, choking urbanization in Asia, deforestation and soil erosion around the globe.

There needs to be more informed debate in more developed countries about the costs and benefits of development aid: As it is, the resources devoted to the task are not keeping up with the challenges at hand. Rischard points out that development aid now represents, on average, 0.19 percent of the gross domestic products for the members of the Organization for Economic Cooperation and Development - less than a third of the 0.7 percent target level.

‘The official development system is collapsing,’ he warns.

Will it work?

The World Bank’s Comprehensive Development Framework is just in its beginning stages: Bolivia was the first country to accept the plan as a blueprint for development aid, and about a dozen other nations are to follow. The bank, government officials and other players in the development process will no doubt have to fine-tune the framework over the next year or two.

Although bank officials have put forth a broad outline for the new approach, ‘there is no manual for this,’ Rischard says.

How will government officials respond to the idea of giving the press a greater role in the development process? In some countries, this may be the biggest educational challenge of all, in light of the traditional tension between government leaders and independent journalists.

But as we have seen, development officials have come to understand that the press must play a significant role: The free flow of information serves as the best guarantee of economic progress as well as political freedom. This fact gives

organizations like the World Bank and the World Association of Newspapers a powerful lever in their common cause.

‘We really do have a lot of things to say to each other, the World Bank and the world press community,’ Timothy Balding of the newspaper association told James Wolfensohn of the bank. ‘And I hope this is just the beginning of a beautiful friendship.’

Transcript of Discussion with James D. Wolfensohn:

JW: My purpose is to try and give you a bit of a sense of where I see our institution going, and in particular open the debate that I hope will follow my remarks on the ways in which we can work with you individually and with you as an organization in the principal purpose of the bank.

As Jean-Francois Rischard has told you, our focus is on the poorer countries of the world. We have 4.7 billion clients out of a world population of 5.7 billion. We have 3 billion of them that live under \$2 a day and 1.4 billion that live on under \$1 a day. And this growing population is a population that presents us with many challenges, and reflects the inequities that there are in many parts of the world in terms of rich and poor, in terms of men and women, in terms of those that are healthy and those that are unhealthy, in terms of those that are educated and those that are not educated. And it is a world that is faced with challenges environmentally, socially - and a world which, I need hardly tell you, is growing.

To that 5.7 billion people in the world, we can expect to add another 2 billion people in the next 25 years.

So we are all faced - not just the bank - all of you and we together are faced with the issue of trying to look at the new millennium at a time when we are anxious to have a sense of greater equity, and when we have to face the question of how we can bring both equity and peace to the countries in which we live.

This is clearly a role for the press, it's clearly a role for us, and what we're hopeful will emerge from today is a better understanding of our role so that we can work together to achieve a more peaceful role for our children.

We started over 50 years ago in the issue of reconstructing the world after World War II. But that's changed dramatically, and our focus is the focus of poverty. It is the focus of sustainable development. In that exercise, it's become very clear that, notwithstanding the fact that we can do \$35 billion of lending and business a year, this is a trivial amount or small amount relative to the needs of our globe.

We've been giving a lot of thought to the changing nature of the development process, and the absolute need to bring about partnership between all the players in the development exercise to ensure that together we can make a difference.

What is essential to this is to build within countries an understanding of the issues, and support for changes in development. It's very clear to us as the World Bank - has been for years - that there is no way that we can bring about change in a society by making an announcement in Washington, or in London, or in Paris, and saying what should be done. There's been enormous criticism of the so-called Washington consensus. I understand today at your meetings that there's been criticism of the bank as being too authoritarian, too distant, thinking it knows everything, announcing programs that should be followed. Let me tell you that we know, perhaps better than anyone in the audience, there is no way that you can make a distant announcement and expect social change. Frankly, I also know that there's no way that using a 'big stick' can bring about sustainable change.

What is essential in every country, whether it's the United States or Australia or the Cote d'Ivoire or Brazil, is to ensure that you can create in a country a sense of unity of purpose, or momentum, or drive within the country itself. And that comes from communications, it comes from the impact of the press and television. It comes from trying to mold, in a day when communication is the most effective that it's ever been in the history of our planet, a time that we can bring together the forces in society.

We've been looking at this question. It's a question not just of development. It's a question also of freedom.

In fact, recently in a joint article I had the pleasure of doing with Amartya Sen, current Nobel Prize winner, Amartya and I commented that the development process is a process of freedom. Let me quote from what we said (but, I must tell you, what Amartya wrote). I go on to describe the development process as expanding freedoms, and we say:

'These include freedom from starvation, from undernourishment, from illiteracy, from preventable and premature death - but also freedom of speech, of political participation and of social cooperation. For the World Bank, too, development is a process that ends with freedom from poverty, and from other social and economic deprivations.'

This is a linkage between Amartya's remarkable writings on freedom and our work on development. It's clear that the two are linked, and freedom of expression and freedom of the press are surely essential elements in the development process. And that's of course why we're thrilled to have this relationship with you.

Indeed, in some of our non-lending work, we are already at work with you, in trying to develop conferences and seminars for people from the press around the world, to deal with a sense of openness of the press, and to deal with the issue of being able to represent to the people the fundamental forces of development.

But here I have to say there's been a change in our own thinking, because we've become aware that too many people have far too narrow a view of development. Indeed, the press itself is, I think, culpable in the presentation of some aspects of the development process.

Let me just remind you of the events of the last 18 months - of the events in Korea, Thailand, Indonesia, Brazil, Russia. If you read the headlines, most of the debate and most of the headlines are focused on financial issues: the \$57 billion package, the \$20 billion package. In the text you read about macro policy, about fiscal policy, about monetary policy, about exchange rates, about flows of funds. Everything is designed to talk about the quantum of money, how much is being put up, whether there is enough reserves to protect the currency, what rate the currency should be settled at, flows of funds in terms of short-term capital movements, long-term capital movements

Most of the debate in the economic press, indeed in the general press, is focused on the question of economics and finance. And it's not surprising, because we ourselves tend, when we think of countries, to think of the gross national product, to think in terms of our own economic analysis of countries. But that's where typically it stands. And then there's the question of whether the IMF package is big enough, or small enough, whether the money is being diverted or not being diverted.... These become the issues.

What we've learned in recent times is that that is of course part of the story. And the issue of the international architecture and of transparency and of proper rules for growth and for flows of funds are essential, but they're only half the story. And you as newspaper proprietors and editors and individuals have a responsibility to bring to the attention of your governments and your people that that is only part of the story.

Countries don't move forward solely on the basis of money. Individuals don't live their lives solely on the basis of money. Let me tell you what we are looking at in terms of the issues that we think are equally important - issues that really make the difference and to which you could make a huge difference. Issues that differentiate countries.

Let me take the first issue: governance. If you give money to a country that's well-governed, you have a very much better chance of it being effective than if you give it to a country that is poorly governed. If you provide resources and information and funding to a country which is corrupt, you have a lot less chance of it being effective than if the country is facing corruption.

So the first issue for us is the issue of governance and the issue of corruption. This is a distinguishing feature at the front end of any development process. And we've already demonstrated in many countries that the issue of transparency, the

issue of confrontation of corruption, the issue of demanding better governance is the starting point.

The second element is the existence of a legal system. In too many of the countries in which we operate, there is not a comprehensive legal system. If, as Amartya Sen and I wrote, you talk about rights, the rights have to be defended. The rights have to be defined. There has to be a basis on which one can defend human rights: personal rights, property rights. So you need first the existence of a legal system.

And then you need a justice system that can carry it out. The existence of laws with a crooked justice system is of not great value. I've just come back from a trip to the Caucasus last week, where President Shevardnadze in Georgia took on the justice system, who in Georgia were the strongest and richest people, and made the top 200 judges undergo an examination - and 170 of them didn't pass. So Georgia now has 170 new judges. And they're clean judges. And they're honest judges. That's a dramatic move for a country, not less important than any economic move that President Shevardnadze will ever make.

And then you need a system of supervision and control of your financial system, of your banks, of your capital markets, of your corporations - clarity of presentation, appropriate supervision, independence. The reason for that is that, if you don't have it, the people who get hurt the most are the poor and the middle class. The rich somehow manage to get through. And indeed President Kim was elected in Korea on the basis that he was confronting the question of the linkage between the political figures, the chaebols, the banks, in terms of something that was out of the ordinary, in terms of the way in which the financial system worked. And that was no less true in Thailand, and significantly true also in Russia.

And then finally you have to have a social system. You have to have a framework that will allow you to deal with the question of poverty, the issue of unemployment, what happens when you bring about economic change. And nowhere was this more significant than in the transition economies. Whereas privatization occurred, and people who had previously been taken care of by fat corporations all of a sudden find themselves without the social underpinning, without the social safety net. The same was true in Korea, and the same was true in Thailand, where these social safety nets did not exist. They do not have to be 'state' social safety nets. They can be provided by family, by traditional family values. They can be provided by the tribes. But surely you need to have a social system to protect those that are endangered and damaged by economic change.

Now in all this there is no dollar figure. There is no headline.

This is building the basis of society. This is building the basis of freedom. It's not complicated. You don't have to have a Ph.D. in economics. It's common sense.

This is something in which the press can play an absolutely enormous role, in terms of reminding people that basic rights, the basic structure, is essential for any economic and peaceful development.

And then there should be a list in every country of the things that really make a difference in terms of equity and growth, again beyond the financial - the existence of an educational system, and particularly in today's world, the existence of a framework for the transfer of knowledge.

I was recently in the Ivory Coast: We were looking at the question of why cocoa farmers were being ripped off by intermediaries. We discovered that there were two and a half million farmers down there who annually sold at a fixed price, and the profit was taken by the intermediaries.

I went down to visit the farmers, and I went into the jungles, and I went into the village where I was made a chief, and I was very proud that I was - and unfortunately Jean-Francois didn't mention that in the introduction, but I am a chief of a village in the Ivory Coast.

As I sat with my brother chiefs in my beautiful robes, one of them suggested that I go to the office. And in the office, in the middle of nowhere, were two computers: one to weigh in the coffee and the cocoa, and the other where the young Ivorian was sitting in front of the screen, getting prices from London, Chicago and Paris on a minute-to-minute basis or as he wanted through the Reuters service which we'd provided ... so that now the farmers had the information with which they could deal with the intermediaries. And he would get it in the office, and with a cellular telephone he would go out to various places in the area and pass on the prices where the traders were coming by.

This was a marvelous image to me as I sat in hundred-year-old tribal clothes, but with a computer, and then my brother chiefs talking to me about hedging contracts and the futures market in Chicago and prices in Paris and London. A fantastic image, but one that's repeated for me many, many times as you think of the issues of communications and the issues of information.

So you start with education and knowledge, and then health care. Health care, which is not only necessary in itself, but a necessary parallel if you're going to have healthy kids at school. In Bangladesh, 25 percent of the kids are at risk before they get to school because of lack of nourishment.

And then you have to have water. Water, which in another 50 years will be probably the key limiting factor in at least half the countries. And sanitation. And power. And roads. And all forms of communication. And their environmental policies. And their cultural policies.

In a globalizing world, it is absolutely crucial that we protect and support countries in their efforts to build on their historic and cultural base. Countries cannot move forward without a sense of the past. And the preservation of cultural identity is not an adornment, is not a luxury. It's a necessity for the future.

And then you need an urban strategy. We're moving to a whole new set of problems in terms of mega cities. In another 10 years we'll have 23 mega cities of 10 million and more in the developing world. And issues of rural strategy, to ensure that people can earn a decent living and have a good life in the countryside. And finally the question of the private sector - to create an environment in which the private sector can play its full role.

All these issues that I'm describing to you are issues that don't immediately have a dollar sign attached to them. They're issues of policy. And they are not overnight issues. These are issues in which you need to have a press and a monitoring system that is prepared to think beyond tomorrow, and to keep reminding politicians and people alike of a longer-term strategy.

You cannot change a country overnight. You have to get a sense of time. You have to have five- or 10-year strategies. You need to have a responsible press that is thinking beyond the headline, and thinking in terms of strategic view for a country. Whatever happens with the politicians, whatever happens with the daily crises in the daily headlines, the press can play an absolutely pivotal role in terms of keeping the eyes of the country on its long-term strategy. Because without a long-term strategy, without a commitment to basic developmental lives, development is not going to happen. It is crucial that the press acts not just as a watchdog, but as a participant in the development process ... in establishing objectives, in helping mold public opinion, in reflecting public opinion, and in ensuring that there is a sense of time, a sense of space and a consistency over time. It's a very, very important role.

And then let me come to the last element that I wanted to comment on: that these various headings that I've suggested are not headings which I am seeking to impose. They are a framework. And that framework should be taken and adjusted and debated in the country itself. They should be prioritized. They should be changed. They should be set by the people in the country. What I have suggested are some ideas. They may or may not be the priorities in each country. But some framework like that must be established. And it should be established publicly.

We have a series of countries in which this attempt to set the framework is already being undertaken by government, by civil society, by business ... all together to try and set a sense of public goals. We've already completed this program in Bolivia. We're looking at it in Ghana. We have a dozen countries, most of whom are represented here at the meeting, in which we are playing with this notion of the Comprehensive Development Framework and taking it from a notion to a practical application in countries. Not driven from Washington. Driven within the country. Driven by the opinion makers in the countries.

We are past any notion that the bank or any other external institution should establish the priorities and the goals. Here again the establishment of this debate and the prioritization of goals plays directly into the press and into the media.

We've suggested that there are four partners involved. There are the governments of the countries concerned. And by governments, I include not just the administrative government: I include the parliamentary governments - very important in each country. Provincial governments: state, city, as we see in many more countries a dispersion of the government process.

Then there are the international institutions that can be of help. The bank, the fund, the United Nations system, multilateral and bilateral institutions. We all need to get our acts together and be better coordinated in what we're doing so that eight or nine institutions are not all trying to put up a school, and no one trying to put up sewers or less attractive aspects of development.

And the third element is civil society. Civil society which comes with freedom. Civil society of religions, of trade unions, of the press, of the media, of non-governmental organizations, of foundations. These are the elements in civil society which have burgeoned to an enormous degree in the last decade, as we have had democracy, as we have had a market system.

And finally the private sector - a private sector which is really compelling in terms of its influence today on development. In 1987 the flow of funds from developed countries to developing countries in the private sector was about \$20 billion a year. In 1997, ten years later, it reached \$300 billion. Although it's dropped this year with a reduction significantly in terms of bank lending to about \$220 billion, still you have direct investment running at \$120, \$130 billion a year... pretty stable.

Let me compare that with official institutions: In 1987, when \$20 billion was going from private sector, official institutions were \$40 billion - twice the size. Today with private sector at \$200 or \$300 billion, official institutions are last year \$33 billion and this year over 40 billion. So the private sector, from being half the size, has become five, seven, eight times the size of the official institutions. This is a total change in terms of weighting of resources, in terms of transfer of experience, in terms of transfer of knowledge, in terms of creation of jobs.

And so it's essential that we include in the exercise, along with civil society, a vibrant and strong private sector - and not just from the outside, but an internal private sector that needs to be nurtured and developed, because they invest two or three times the size of external financing.

What we're looking at in the bank is not that there be an institution in Washington that has all the answers and that simply states what should be done

based on our experience. The new dynamic is a dynamic of establishing a macro and growth policy, the financial aspect of which I have spoken, but also the non-financial aspect. The structural ... the issue of governance, corruption, the legal system, judicial system, financial supervision, social safety net ... and then an agenda of education, health, power, water, environment, culture, rural strategy, urban strategy ... whatever it is that the country sets as its priorities. And a set of priorities which, as I've said, is not an overnight set of priorities, but which is a set of priorities that will take a decade or more.

And finally, we're talking that to achieve this you need a partnership: a partnership between the governments of the countries, which must lead, between the multilateral, bilateral institutions, the civil society in all its forms and the private sector. This is the new dynamic for the next millennium. It's a dynamic of focus, it's a dynamic in which we have to think medium and long term, it's a dynamic in which I suggest the press has an enormous role to play: to move from headlines to strategy, to move from crisis to covering careful progress, to be a conscience, to be something that has a memory, to be an institution that can give guidance and can hold a country to its course. If a partnership can be created between all the players in development and a responsible press, we have a chance of creating a world for our children that will be stable and peaceful.

Question: My name is Timothy Balding and I'm the director general of the World Association of Newspapers, which is organizing this meeting in partnership with the World Bank in Zurich.

In the sessions we had here this morning, two questions came up, and this is where some hard questions were asked about the World Bank's role. Many of the participants here who are from the countries which you're describing underlined the huge obstacles that they faced in playing the role of watchdog that you yourself defined. They often are trying to survive themselves in disastrous economic and political conditions. And two questions came up that, on behalf of the participants, I would like to put to you.

One of them is, do you think that the World Bank also has a role in helping the development of the press itself, to help it achieve the strength and independence and development that will enable it to play the role that you described? The second question is whether you believe that in any near future the World Bank might condition its help or loans to developing countries to the situation for human rights and freedom of expression in that country?

James Wolfensohn: Well, first of all, let me say, Mr. Balding, how much we appreciate this partnership with you for today, and beyond today in the joint activities that we have elsewhere. And let me start with the first question. I am of course very well aware that in some countries there is difficulty with the press. Let me tell you first the bank's difficulty, and tell you frankly what we're doing about it.

When I got to the bank, I was told that we were an economic institution, and that participation in politics was not permitted under Article 4 of our charter. I was told that I could not talk about corruption. It was in fact referred to in our organization as the 'c-word'. No one was prepared to mention it. So I redefined the c-word as not being political, but as being social and economic. And what I discovered was that, by doing that, at the next annual meeting two and a half years ago every minister wanted to talk about corruption, and we're now moving on the corruption question.

On the issue of the press, and on the issue of freedom, we're moving in a number of ways, but not confronting it as a political matter. We are working with you, as you know, in a number of countries, in terms of trying to bring about an understanding by the press of economic and social matters - and by doing so informing governments that we are linking with the press in the country as a supporter and as a facilitator of press commentary.

I should tell you also that in some recent cases, very strongly behind the scenes, we have been very active in assisting in some of the work that I've noticed in your publications are of central concern to you, which is to try to ensure that the journalists who have been either thrown in jail or otherwise afflicted get their rights protected. And officially I can't represent 180 countries on that, but personally it's very possible for me to advise a prime minister or president that these activities are not going to win him any friends with the bank, and that they're destroying the reputation of the country internationally, and they will affect the investment that goes into their countries - and implying very much that it will affect the investment that comes in from the bank as an economic and social matter.

You have to trust us that we care as much about freedom as all of you. But as an international civil servant, in some cases it's very difficult for me to go to the very board composed of some of the countries that deny these freedoms and weld a consensus of the board, because they'll tell me that under Article 4 I'm not allowed to interfere.

So what we're doing is talking about freedom, is talking about integrity of rights. The article I wrote with Amartya Sen dealt with freedom. I don't think presidents of the bank have come out and talked about that before. This year we did a seminar on democracy, freedom and development. So our move is very clear. Our position is very clear. Our charter is somewhat limiting. But I would have to say to you that I think that there is tremendous evidence over the last several years of a coalescing of views between what bankers are doing - and we're defining it as an economic and social matter - and what I think are the objectives of your institution.

On the question of making a condition, where freedom is a condition: Again, what we're doing is to talk about the social consequences of lack of freedom. We're saying that, if you don't have equal rights for men and women, if you don't have equal education, if you don't have equal access to health, if you distort the country by

having the rich being richer and the poor being poorer, if you do not have freedom to grow, freedom of rights, we are saying at the bank that that distorts the social and economic progress. So we're attacking it, perhaps from the side, but substantially in the same way that you wish us to do. I rather think, frankly, that we can be very effective in this process. I have many discussions with leaders, off the record, about the international image of countries. I have many discussions, off the record, about whether funding is coming or not coming based on social movements. And so I'm prepared to withstand some of the criticism that I gather was forthcoming this morning, about not getting headlines for this, by being pretty effective and very consistent on a social and economic basis and behind the scenes.

I would like you to accept that all of us at the bank have the same degree of concern about social, political and human freedoms as all of you. It is, after all, why I'm at the bank - it's why I have 10,000 colleagues working on development. But we have to be careful in terms of our charter, because the charter warns us not to get onto political grounds. So we're going as close as we can, and I ask you to watch the small print on the social front and on the economic front, and I think you will be very happy with what the bank is doing.

Question: Thank you, Mr. President. Ndu Ughamadu is my name, I'm from Nigeria. In many developing countries, particularly in Africa, the World Bank doesn't seem to be popular, as you pointed out. It is said that World Bank policies don't have a human face. For example, if politicians whenever they're campaigning for an election cannot point in their manifestos usually that the living standard is going to be improved, that life is going to be better for the average citizen, once they assume office, and the World Bank imposes its conditionalities on them, particularly some of the goals you mentioned - privatization, deregulation, and so on and so forth - there is a tendency for these policies to increase the prices of commodities in these countries, and ... in the next election, the electorate put out the particular government in power. What do you advise politicians in developing countries, whenever they carry out the manifesto - and also journalists. What do you emphasize on each of the goals you mentioned - privatization, deregulation and so on and so forth?

Wolfensohn: Well, first of all, I'm very well aware of the blame that is put on the bank in many countries. It's quite easy to blame the bank for inadequacies of government. And I'm afraid I have to live with that, and our institution has to live with it. What I am trying to do in every country, including yours, where I recently met with General Obasanjo, is to try to establish that we're there to support government policies. In my meeting with your new president, we went through precisely the framework that I discussed with you today. I'm not going to decide for the president what it is he's going to do, or his prioritization on privatization, or corruption, or other things. But he has indicated since he came into office in your country that he does have a program, and we're here to support that program.

What I'm trying to do in terms of the bank is to be supportive of government but not be the government. It's very convenient to blame the bank for problems, but I have to say to you that that is not universally correct. I believe that in the way in which we're working now, and particularly if there is clarity of presentation and transparency, that you in the press can monitor what it is that we're doing and then you can form your own judgments.

I've met in the last year with over 30 individual leaders in Africa. I can tell you that in the meetings that I've had with them in the last 12 to 18 months, the issues of conditionality have not been raised. These are issues which I think were raised 3, 4, 5 years ago, and the degree of antagonism against the bank has, I think, moderated very considerably. So I'm hoping that change is taking place. I believe that the change is clear. And I believe if we continue with this process of partnership and of goal-setting, then it won't be so easy to say that all the problems of the country come from the World Bank. There is a need for shared responsibility.

And just manifestly, clearly, it is preposterous in countries to say that the singular source of problems is the World Bank or any other international institution. The issues are much too complex. And in what I said before about government corruption, legal system, framework, you'd have to say that a lot of those issues are within the scope of the country itself, not in the scope of a single admonition from the World Bank.

Question: Harold Hoyte from Barbados. Thank you very much, Mr. President, for a very enlightened presentation. I think all of us here have benefited considerably from your insights and explanations. We've come here not particularly aware of the broad dimensions of the work of the World Bank and therefore it has been most edifying to hear you.

I know you would have learned that there has been something of a bank-bashing session this morning. We do not think that we could come here and not express the views of several of us about the image and the reputation of the World Bank, especially in places like Africa and Asia. The fact of the matter is that, as far as several of us are concerned in the developing countries, we believe that the process of consultation needs perhaps to be a little wider, and that those same partners that you have identified as part of your process must be so involved in terms of discussing the issues as they relate to people. I'm talking about institutions like the private sector, NGOs and the press. That would go a long way in helping to enrich your experience and perhaps enhance what you do.

I don't have a particular question, but I just wanted to issue that statement and also to say to you that if you're concerned about the image that some of us have of the bank in terms of a dollar image, perhaps there's something you can do by de-emphasizing the dollar value of what you do, and emphasize the development aspect of it. And those agencies that provide the information need to de-emphasize that.

And also, it may seem facetious, but you need to look at your name, because you are the World Bank, and a bank has a certain connotation. When you are the World Bank, you are the bank of all banks. And therefore the dollar sign is written all over your name. Perhaps a name that more closely identifies with your development role and your interest in social transformation would help. That's all I want to say. No particular question, but thank you very much.

Wolfensohn: Thank you very much. As a matter of fact, we have ourselves been thinking of exactly that issue, on the bank question. The name is the International Bank for Reconstruction and Development, but no one uses it. And I agree with you that that does have a dollar sign on top of it.

I very much hope that this process that we're engaged in now, this comprehensive approach, will in fact over time address the questions of the image of our institution. And I'm very grateful to you for your observations. Thank you very much.

Question: I come from Cameroon, and I would like to say that I listened very closely to what you said and that addressed some of my concerns. Nonetheless, Mr. President, I have to say the World Bank is taking part in a project regarding both Chad and Cameroon. Every time journalists from the two countries have endeavored to criticize this large project - well, there seems to be a certain amount of contradiction with the position of your bank, the fight against poverty. And every time that there's been criticism, well, they were arrested and jailed. But I would like to know, Mr. President, what has been your reaction in this regard, and how do you plan to encourage input from the press when it comes to this fight against poverty and wretchedness in those countries where the governments continue to turn a deaf ear to criticism, and in those countries where your investment has been jeopardized, endangered? You told us a story, talking about the planting of coconuts in the Ivory Coast. Well, Mr. President, I hope that in the coming weeks and months once again you will be able to meet with those people from Cameroon and Chad, those people who have been chased out of their country - and looking for ways to compensate them for the loss of their land and property.

Wolfensohn: Thank you for that question. The issue of the Chad-Cameroon pipeline is something that has given us a tremendous anxiety over the last 12 or 18 months. And let me start by saying that there is no profit in us lending for the Chad-Cameroon pipeline. This is not me as a private individual trying to do a good deal. This is trying to get an assessment whether in the case of the Chad-Cameroon pipeline it can affect positively poverty in the two countries.

Chad is one of the poorest countries in the world. The press of both countries, Chad and Cameroon, have been extraordinarily vigorous about the lack of governance and corruption in both countries, and concerned that any benefits from

the pipeline, if it were to take place, might be diverted and would not get to the people who should be helped.

There are two issues that we've been looking at on Chad-Cameroon. The first is the environmental and equitable nature of the pipeline itself. And we've done about 57 studies on that, and I mean 57 studies. And it looks as though there is now an appropriate and sustainable route for the pipeline.

The second question is, what are the benefits that would come from the pipeline and how could they be set up? And we've now established a basis on which with total transparency, for the press to watch, and with a recent meeting that I had with the president of Chad, an agreement that the whole thing can be set up totally transparently - so that every dollar of inflow can be seen and it can go for education, health and poverty issues.

If we can set something up like that it makes a billion dollars of difference to the country of Chad, and with lesser but still significant benefits to Cameroon.

Let me tell you, sir, that the amount of criticism that I've personally taken on looking at the Chad-Cameroon pipeline would make me want to just withdraw from it. The only reason that I'm looking at it and trying to do it is that, rightly or wrongly, it does seem to us and to our people that we've got in both countries that a flow of funds coming into poverty as a result of that single natural resource, if properly and transparently monitored, will be of value to the poor of those countries.

We've not yet made a decision. But the single thing that is driving us is the issue of the effect on the poor, and the fact that there are no other natural resources that could be used.

Question: What do you know about the situation in the Balkans and Yugoslavia? The result of the transition in Eastern Europe, it was not so easy as we hoped in the very beginning. And now it seems to be more and more difficult. In a certain moment, politicians talk about a mini-Marshall Plan in the region, but now it seems that Europe must solve the problem. Do you believe that Europe alone has sufficient resources to support the transition in this area, to have a normal Europe in the region, especially the Balkans? Or that international support will be added with World Bank support and plan?

Wolfensohn: Well, I think that the situation in the Balkans is of course very difficult. And let me start in the pre-crisis times ... I think that I would return to what I said before, that establishing the structural framework is very important in terms of governance, corruption, legal systems, financial controls, social safety nets. All that framework I spoke of remains fundamental.

But at the moment there is an immediate crisis, I would say, caused by the Kosovo situation. And we've been looking at Bulgaria, Romania, Bosnia, Croatia, Albania, Macedonia. And there already we at the bank have run four sessions, not just with Europeans but with the global community to try to raise funding for the additional requirements caused by the impact of the war. And my meeting yesterday with the finance ministers of the G-8 in Frankfurt was directed to the immediate problems, first, of Kosovo, in terms of the return of refugees, and secondly, to the issue of the broader question of Serbia, the Federal Republic of Yugoslavia and the elements other than Kosovo, in terms of the damage and in terms of the approach of winter.

I think that there is evidence, from what I heard yesterday, that the world community is likely to come together to meet the humanitarian needs, and then address the question of what is the scale of reconstruction that's required, and then the timing of the reconstruction, and then assist in that reconstruction.

So I came away fairly hopeful yesterday. But I think the coming weeks are going to be very important. The World Bank and the European Commission have already set up a joint office to try to supervise and monitor what's going on, just as we did in Bosnia. But it's early days, but I would say that the current mood is one in which not just Europe, but the United States, Japan and the global community appears to be ready to put up resources. But again, it's going to be a long-term process.

Question: Thank you. My name is Leila Sheikh, I'm from Tanzania, one of the poorest countries in the world. I work for a media-based NGO, and we have been having a lot of contact with people from the World Bank. In fact, about three weeks back we had a consultant from the World Bank to look at the programs that have been run in Tanzania by the World Bank and how gender-sensitive they are. I'd like to point out that a number of the programs that have been run by the bank in Tanzania have not been very gender-friendly, and in the 80s, when we had the structural adjustment programs, they did affect women a lot, in terms of layoffs and cost-sharing in health. A lot of women have died. I'd just like to say that when you come up with policies, when you talk about partnerships with countries like ours, when you have dialogue with governments like ours, I think you also ought to focus on the gender question. Thank you.

Wolfensohn: Well, gender is something that's preoccupied me since I've been at the bank. In fact, I have worked on gender issues personally for over 25 years. I'm well aware that some of the past programs of the bank have been perceived as being gender-unfriendly. It is my belief that today this is a front and center issue with the bank, and I would hope you would agree that the fact that people are down there talking to you about it is an indication that, from our point of view, it is a front and center issue. Nothing is more important in what the bank is doing today than investment in education for girls, in microcredit for women, in opportunities for women in administration and in governments.

And I would say to you, apart from your question, that my own belief is that it is impossible to have development without equal opportunity for women. That is something that I knew before I came to the bank, but it is transparently clear to me that it is a fact. I've already articulated this in the Beijing conference, and I believe that we've been following it pretty actively since that time.

Question: (Jean-François Rischard) Jim, may I ask you one question on behalf of all of us. After this session we will go into another session to discuss in more detail how this will work, how the new development approach will work, and what the role of the press could be. This new approach takes changes in the bank culture, it takes changes even in the culture of our board of directors, it will take changes in the behavior of all the other multilateral and bilateral development agencies. Could you give the audience a sense of how we will proceed and implement these pilot projects over the next 12 to 18 months?

Wolfensohn: Yes, thank you very much. We have chosen a dozen countries in which we are trying to prototype, and also more than prototype, actually do in a dozen countries the implementation of this process, which is an open, transparent process.

What we do will be up on the Internet, it will be available to all of you as it is to the ministers and as it's available to us. The objectives will be very clear, and there will be total transparency in what is going on. I need to ensure that the bank can adjust to be flexible, the board can give us the opportunity to be flexible and responsive. And I think for all of us, there's going to be the need to do something which is incredibly difficult: which is to get over pre-prescriptions about what the other is like.

I understand this morning and in the debate that we've had here, I've heard many of the criticisms of the institution. I've been hearing them for four years - criticisms that we're unresponsive, that what we do badly affects countries, that the bank is dollar-oriented and is the source of most problems, that we're not gender-sensitive, that we don't listen. I just want to say to you, as a human being, that I came to this bank because I care about the global condition. I don't need this job. I have 10,000 people working with me that could work in real banks and make more money.

You have to understand that all of us at the bank don't get up every day and say how can we ruin the world. We're in fact devoting our lives full-time to the issues that many people criticize us about devote their thinking very part-time.

So what is essential in this next 12-18 months is that we declare some sort of amnesty. That we try together to come to look at the progress in the countries, and that the NGOs and the critics look at us and say, 'Let's give it a shot.' And that we in

the bank also don't think of NGOs as being difficult, or the press as being difficult, or governments as being difficult.

The reason for this, ladies and gentlemen, is not because I want to win a debate. The reason is that unless we come together on the issue of fighting poverty and redress the growth of poverty and inequity, and deal with the issue of environmental degradation - and in fact, the degradation of our planet - unless we find a new way of coming together with trust, flexibility and openness, we are going to lose the battle. And we're going to bequeath to our children a world that is worse than the one that we're in today.

We have to stand back from putting each other in boxes. We have to try, at the time of the millennium, to come together. And we're here to try in these dozen countries to open it up and to try, as human beings, to see if we can make this thing work. That's what I'm trying to do. And I really hope that in the press... By all means be critical of us, I'm not making a plea not to have appropriate criticism. But I do urge you that we should all think of a higher purpose in this next period.

We have to set our sights, not on individual criticism today, but on setting a course that will make our globe a better place and a safer place in the future.

Thank you very much.

Balding: On behalf of the World Association of Newspapers, Mr. President, I would like to thank you very warmly for giving your time to come into this meeting. A substantial report will come out of this meeting about all our debates today, and you'll of course be the first person to receive it. I hope we'll be making some interesting proposals in our next session, as you leave us, on how we can better work together.

We've begun a dialogue today, and I think you can judge from the questions that have arisen that we really do have a lot of things to say to each other, the World Bank and the world press community. And I hope this is just the beginning of a beautiful friendship. Thank you very much indeed.

Wolfensohn: Thank you.