



Press Freedom and Economic Development in Latin America 2006

Reviewing the 2006 Latin American ranking of press freedom and economic development and comparing it to last year's, it clearly shows that the region, far from improving, has deteriorated regardless of the fact that there has been hardly any changes in the positions the countries hold in the ranking. The countries that fell back more were Mexico and Venezuela. There is not much that can be said regarding the countries that improved in the ranking since this was a result of other countries falling back. The countries that have maintained good rule of law indexes: Chile, Costa Rica and Uruguay are also those that head the press freedom and economic development ranking and whose indicators raise the region's average. In the world ranking, Cuba holds the next to last position followed by North Korea.

Hernán Alberro



PRESENTATION

For the second consecutive year, the Centro de Investigación de Medios y Sociedad (CIMAS) of the Universidad de los Andes Communication's School participates jointly with CADAL in the prestigious Latin American Press Freedom and Economic Development Report produced by the analyst Hernan Alberro.

This new report unfortunately shows that the region's indexes have worsened while the rest of the world improved. What is the explanation for this?

One of the answers is that evidently democracy, understood as the combination between economic and political freedom, continues to be fragile in Latin America. To the deterioration of the press freedom indexes has to be added deterioration in the rule of law along with rather weak economic growth.

The report is an example of how in our continent the virtuous circle that would allow us to achieve development still does not happen. To the contrary, in Latin America populist and neopopulist policies, lack of political freedom and certain economic stagnation appear more as shadows than as lights of hope.

The outlook is not easy. This year has been one of elections and "changes" in regional authorities who have clearly not attempted to implement radical changes, except in the case of Peru.

Given these scenarios and since Alberro has become an important source of reference for scholars and politicians interested in these subjects, his investigations have become indispensable.

We once again congratulate him on his excellent results, his interesting conclusions and encourage him to continue along the same path during the current year.

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The aim of this report is to demonstrate the close relationship between press freedom and economic development. To achieve this, information from three independent indicators: *Freedom of the Press* by Freedom House, *2006 Economic Freedom Index* by Heritage Foundation and Wall Street Journal, and Purchasing Power Parity (PPP) produced by the World Bank are crossed and weighted.

It begins by presenting the 2006 Press Freedom and Economic Development ranking of Latin American countries and then the world ranking so as to compare the region is placed compared to the rest. It is sad to see how close we are to Sub-Saharan countries.

Following Daniel Kaufmann, Aart Kraay and Massimo Mastruzzi's thesis, a new element has been added to freedom of press and economic development relationship: the institutional factor.

For this a parallel is drawn between freedom of press, economic development and rule of law.

Lastly, there was some criticism to the previous report to the effect that the indicators merely measured wealth rather than development. This year a more "human" element, though very tied to development, was incorporated: the World Bank's infant mortality rate per 1000 children born alive. To the surprise of many, there is not much difference with the original ranking.

The situation of the press in Latin America

As expressed in the previous report, 2004 was not a good year for freedom of press in the region. During 2005, in various countries this negative trend continued.

The most serious cases occurred in Mexico and Argentina. Mexico experienced the greatest deterioration since the PRI left power. Freedom House attributes this to "the Government's inability to control drug traffic, the more powerful media's attempt at dominating the Government's regulatory ability and the selective employment of authoritarian press laws". In Argentina, a problem common to other countries but very prevalent during President Kirchner's government, is the arbitrary assignment of official advertising and a very strained relationship with the press.

Improvements can be seen mainly in countries such as Bolivia and Colombia where changes in press legislation have benefited their index. However, the index shows that these improvements in the region are only equivalent to half the deterioration. In other words, the countries whose freedom of press index worsened did so in a proportion that is double those that improved.

Some good news

Fortunately, there are some cases and to a certain degree, where governments in the region have started to revert the vicious circle of less freedom of press and less economic freedom. According to Heritage Foundation and Wall Street Journal's *2006 Economic Freedom Index*, the majority of governments took measures to open up their economies.

However, in comparing the advances and set backs on this subject, the positive difference is not so significant and clearly shows that the deterioration in press freedom is more marked than improvements in economic freedom. Furthermore, as expressed by Heritage Foundation: "Of the ten countries in the world that showed the worst deterioration in economic freedom, three are in Latin America: Bolivia, El Salvador and Nicaragua".

In countries that showed improvements in economic freedom (Argentina, Brazil, Ecuador and Nicaragua), it is mostly a case of recuperating ground lost in previous years.

Press Freedom in Latin America according to Freedom House		
Countries	2005	2006
Argentina	41	45
Bolivia	35	33
Brazil	40	39
Chile	24	26
Colombia	63	61
Costa Rica	19	18
Cuba	96	96
Ecuador	41	41
El Salvador	41	43
Guatemala	58	58
Haiti	66	68
Honduras	51	52
Mexico	42	48
Nicaragua	42	44
Panama	44	43
Paraguay	56	57
Peru	40	39
Dominican Rep.	38	37
Uruguay	29	28
Venezuela	72	72

Countries with less Press Freedom	8
Countries with more Press Freedom	8
Countries that remain unchanged	4
Sum of negative changes	-48,79
Sum of positive changes	27,5

Economic Freedom in Latin America according to Heritage Foundation		
Countries	2005	2006
Argentina	3,49	3,3
Bolivia	2,7	2,96
Brazil	3,25	3,08
Chile	1,81	1,88
Colombia	3,21	3,16
Costa Rica	2,76	2,69
Cuba	4,29	4,1
Ecuador	3,49	3,3
El Salvador	2,2	2,35
Guatemala	3,18	3,01
Haiti	4,04	4,03
Honduras	3,43	3,28
Mexico	2,89	2,83
Nicaragua	2,9	3,05
Panama	2,74	2,7
Paraguay	3,45	3,31
Peru	2,78	2,86
Dominican Rep.	3,54	3,39
Uruguay	2,6	2,69
Venezuela	4,09	4,16

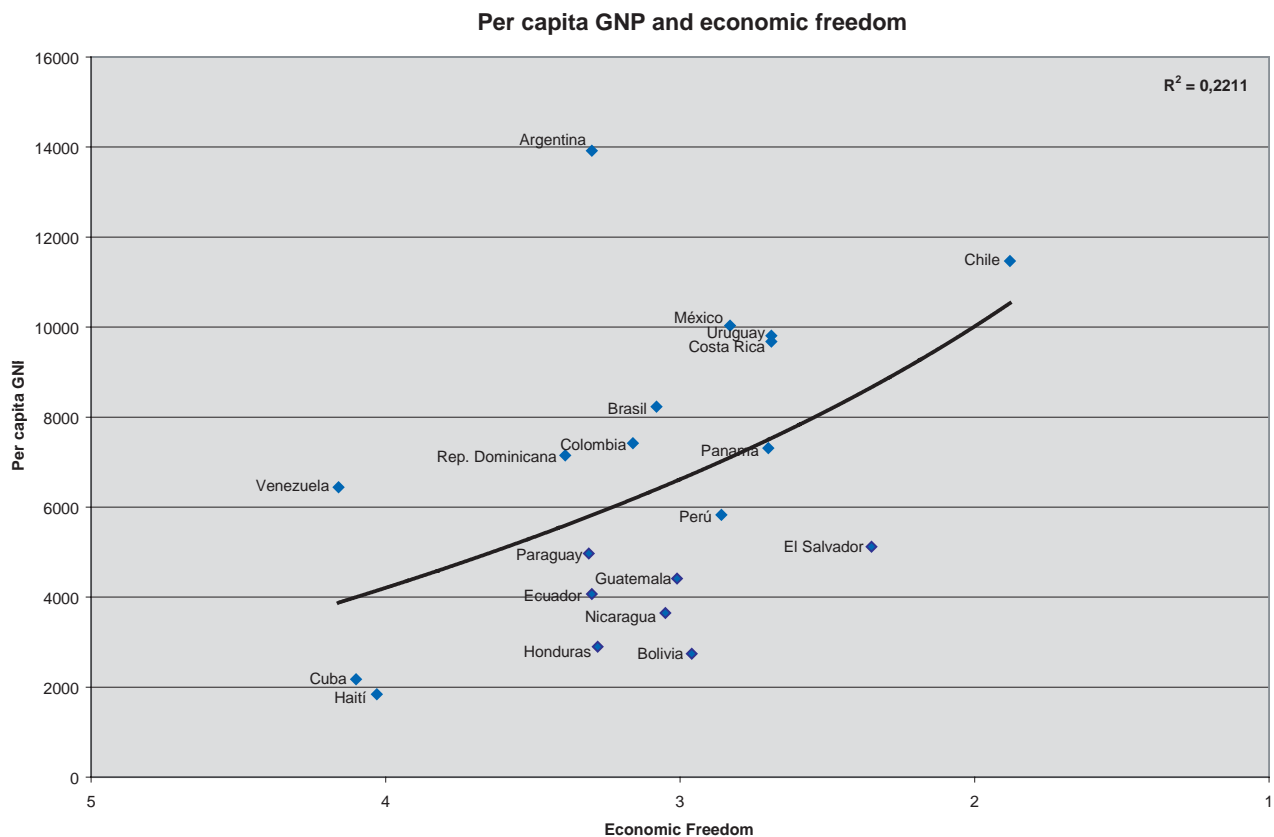
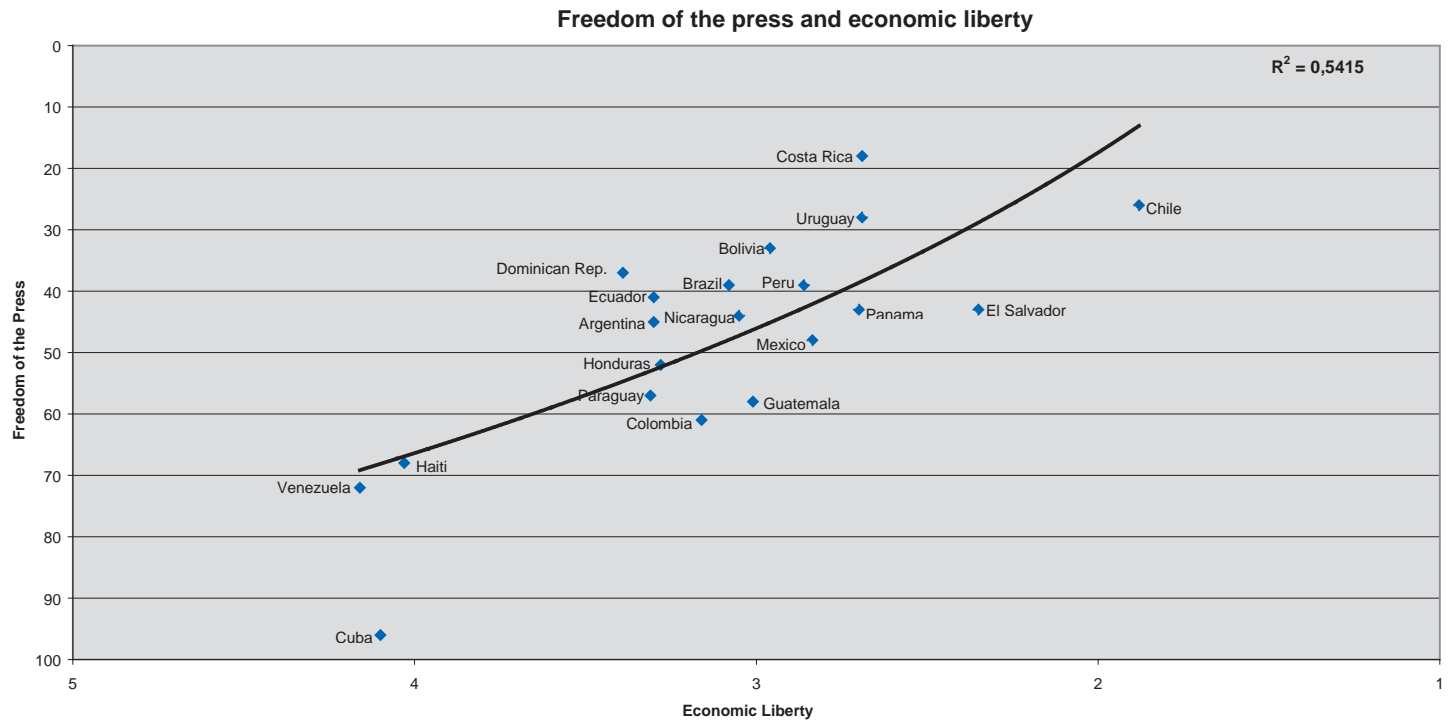
Countries with less Economic Freedom	7
Countries with more Economic Freedom	13

Sum of negative changes	-33,54
Sum of positive changes	46,44

As a result of this good news and of the world's economic growth, in general terms the countries in the region continued to show interesting economic growth rates. However, it must be noted that this indicator is showing signs of "cooling off" as in most cases growth rates have dropped below last year's.

Although from a certain perspective these results may seem encouraging, it is not possible to reach definitive conclusions between economic freedom and growth relationship since one year's experience is not sufficient to be considered valid. Observing the graphs, there appears to be greater correlation between freedom of press and economic freedom than between this last and growth rate.

Its worth noting that since this study only includes Latin America, the sample is too small to obtain conclusive evidence. However, they are sufficient to start finding a certain relationship between both indicators.



Freedom of Press and Economic Development Ranking: Disturbing information.

Notwithstanding that these two indicators show that Latin America has had a slightly positive performance, when comparing 2006 ranking to 2005, it clearly reveals that rather than progressing, the region has fallen back even though the order in which the countries appear has hardly changed.

Ranking of Press Freedom and Economic Development in Latin America 2006				
Change	Position	Country	2005	2006
=	1	Chile	0,609	0,562
=	2	Costa Rica	0,538	0,512
=	3	Uruguay	0,514	0,480
=	4	El Salvador	0,473	0,434
↑	5	Panama	0,433	0,416
↑	6	Peru	0,431	0,408
↑	7	Bolivia	0,431	0,404
↑	8	Brasil	0,414	0,403
↓	9	Mexico	0,450	0,402
↓	10	Argentina	0,428	0,393
↑	11	Dominican Rep.	0,386	0,378
↓	12	Nicaragua	0,397	0,365
↑	13	Ecuador	0,354	0,356
↑	14	Guatemala	0,327	0,325
↓	15	Honduras	0,318	0,318
↓	16	Colombia	0,330	0,315
=	17	Paraguay	0,317	0,306
↑	18	Haiti	0,208	0,194
↓	19	Venezuela	0,217	0,193
=	20	Cuba	0,096	0,096

Regarding the changes in position, the countries that fell back most were Mexico and Venezuela. Even though the country ruled by Hugo Chavez only lost one position, this is not a minor matter, since the country that overtook them is Haiti, a country recently devastated by crippling political and economic crisis that required the international community's intervention to control.

Mexico dropped four places in the ranking compared to last year, principally due to the impact of the press freedom index. There is not much that can be said regarding improvements because the countries that gained positions did so because other countries fell back.

The Freedom of Press and Economic Development ranking is a weighting into a single indicator of three elements: freedom of press, economic freedom and per capita Gross Domestic Product (GDP). This ranking's aim is to have a clearer view of how Latin American countries compare among themselves. In other words, to see which country is doing better and which is doing worse.

But that is not all: this ranking is prepared with information and data from every country in the world. If a country scored a perfect 1 (obviously this does not exist), it would have to have the highest per capita GDP and the best freedom of press and economic freedom. So this ranking not only shows how the Latin American countries compare among themselves but also compared to the rest of the world.

In this respect, it can be seen that the Latin American situation has worsened compared to last year. In 2005 report, the Latin American countries ranged between 0.609 and 0.096 while in 2006 between 0.562 and 0.096. What does this mean?

It means that Latin America has fallen back compared to the rest of the world. In other words, the rest of the world must have probably improved in the three indicators at a better average rate than our region. In fact, Latin America's range is only comparable to Africa's Sub-Sahara.

In the world ranking, Chile is placed number 32 together with Eastern European countries and some of the lower placed Central European countries. The countries that follow Chile, such as Costa Rica (39th.) and Uruguay (42nd.) have two Sub-Saharan countries placed between them: South Africa (40th.) and Botswana (41st.), not to mention Cuba that is placed in last but one position, just ahead of North Korea.

World Ranking of Press Freedom and Economic Development 2006

Position	Country	Score	Position	Country	Score	Position	Country	Score
1	Luxembourg	0,913	45	Bulgaria	0,438	86	Paraguay	0,306
2	United States	0,756	46	El Salvador	0,434	87	Morocco	0,298
3	Island	0,751	47	Bahrain	0,431	88	Kenya	0,293
4	Ireland	0,744	48	Namibia	0,428	89	Guinea-Bissau	0,289
	Switzerland	0,744	49	Fiji	0,422	90	Oman	0,287
5	Denmark	0,738	50	Panama	0,416	91	Moldova	0,283
6	Norway	0,731	51	Mali	0,410	92	Niger	0,282
7	Finland	0,723		United Arab Emirates	0,410	93	Gabon	0,280
8	Hong Kong	0,722	52	Mongolia	0,409	94	Pakistan	0,278
9	Netherlands	0,719	53	Peru	0,408	95	Russia	0,270
10	Sweden	0,712	54	Bolivia	0,404	96	Egypt	0,267
11	United Kingdom	0,707	55	Brazil	0,403	97	Central African Rep.	0,265
12	Belgium	0,702	56	Mexico	0,402	98	Malawi	0,264
13	Canada	0,699	57	Argentina	0,393	99	Swaziland	0,263
14	Australia	0,688	58	Ghana	0,391		Indonesia	0,263
15	Austria	0,685	59	Macedonia	0,387	100	Djibouti	0,262
16	Germany	0,681	60	Bosnia & Herzegovina	0,386	101	Zambia	0,260
17	New Zealand	0,669	61	Romania	0,380	102	Congo (Brazzaville)	0,256
18	Japan	0,654	62	Albania	0,379	103	Cameroon	0,253
19	Cyprus	0,630	63	Dominican Rep.	0,378	104	Tunisia	0,241
20	Estonia	0,627	64	Thailand	0,374		Sierra Leona	0,241
21	France	0,625	65	Philippines	0,372	105	Guinea	0,239
22	Spain	0,616	66	Armenia	0,371		Nigeria	0,239
23	Portugal	0,611		Turkey	0,371	106	Chad	0,237
24	Czech Rep.	0,609	67	Benin	0,369	107	China	0,226
25	Malta	0,604	68	Nicaragua	0,365	108	Angola	0,221
26	Slovenia	0,593	69	Madagascar	0,359		Gambia	0,221
27	Israel	0,587	70	Ecuador	0,356	109	Bangladesh	0,207
28	Lithuania	0,582	71	Lesotho	0,354	110	Nepal	0,204
29	Slovakia	0,571	72	Burkina Faso	0,353	111	Burundi	0,196
30	Italy	0,570	73	Senegal	0,351	112	Haiti	0,194
31	Chile	0,562	74	India	0,350		Ethiopia	0,194
32	Hungary	0,561	75	Jordan	0,337	113	Venezuela	0,193
33	Latvia	0,550	76	Uganda	0,335	114	Togo	0,186
	Singapur	0,550		Malaysia	0,335	115	Equatorial Guinea	0,181
34	Greece	0,542		Ukraine	0,335	116	Rwanda	0,176
35	Poland	0,539	77	Mozambique	0,331	117	Vietnam	0,175
36	South Korea	0,537	78	Lebanon	0,326	118	Yemen	0,161
37	Costa Rica	0,512	79	Guatemala	0,325	119	Syria	0,158
38	Botswana	0,492		Georgia	0,325	120	Belarus	0,152
39	South Africa	0,491	80	Saudi Arabia	0,323	121	Laos	0,147
40	Uruguay	0,480	81	Honduras	0,318	122	Iran	0,132
41	Mauritius	0,472	82	Tanzania	0,317	123	Zimbabwe	0,104
42	Kuwait	0,455	83	Colombia	0,315	124	Cuba	0,096
	Qatar	0,455	84	Mauritania	0,311	125	North Korea	0,011
43	Croatia	0,451		Sri Lanka	0,311			
44	Cape Verde	0,447	85	Cambodia	0,308			

The institutional factor

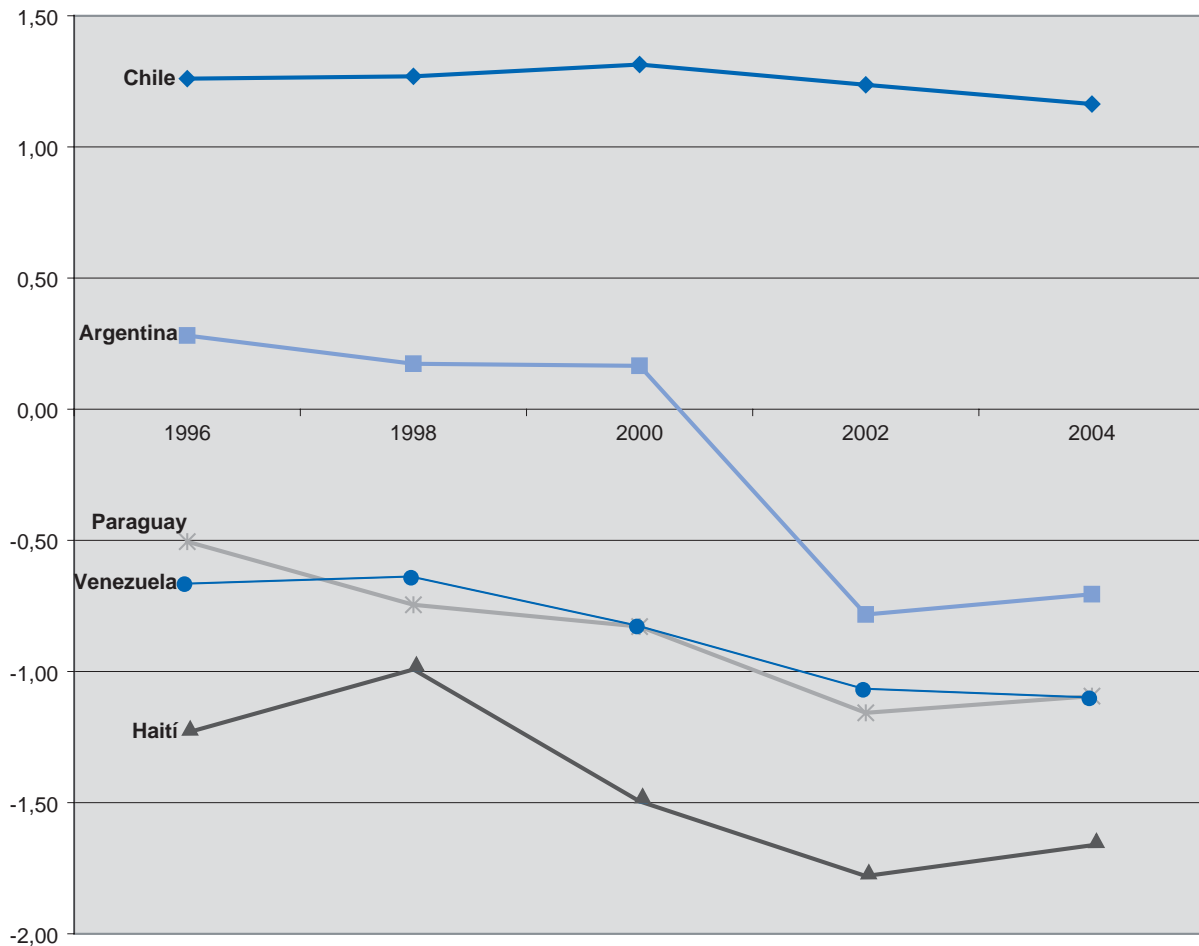
A hypothesis presented in the last report suggested that the “vicious circle” in which increased economic growth was not accompanied by an improvement in individual freedom, was linked to institutions and rule of law. It is very difficult to measure rule of law in a country as well as try to link it to other factors. However, using the data contained in World Bank report: “Governance Matters IV: Governance Indicators for 1996-2004”¹, we will attempt to link that indicator with freedom of press.

Unfortunately since the sample is so small, it is difficult to establish a direct correlation. However, it can be said that the countries that have fallen back most in freedom of press, have also experienced a fall in their rule of law indicators.

In the following graph there are examples of alarming drops in rule of law indicators (Paraguay, Haiti and Argentina) while for this indicator, Chile maintains a steady trend at a good level.

¹ Daniel Kaufmann, Aart Kraay and Massimo Mastruzzi (2005). “Governance Matters IV: Governance Indicators for 1996-2004”.

Rule of Law evolution according to World Bank (1996-2004)



The most regrettable case is Venezuela. Since 1996 they have suffered a constant deterioration in their rule of law and freedom of press indicators. The graph shows a steady drop in rule of law while the freedom of press indicator is very disturbing since it dropped from 31st. place to 72nd., from being “Partially free” by only one point to “Not free” by twelve points.

Following Argentina’s 2001 crisis, that country’s indicator deteriorated strongly though it now appears to be trying to recuperate but at a far slower rate than its fall. The situation is similar regarding freedom of press where in 1996 it stood at 31 points and now has dropped to 45 points.

Paraguay’s case is similar to various others in Latin America where it can be labeled as: “decadent stability”. These are countries with consistently low freedom of press indexes (below the mid point) and nothing appears to be done to try to revert it. Once again, the worst example is Cuba that is placed last in both the freedom of press and in the combined freedom of press/economic development indexes and no attempt is made to try to improve.

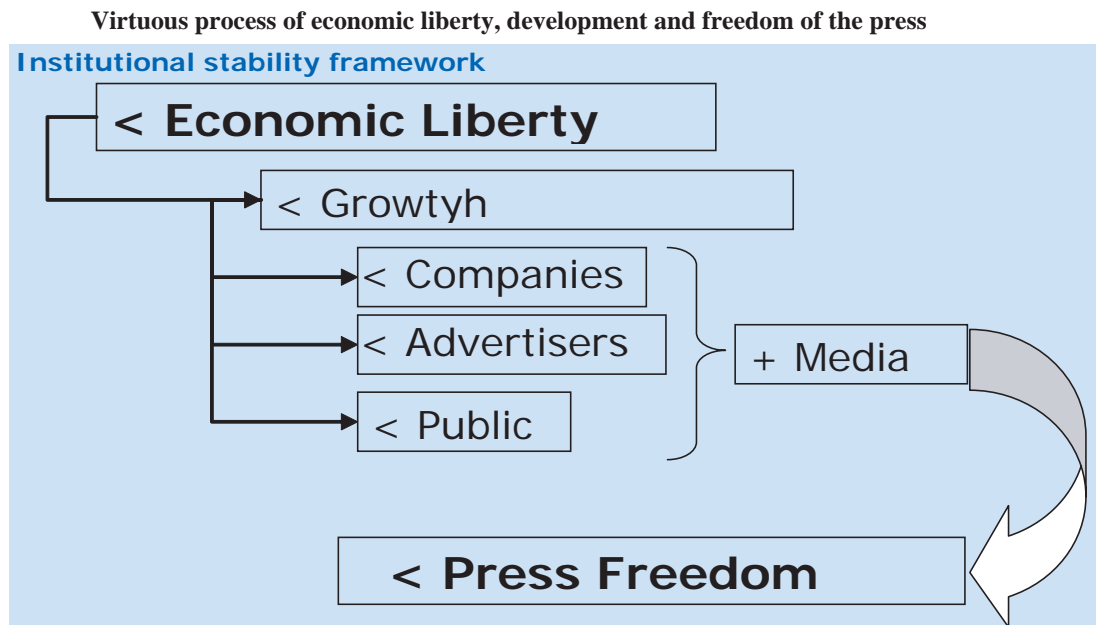
Meanwhile, countries that have maintained good rule of law indexes (again Chile, Costa Rica and Uruguay) are the same countries that head the freedom of press and economic development ranking and whose results help boost the region’s average.

A fuller circle

In this report’s first edition it was suggested that there existed a sort of “vicious circle” between freedom of press, economic freedom and economic development defined as Purchasing Power Parity (PPP). As was proposed at the time, the idea behind it was not to establish a causal relationship but rather co-relationships between these indicators.

Now we can add a new element to this graph: Rule of Law. The definition used is in its widest sense extending from private property rights to management of law and order, where the rule of law is the main framework for the development not only of big businesses and investments that lead to prosperity, but also to civil and political liberties such as freedom of press. Daniel Kaufmann in *Human Rights and Development: Towards Mutual Reinforcement* maintains that: “Civil liberties, voice and participation mechanisms are thus not only very important because of their fundamental value, but also due to their instrumental value as key to socio-economic development outcomes.”

The author also maintains that civil liberties and particularly freedom of press are not only important to produce a framework that contributes to socio-economic development but that they also play a fundamental role in avoiding corruption: “Corruption and the lack of rule of law are associated with and possibly a result of, the absence of first generation human rights”.



Only economic development?

Well being and prosperity, subjects clearly included within the development framework, tend to provoke a debate between those who consider economic indicators such as per capita GDP or the Purchasing Power Parity (PPP) of greater importance and those who attribute greater importance to more “human” indicators such as life expectancy at birth, infant mortality rate, literacy level, access to drinking water, etc.

It is for that reason and responding to that debate that we include the same press freedom and economic development ranking explained earlier but in this case, instead of PPP, we use infant mortality rate, an indicator intimately related to poverty and education levels.

When we replace PPP by infant mortality rate, a new ranking of press freedom and economic development is obtained that does not vary greatly from the first. In effect, only two countries significantly change positions: Cuba and Venezuela.

It's not that these countries jump to the top places in the ranking, unfortunately what happens is that Haiti drops three positions ending up below them at the bottom of the table. This contradicts those who raise the flag of some countries' health indicators in order to support policies that, among other things, trample on human rights, imprison journalists and strongly curtail the population's freedom of opinion.

Ranking of Press Freedom and Economic Development (Infant mortality rate every 1000 born alive)		
Position	Country	Ranking
1	Chile	0,823
2	Costa Rica	0,774
3	Uruguay	0,733
4	El Salvador	0,690
5	Panama	0,673
6	Peru	0,661
7	Mexico	0,637
8	Brazil	0,626
9	Argentina	0,622
10	Ecuador	0,621
11	Dominican Rep.	0,617
12	Nicaragua	0,614
13	Bolivia	0,607
14	Colombia	0,578
15	Paraguay	0,572
16	Honduras	0,567
17	Guatemala	0,565
18	Venezuela	0,461
19	Cuba	0,408
20	Haiti	0,356

The Center for the Opening and Development of Latin America (CADAL) is a non partisan NGO that holds liberal democratic principles with the aim of promoting within the region, the strengthening of democracy, rule of law and the public policies that favor economic and institutional progress. With this purpose, CADAL organizes activities related to analysis, research, diffusion and training. For its work, CADAL has received two international awards: “2005 Templeton Freedom Award Grant for Institute Excellence” and “2005 Francisco De Vitoria Prize for Ethics and Values”.