Digital Media, Transparency and the War Against Corruption



Posted by David Fellows and John Leonardo[1]

Corruption is highly damaging to economic and social life through misappropriation of public funds, restriction of open market activity, favouritism towards families of those in power, and the many detrimental effects of rent seeking. In this piece we review evidence for the power of transparency to reduce corruption and improve economic performance. We then consider the increasing relevance of digital media, particularly social media, to the transparency agenda and how its application can be encouraged.

Economic performance, transparency and corruption

The IMF's' Framework for Enhanced Fund Engagement' 2018 noted that (i) transparency is significantly correlated with a perceptions-based indicator of the control of corruption; (ii) higher levels of corruption are typically correlated with lower growth; and (iii) corruption and governance are significantly associated with average long-run per capita growth, investment, and revenue. The IMF's Fiscal Monitor: Curbing Corruption (April 2019 edition) shows that the least corrupt governments can collect considerably more in taxes than those at the same level of economic development. In a blog announcing this guidance Christine Lagarde, then Managing Director of the IMF, affirmed the importance of transparency by commenting that; 'At the end of the day, the most durable "cure" for corruption is strong, transparent, and accountable institutions'.

How governments may involve digital media

The <u>World Bank Document</u> 'Enhancing Government Effectiveness and Transparency: The Fight Against Corruption' (September 2020) details studies in which developing countries have sought to combat corruption by improving transparency.

- The identification of corruption relating to infrastructure projects in Columbia by the Government urging citizens to publicize unfinished projects.
- The introduction of participatory budgeting in Brazil where one study found that adopter municipalities achieved a 39% higher tax collection than those that had not.
- The use of Beneficial Ownership declarations in the Ukraine where online access to records promises significant advantages following a chequered introductory experience.
- Public reporting of Supreme Audit Institution (SIA) findings in Ghana, and India's practice of encouraging the public to comment on SIA reports and provide evidence of misdeeds.

These are all public engagement activities that can most readily be undertaken via digital media.

The impact of social media

Social media is a growing phenomenon across the developing world. It can be used by governments to encourage citizens to make their views known (figures in million).

Country	Population	Internet users Dec-00	Internet users Dec-19	Facebook users Dec-19	Twitter users Dec-19	Min of Finance Twitter followers Jun-20
Kenya	53.7	0.2	46.8	7	0.954	*0.004
Rwanda	12.9	0.005	6	<mark>0.6</mark>	0.079	0.064
Uganda	45.7	0.04	18.5	2.5	0.177	0.062

Note: *Kenya's Anti-Corruption Agency has 293,000 Twitter followers

A survey of Kenyan social media users conducted by <u>SIMELab in</u> <u>2020</u> suggested that social media use was becoming highly age specific.

Age	Social Media Preferred by Kenyan Users (SIMELab findings)			
Primary school pupils	Facebook			
14 to 20 years	Pinterest, Snapchat, TikTok			
21 to 25 years	Instagram, Snapchat, Telegram			
26 to 35 years	Linked in (particularly for those from higher education), Skype, Twitter			

The survey identified the three most used media as WhatsApp (89%), Facebook (82%) and YouTube (58%). <u>TIFA Research</u> has identified Facebook as the current most effective advertising platform.

The African public accountability movement <u>Connected</u> <u>Development</u> (CODE) based in Nigeria uses digital media to help marginalised communities monitor public service investment employing its 'follow the money' slogan. A current focus is COVID-19 expenditure. We have analysed the correlation between Transparency International's 2019 CPI scores for the 48 best performing African Countries included in the index where both Facebook and Twitter services were available. There are strong positive correlations between social media user numbers and perceived corruption levels. This result seems consistent with the transparency/corruption relationship found in the IMF Framework for Enhanced Fund Engagement, reflecting public interest in government affairs and corruption.

A growing relationship between formal digital media and social media

Over the past year online news media have reported government initiatives against corruption and investigated acts of corruption. Two examples:

- On 11th November 2020 the <u>Cyprus Mail commented</u> that: 'without (greater) public support, anti-corruption groups are unlikely to attain their objectives, because the politicians will have no reason to take any notice of them'.
- On 21st November 2020<u>ABS-CBN News reported</u> that a task force investigating Philippine Government corruption led by Justice Secretary Menardo Guevarra had received at least 60 complaints during the previous two weeks.

These causes could benefit from social media use by community activists (Cyprus) and the government (Philippines).

Conclusions

The economic impact of the COVID-19 pandemic on developing countries brings the prospect of reduced national resources unless and until these countries can address their corruption challenges.

Formal online media have helped increase transparency in recent times. Further, social media is fast becoming an important form of popular communication throughout the developing world. The targeted use of social media platforms presents an effective opportunity for online public engagement that makes messaging easy to assimilate and respond to.

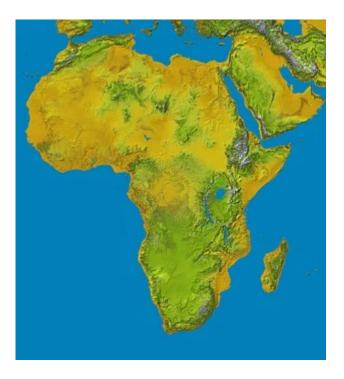
Governments can use social media to seek public support for reporting anti-corruption activities, complaining about unfair decisions and exposing the accumulation of unexplained wealth by politicians and officials. Such engagement is, however, dependent on the demonstration of government integrity, the recognition of public priorities, and the provision of basic information on services and funding to local communities.

The international development community can encourage governments to uphold press freedom, protect whistle-blowers and use social media as part of the transparency process, and scale up its support to countries that are pursuing effective anti-corruption policies.

A supporting video is available <u>here</u>.

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Note: Improving PFM digital transparency in African finance ministries



by John Leonardo

Introduction

This note provides an introduction to our "Improving PFM digital transparency in African finance ministries" presentation which is also available as a video. Transparency of public finances is a key element of a public financial management (PFM) system enabling public scrutiny of government actions and intentions. Transparency of public finances is achieved by providing information on PFM which is comprehensive, consistent, and accessible to users.

Ministries of Finance (MoFs) play a leading role in promoting transparency of public finances. The World Bank's September 2020 report "Enhancing Government Effectiveness and <u>Transparency – The Fight Against Corruption</u>" has highlighted the importance of ensuring greater transparency in government operations.

Transparency is an important factor in African public financial management (PFM) in view of historically relatively weak PFM in many African countries, including transparency activities, and relatively poor recent progress in curbing corruption.

PFM digital transparency

In a PFM context, digital transparency can be defined as the process of providing PFM related information using digital platforms such as websites and social media; for example, Facebook, Twitter and YouTube. PFM digital transparency should be an important part of African MoFs' digital government strategies.

Currently African MoFs employ PFM digital transparency practices using a range of platforms such as websites and social media (Facebook, Twitter, WhatsApp, YouTube, LinkedIn). They publish a range of PFM and related material on the latter platforms.

Current PFM digital transparency trends analysis

We have examined MoF website, Facebook and Twitter use to obtain an understanding of Africa MoFs' current use of digital platforms. The following statistics are presented and reviewed in the presentation:

- Country internet usage
- MoF website visits during May/July 2020 and projected annualised visits for 2020
- Domestic and non-resident visits to MoF websites

Country Facebook usage

- MoF Facebook page follower numbers
- Country Twitter usage
- MoF Twitter follower numbers

We have also examined penetration levels for MoF website users, Facebook and Twitter followers to demonstrate the level of usage of these digital platforms. In addition, we have identified correlations that may exist between digital platform use and leading economic and governance indicators including those relating to e-government.

Some key findings

Some of our key findings from our analysis are as follows:

- Six of the twenty-five MoFs with Facebook pages had higher Facebook follower numbers than estimated 2020 MoF visits to the respective websites demonstrating the role that MoF Facebook pages can play in boosting PFM transparency
- MoF social media content approaches differ quite markedly with MoFs generally publishing a wider range of material on their Facebook pages compared with the material included in tweets on Twitter.
- African MoF social media activity is helping to raise awareness about African MoFs' PFM activities. Some African MoFs have generated considerable interest in their activities using social media.
- The proportion of non-domestic visitors to MoF websites varies considerably demonstrating how digital structures enable reach to the diaspora and other international stakeholders
- Use of digital communication mechanisms to strengthen African MoFs' operational capacity and support PFM reform plans have to date been limited prior to the onset of COVID-19
- African MOFs overall progress to date in the use of digital platforms to promote transparency has been relatively modest

Recommendations

We recommend African MoFs should take advantage of the opportunities provided by digital platforms to improve their PFM digital transparency by:

- Addressing identified PEFA transparency gaps which will result in more PFM material being published
- Establishing Facebook pages if these are not already in place
- Posting a variety of PFM related information on Facebook pages to increase community interaction and promote transparency
- Preparing PFM digital transparency action plans to improve PFM digital transparency performance and support PFM reform activities.

We have also outlined the nature of the tasks that should be included in PFM digital transparency action plans.

Regional analyses of trends in key PFM digital transparency indicators for all 45 African finance ministries are available for:

<u>Central Africa</u>

East Africa

North Africa

Southern Africa

<u>West Africa</u>