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FREE MEDIA AND QUALITY OF GOVERNMENT:

The role of media in promoting quality of government institutions
in the European Union.

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ABSTRACT

While the relationship between freedom of the media and corruption has been established, it is open whether media freedom also contributes to higher quality of government. The basic argument in this article is that previous research has been performed on media freedom and the access to public authority or at best, very specific parts of the way in which that authority is exercised, the relationship between freedom of the media and corruption. This leads to an extensive knowledge of free media's role on the "input" side but less knowledge in terms of free media's role on the "output" side of government performance. This study examines the relationship between media freedom and quality of government in the 27 member states of the European Union. Two different concepts and measurements of quality of government are utilized (one geared toward less red tape and business friendly environments and one geared toward public services and welfare systems). The results show that free media contributes to high levels of quality of government when defined as "good for business" but not when defined as "good for public services and welfare systems". In order to create and improve quality of government provided to citizens through public services and welfare systems, this only occurs when media freedom and women's abilities for political empowerment are increased simultaneously.

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Introduction

The safeguarding of basic human rights and liberties is a precondition for democracy. Freedom of expression, which is the basis for freedom of the media, is part of the liberties guaranteed in the constitutions of democratic countries. Therefore, freedom of the media is often included in the measures developed to assess and compare the quality of democracy across countries. Democratic structures, however, do not necessarily lead to better government performance and higher quality of government in the sense of how public power is exercised (see e.g., Harriss-White and White 1996; Sung 2004; Monitola and Jackman 2002; Keefer 2007; Bäck and Hadenius 2008; Charron and Lapuente 2010). The relationship between freedom of the media and democracy has been established (see e.g., Norris 2000; Graber 2010), whereas it is open whether the latter also contributes to higher quality of government (see e.g., Rothstein and Teorell 2008). Instead, the research has been performed on the “input” side or at best, a very specific parts of the “output” side, the relationship between freedom of the media and incidence of corruption, as one among other indicators of government performance and the exercise of public authority (see e.g., Ahrend 2002; Brunetti and Weder 2003; Chowdhury 2004; Lederman et al. 2005; Freille et al. 2007). This leads to an extensive combined knowledge of free media’s role on the “input” side (democracy, politics, the elected side of government, and the access to public authority) but less knowledge in terms of free media’s importance and impact on the “output” side (the non-elected side of government, public administration, and the way in which that authority is exercised), and which form the foundation of information for electoral accountability. Free and fair democratic elections on the input-side is a precondition for electoral accountability, but it is on the output-side and the exercise of public authority, where the citizens form their opinions of how well those in power actually fulfills their mandate. It is also on the output-side citizen’s personal experiences of public services are intertwined with information from the free media. Previous studies show a strong and robust negative relationship between free media and corruption but miss other important aspects of government performance and the exercise of public authority.

The aim of this study is therefore to focus on the relationship between media freedom and quality of government, in that the concept of quality of government, unlike the concepts of democracy and corruption, captures both the input side (access to public authority) and the output side (exercise of public authority). It investigates the role of free media in establishing and maintaining quality of government institutions.

This article proceeds as follows. First, previous research on media freedom is presented. Second, the concept of quality of government is outlined. In the third section, the data is introduced. The focal relationship and results from the regression analyses are presented in the fourth section and the fifth section concludes.

Research Overview

Theoretically, the role of free media in processes of democratization is straightforward. The free media serve as watchdogs, monitoring those in power and provide citizens with the information they need to be free and self-governing and to hold governments accountable for their actions (Adserà et al. 2003; Besley and Burgess 2001; Chowdhury 2004; Fell 2005; Gunaratne 2002; Norris 2006). On the other hand, the role of free media can be considered two folded with importance for both the input and the output side. Free media are not just information channels informing voters about actions taken by politicians and agenda setters influencing the salience or accessibility of certain issues. Free media influencing and forms both the input for the policy-making process which can be described as “a structure of opportunities, risks, and potential costs and benefits”, constraining those in power (Russett et al. 2006:21), and the output side of the political system where free media influence policy outcomes, improving surveillance over office-holders, constraining their exercise of public authority, improve governmental effectiveness, and increase quality of government. However, over the years, previous studies have mainly focused on the input side or a very limited part of the output side and the exercise of public authority. In the strict sense, they have only confirmed the relationship between free media and incidence of corruption as one of many indicators of government performance or democracy on the input side, while the exercise of public authority includes more than corruption. There is also indications, empirically, of a curvilinear relationship and an interaction between the level of democracy and the level of media freedom in that free media is very important in the fight against corruption in well-established democracies but less important in countries with lower levels of democracy (Montinola and Jackman 2002; Sung 2004; Färdigh et al. 2012).

The main reason for scholars to studying and try to explain differences in corruption across countries in the first place was that it is detrimental to economic performance and therefore a central

issue in development policy and for economics with an almost non-existent interest in the importance of free media (see e.g., Klitgaard 1988; De Soto 1989; Mauro 1995; Knack and Keefer 1995; Brunetti et al. 1998; Johnson et al. 1998). Although, the attention given to the notion of free media has increased during the last decade but still concentrates primarily on corruption as the only aspect of how public authority is exercised. Some studies focus on countries media system characteristics, suggesting that media competition, distribution and ownership has consequences for policy outcomes, corruption and quality of government. Djankov et al. (1999) suggests that countries with a large part of state-owned media tend to have higher levels of corruption where “government ownership of the press restricts information flows to the public, which reduces the quality of government” (Djankov et al. 2003:25). Suphachalasai (2005) shows that the degree of competition in media market plays a significant role in controlling corruption in that it enhances news production and effectiveness in monitoring corruption, and discourages bureaucrats from engaging in malfeasant behavior because of the risk of getting caught. Using two different indexes of press freedom and four different measures of corruption Brunetti and Weder (2003) found significant negative effects of media freedom on three of the four corruption indexes leading the authors to conclude that in countries with free media, corruption levels are likely to be low. Their data also allows for the determination of the causal relation and indicate that it is free media that serves as an important external check on corruption (Brunetti and Weder 2003:1821).

Similarly, Chowdhury (2004) consider free media as an informative device with restraining effects on corruption. He suggests that free media brings cases of corruption to the attention of the voters who may punish corrupt politicians by ousting them from their offices. Therefore, the free media and democracy (represented by political competition and voters' participation) should both help to restrain corruption. In contrast to Suphachalasai (2005), the empirical findings suggest that voter participation is a more robust component than competition. Since the results holds across different settings Chowdhury concludes that free media and voters' participation have a powerful and significant effect on corruption.

In a study referring to earlier findings on the importance of (economic) openness on the level of corruption Charron (2009) explored the interplay of political and social openness and media freedom. He argues that the relationship between of openness and corruption may actually be caused by normative effects following from increased political interdependence of states that goes along with the spread of good governance and anti-corruption norms. At the same time leaders are more

and more exposed to international scrutiny that could prevent corrupt behavior. Charron, however, suggests that domestic press freedom is a precondition for the diffusion of those norms. His study that is based on data from more than 100 countries confirms that the international variables (openness to trade, international organizations, social flows of information) "have little to no effect on corruption when press freedoms are low" (2009:1473-4).

Similarly, Lessman and Markwardt (2010) pointed to the conditioning role of media freedom on the relation of decentralization and corruption. Using different corruption and decentralization measures, they found the impact of decentralization on the level of corruption to be dependent on a working informational infrastructure. Only in countries where media freedom provides for effective public monitoring decentralization lowers corruption. If the monitoring does not work and thus does not support the accountability effect of a decentralized structure, decentralization even has a negative impact on corruption and may contribute to its increase.

While the studies outlined above have used an aggregate measure of media freedom, Freille et al. (2007) additionally drew on the differentiated concept underlying the Freedom of the Press Index by Freedom House and analyzed the effect of different forms of restrictions on media freedom (political environment, economical environment, and legal environment). Their study confirms that analyses of media freedom subcomponents are fruitful enterprises in pinning down what causal mechanisms are driving the relationship, and the findings confirm the close relationship between the aggregate measure of media freedom and corruption. The Freedom of the Press Index sub-components, however, yield different effects with the political environment being somewhat more influential than the economical environment leading Freille et al. to conclude that, "reducing political influence on the media may be an important step towards reducing corruption levels" (2007:854). Equally, as the authors argue, "improving the economic conditions for the press sector and contributing to a competitive environment would help to curb corruption" (2007:854). In contrast, the legal environment did not show the same strong and direct effect on corruption as the other two subcomponents of the Freedom house index possibly because its contribution may be absorbed by the economic development.

Finally, in a study comparing 111 countries Lindstedt and Naurin (2010) developed an elaborate model of the relation between transparency and corruption. Their study is also an illustration of how systematic elaborations of the focal relationship can qualify for our understandings of causal mechanisms. They distinguish two types of transparency (controlled/not controlled by the "agent")

and further differentiate between transparency and publicity with the latter meaning that information is not only accessible but indeed reaches the public. Just making information available will not prevent corruption (due to lack of demand, lack of mediators, and citizens' lack of capabilities to process the information) unless there are favorable conditions already in place for publicity and accountability, i.e. media circulation, free and fair elections, and an educated electorate. Therefore, in order to take effect and prevent corruption it is necessary that this "publicity condition" is accompanied by an "accountability condition" in the sense that the public must have a sanctioning mechanism (elections in particular). The findings support the authors' assertion that the accessibility of information is not enough for curbing corruption if publicity and accountability remain weak. Transparency in this sense is a "different – and, as it seems, less effective – medicine against corruption compared to a free press" (Lindstedt and Naurin 2010:316).

Evidently, most research on free media and corruption is dominated by economics with the underlying assumption that accessibility to information is a crucial determinant of the efficiency of economic markets and similar assumptions are being made about political markets. All studies presented above underline the importance of media freedom for controlling corruption and reach the same conclusion: that free media will serve to improve citizens' accessibility to information which in turn will make it more difficult for politicians and those in power to cover up, or get away with, clientelism and a corrupt behavior. The relationship of the two variables is confirmed in different settings that employed different measures and controlled for numerous political, economic and social variables. However, the importance of media freedom as a check on the levels of corruption is not the whole story. In order to enhance our knowledge about the role free media play in society we need to investigate the effects of free media on both the input side (access to public authority) and the output side of government performance (how public authority is exercised) and start looking somewhere in between the concept of democracy and the concept of corruption as an indicator of quality of government.

Quality of Government

Even though good governance has become an often used concept and many definitions have been presented, there is no consensus on what good governance and quality of government comprises. The World Bank, claiming to be one of the early promoters of the term governance (Governance 1994:xiv), describes good governance as being

"epitomized by predictable; open, and enlightened policymaking (that is, transparent processes); a bureaucracy imbued with a professional ethos; an executive arm of government accountable for its actions, and a strong civil society participating in public affairs; and all behaving under the rule of law" (Governance 1994: vii).

While pointing out that "the term is used with great flexibility" causing "some difficulty at the operational level", the U.N. High Commissioner for Human Rights ascertains

"that good governance relates to political and institutional processes and outcomes that are deemed necessary to achieve the goals of development. It has been said that good governance is the process whereby public institutions conduct public affairs, manage public resources and guarantee the realization of human rights in a manner essentially free of abuse and corruption, and with due regard for the rule of law" (Office of the United Nations... not dated).

The Organisation for Economic Co-operation and Development (OECD) limits its definition to the latter aspect and relates good governance "to the management of government in a manner that is essentially free of abuse and corruption, and with due regard for the rule of law" (OECD 2007). These examples demonstrate the broad range of criteria that definitions of good governance draw and at the same time make it difficult to distinguish good governance from related concepts. In particular, the emphasis on human rights and the rule of law points to the definitional closeness of good governance and democracy.

Rothstein and Teorell (2008) try to overcome the definitional confusion with their quality of government (QoG) concept. This is an output-related construct that stands for good governance and is to be distinguished from the input-related concept of democracy. They argue that democracy mostly concerns access to public power while quality of government refers to the exercise of public power. Quality of government is generally outlined as the "impartiality of institutions that exercise government authority" (2008:165). For their definition of impartiality, the authors refer to Strömberg (2000): "When implementing laws and policies, government officials shall not take into consideration anything about the citizen/case that is not beforehand stipulated in the policy or the law" (Rothstein and Teorell 2008:170). They concede that democracy and quality of government overlap to some extent but regard democracy only as "a necessary but insufficient criterion of QoG" because "if QoG were merely to equal democracy, the importance of how power is exercised

would be left out" (emphasis in the original; 2008:166). In this study I use the term "QoG" from Rothstein and Teorell (2008) and referring to the ability a state has to perform its activities in an efficient, impartial way and without corruption.

Inspired by the earlier research, it is the aim of the study presented here to examine the influence of media freedom on QoG. The flow of information permits citizens to judge and response on the effectiveness of bureaucracies and of those in power. Accessibility to information is essential for citizens' ability to hold those in power accountable for their actions. Besley and Burgess (2001:634) claim that, government "(i) responsiveness should be greater where information flows are more developed as this enables vulnerable citizens to monitor politicians and penalize them for not responding to their needs (ii) responsiveness should be greater where political participation is greater as this increases the likelihood that citizens will punish unresponsive incumbents." While Lindstedt and Naurin (2010) suggests that, that the accessibility to information is not enough for curbing corruption if publicity and accountability remain weak.

Data

The data for this study come from different sources. The following part first describes the two criterion variables and then introduces the predictor and control variables that were used for regression analyses in order to assess the influence of media freedom on the quality of government institutions.

Measuring Quality of Government

Two different indexes are used as criterion variables for QoG in the regression analyses. The reason for this is the ability to study the relationship between media freedom and QoG, and to see if and how the focal relationship changes. The first definition is operationalized by the commonly used expert-based composite index the International Country Risk Guide (ICRG) uses for assessing QoG and includes three different indicators; "corruption", "law and order", and "quality of bureaucracy". This index is similar to the one used by Hall and Jones (1999) as a measure of the quality of "the institutions and government policies that determine the economic environment" (Hall and Jones 1999: 97). The components of this index have also been used in the political economics literature as measures of government efficiency (Knack and Keefer 1995; La Porta et al. 1999). The

second definition is more related to the output of public services and is operationalized by a composite index that captures “corruption”, “impartiality”, and “quality” of public education, law enforcement, and public health care systems.

The ICRG index (henceforth ICRG QoG Index) ranges between 0 (low quality) and 1 (high quality), and consists of three different components: The first component is an evaluation of corruption within the political system and focuses on two different types of corruption: *fiscal corruption* in the form of demands for special payments and bribes connected with import and export licenses (exchange controls, tax assessments etc), and what ICRG calls *actual or potential corruption*, “in the form of excessive patronage, nepotism, job reservations, ‘favor-for-favors’, secret party funding, and suspiciously close ties between politics and business”, which ICRG mean are of much greater risk to foreign business than financial corruption (Teorell et al. 2011:53). The second component, law and order, also consists of two different parts, which are assessed separately. “Law” is an estimation of the legal system with focus on strength and impartiality, while “Order” is an estimation of the execution of the law. This means that, a country, even if it gets a low rating because of a high crime rate or laws is ignored routinely without sanctions, can enjoy a high rating in terms of its judicial system. Finally, the third component captures the institutional quality and strength of the bureaucracy. This means for example that countries with the ability to govern without interruptions or major changes in policy or government services score high, while countries that lack of a “strong” bureaucracy score low (Teorell et al. 2011:54). The ICRG QoG Index is applied on all 27 EU countries: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and United Kingdom.

The second index, taken from Charron et al. (2011) (henceforth EU QoG Index) ranges between -2.10 (lowest quality) and 1.88 (highest quality), and consists of aggregated (and weighted) citizen-based survey data that combines 12 questions about citizens experiences of three general public services (public education, public health care, and law enforcement) and centred around three different QoG concepts. “Quality” is captured by three survey questions where the respondents can rate the quality of the police force, the quality of public education, and the quality of the public health care system and ranges between -2.14 (lowest quality) and 1.71 (highest quality). “Impartiality” is captured by three questions where the respondents can rate how much they agree with the statement that all citizens are treated equally by the police force, in the public education system, and

in the public health care system and ranges between -1.70 (lowest impartiality) and 1.26 (highest impartiality). “Corruption” is captured by three questions about the prevalence of corruption in the police force, the public education system, and the public health care system and ranges between -2.25 (high corruption) and 1.88 (low corruption). The EU QoG Index is, due to the original sample, applicable on 18 EU countries: Austria, Belgium, Bulgaria, Czech Republic, Denmark, France, Germany, Greece, Hungary, Italy, Netherlands, Poland, Portugal, Romania, Slovakia, Spain, Sweden and United Kingdom. A more detailed description of the EU QoG Index can be found in Charron et al. (2010).

The Predictor

For measuring media freedom I use the composite Freedom of the Press Index compiled by Freedom House and the most widely used indicator to evaluate media freedom (see e.g., Ahrend 2002; Brunetti and Weder 2003; Choudhury 2004; Norris 2006; Charron 2009; Lindstedt and Naurin 2010).

The Freedom of the Press Index ranges from 0 (least free) and 50 (most free) and consists of three component ratings of economic factors that affect the access to information, political pressures that influence reporting, and legal environment for the media (Freedom House 2010).

The first component, economic factors that affect the access to information, examines the economic environment for the media. This includes structure, transparency, and concentration of media ownership; the impact of bribery and corruption on media content; the selective maintenance of advertising or subsidies by the state or other actors; and the extent to which the economic situation in a country impacts the development of the media. The second component, political pressures that influence reporting, examines the political control over media content and include the editorial independence (i.e. official censorship and self-censorship) of both state-owned and privately owned media; the ability of both foreign and local journalists to cover the news freely and without harassment; as well as intimidation of journalists by the state or other actors, including arbitrary detention and imprisonment, violent assaults, and other threats. Finally, the third component, legal environment for the media, encompasses laws and regulations that could influence media content and the government’s propensity to limit media’s ability to operate freely. Freedom House also assesses the impact of both constitutional and legal guarantees for freedom of expression as well as the penal

code and potentially negative aspects of security legislation (i.e. penalties for libel and defamation) and independence of the judiciary and of official media regulatory bodies. A more detailed description of the Freedom of the Press Index can be found in Freedom House (2010).

Control variables

To obtain independent effects of media freedom, following control variables has been considered of most interest for the focal relationship in previous research and included in the regression models; regime type (i.e. Markowski 2006; Lederman et al. 2005), electoral system (i.e. Persson et al. 2003; Kunicová and Rose-Ackerman 2005; Charron 2011), centralization (i.e. Gerring and Thacker 2004; Treisman 2000), and political empowerment (i.e. Dollar et al. 2001; Swamy et al. 2001; Sung 2003; Goetz 2007).

Political accountability is regarded a key attribute and essential for democratization. However, voter's ability to hold governments accountable is determined by the flow of information provided from media (see e.g., Stapenhurst 2000; Besley and Burgess 2001; Chowdhury 2004). Thus, free media provide flows of information compensating voters' incapability to monitor those in power directly. Previous research suggests that the mechanisms of accountability are stronger in parliamentary systems (Markowski 2006; Lederman et al. 2005; Bailey and Valenzuela 1997). Lederman et al. (2005) shows empirically that corruption decrease systematically in countries with parliamentary systems and with free media in that "parliamentary systems allow for stronger and more immediate monitoring of the executive by the legislature because in this case parliaments have the power to remove politicians from executive office" (Lederman et al. 2005: 5). The regime type measure is acquired from the Database of Political Institutions (Keefer 2010), and after modified and made dichotomous it distinguishes presidential (equal to 0) or parliamentary systems (equal to 1).

That a country's electoral rules and party system have significant impact on levels of corruption has been established empirically by a number of recent studies (Persson et al. 2003; Kunicová and Rose-Ackerman 2005; Birch 2007; Charron 2011). Kunicová and Rose-Ackerman (2005:579) argue that, "electoral rules affect the probability of detection by shaping the incentives and ability of political actors to monitor corrupt political rent-seeking". However, there is no overall consensus on which electoral rules that best offset corruption. Myerson (1993) mean that proportional representation (PR) systems, on average, should produce less corruption than first past the post (FPTP) or majoritarian systems because it is more likely to produce a multi-party system. While other scholars

have maintained that PR systems produce more incentives for corruption than single-member district (SMD) systems (Persson et al. 2003; Kunicová and Rose-Ackerman 2005). Charron (2011) shows that in FPTP systems, incentives are higher for the opposition to engage in monitoring of incumbent behavior and more prone to produce two-party systems, and therefore FPTP have lower perceived corruption and higher QoG than their majoritarian counterparts. Thus it can be concluded that PR systems are more likely to be short of unambiguous accountability and transparency in decision-making (because of indecisive outcomes, unstable regimes etc.) and therefore also a more difficult position in terms of generating QoG. The electoral system type measure is an adjustment of Golder's (2005) variable indicating the type of electoral formula used. The original measure was categorized into four electoral system types. After modified and made dichotomous it distinguishes majoritarian (equal to 0) from PR systems (equal to 1).

In the discussion on decentralization and federalism, the focus is on checks and balances, how to restrain the central power, and to make governments and the bureaucracy more responsive and efficient (see e.g. Bardhan 2002; de Mello and Barenstein 2001; Manor 1999). However, the empirical results on the relationship between decentralization and QoG do not prove conclusive. On the one hand, there are scholars that argue in favour of decentralization, claiming that it improves government efficiency (Fisman and Gatti 2002; Hunther and Shaw 1998). On the other hand, there are scholars arguing that decentralization reduces the opportunities for accountability and instead mean that it is likely to lead to more corruption (Treisman 2000; Gerring and Thacker 2004). However, in order to better understand the effects of decentralization, recent studies has started to look at the settings in which decentralization takes place and distinguished between developing countries and developed countries (see e.g., Bardhan 2002). In developed countries decentralization has been linked with a reduction of regional inequality and in less developed countries with substantial rise in regional disparities (Rodriguez-Pose and Ezcurra 2010). The decentralization measure is retrieved from the Institutions and Elections Project (IAEP) and describes "the relationship between the central and those regional governments that are immediately below the central government" (Regan and Clark 2010:8). The variable has been dichotomized and distinguishes federal systems (equal to 0) from unitary systems (equal to 1).

Finally, several findings point out that there is a negative relationship between the number of women in the national parliament and the level of corruption, the higher the number of women, the lower the level of corruption (Dollar et al. 2001; Swamy et al. 2001). The findings also pinpoint that

the casual mechanism seems to be that corruption causes particular harm to poor sections of the population and that women, who make up the majority of the poor, are thus generally more affected by dysfunctional governments. However, the causal direction of the relationship has been questioned where some scholars suggest that it is rather the strength of liberal democracy that should be highlighted instead of the number of women in influential positions (Sung 2003; Bjarnegård 2006; Goetz 2007). Wängnerud (2010:19) instead come to the conclusion that “hypotheses brought forward in previous research on gender and corruption not should be rejected”, that the number of women in parliament and the level of equality, both seem to have a positive effect on QoG, and “what everyone seems to agree upon is that the number of women in leading positions (political as well as bureaucratic) within a society is a useful “proxy” for good governance” (Wängnerud 2008:1ff). The political empowerment measure is one of the sub indexes used to construct the World Economic Forum's Gender Gap Index. Political empowerment “combines the ratio of female to male members of parliament, the ratio of women to men in ministerial level positions and the ratio of women to men in head of state or head of government positions in the last 50 years” (Hausmann et al. 2010:4). Please see the Appendix for a more detailed description of the control variables.

Table 1 presents the correlations between the variables in this study. It is clear that three of the variables in the study stand out. First there are strong positive correlations between the two variables that measure QoG. There is also a positive correlation between the variables in the focal relationship where the correlation between ICRG QoG Index and media freedom are the strongest. Which gives a strong indication of a robust linear relationship between countries free media and their QoG: the freer media, the higher QoG – or put another way, the higher QoG, the freer media. Similarly, there is a positive correlation between political empowerment and QoG. Which in this case means that the ratio of female to male members of parliament, the ratio of women to men in ministerial level positions and the ratio of women to men in head of state or head of government positions is important for the variation in QoG across countries and vice versa. The positive correlation between free media and political empowerment also indicates that media freedom and women’s political empowerment are linearly related.

TABLE 1 CORRELATIONS OF VARIABLES (PEARSON'S R)

	Quality of Government (ICRG_QoG_Index)	Quality of Government (EU QoG Index)	Media Freedom	Regime Type	Electoral System Type	Government Centralization
Quality of Government (EU QoG Index)	.851**					
Media Freedom	.808**	.625**				
Regime Type	.227	.136	.006			
Electoral System Type	.170	-.011	.181	.070		
Government Centralization	-.140	-.010	.013	.047	.149	
Political Empowerment	.689**	.766**	.603**	.323	.257	-.139

Notes: ** Correlation is significant at the .05 level.

Findings

While the function of the media in and for democracy is non-contentious, even democratic states differ in their arrangements to secure press freedom and particularly in their informal relations between the state, its representatives and the media. The sample used here are the 27 member states of the European Union (EU). Even though democracies and at the same time members of the Council of Europe and therefore signatories of the European Convention of Human Rights, the EU member states are currently spread from rank 1 (Finland, Sweden) to 88 (Romania) on the Freedom House Scale (Freedom of the Press, 2010) and from 1 to 70 on the Press Freedom Index drawn up by Reporters without Borders (2010). Since the rankings of one year are only snapshots and may be influenced by singular events, the use of press freedom score and comparison over time gives a better impression of the stability or instability of a country's media freedom.

Using the Freedom House scale, there is considerable variation among the individual country scores for the International Country Risk Guide's QoG indicator. The 27 countries reach scores between 0.42 and 1.00, the latter standing for the highest QoG. Finland enjoys the highest ranking

closely followed, by Denmark (0.97) while Bulgaria (0.42) and Romania (0.44) are the two countries with the lowest QoG scores. Table 2 gives an overview of the Press Freedom Index scores for the 27 EU Member states in 2006 and 2010, displays the ICRG QoG scores for all countries of the sample in 2010, and the EU QoG scores for 18 of the countries of the sample in 2009.

TABLE 2 FREEDOM OF THE PRESS INDEX, ICRG'S QOG INDEX AND EU QOG INDEX

Country	Freedom of the Press 2006 ^a	Freedom of the Press 2010 ^a	Quality of Government (ICRG QoG Index) ^b	Quality of Government (EU QoG Index) ^c
Austria	32	32	0.94	0.74
Belgium	42	41	0.81	0.71
Bulgaria	20	19	0.42	-2.10
Cyprus	31	31	0.83	-
Czech Rep.	35	35	0.67	-0.52
Denmark	43	42	0.97	1.88
Estonia	37	36	0.60	-
Finland	44	43	1.00	-
France	31	30	0.81	-0.06
Germany	37	36	0.89	0.55
Greece	26	24	0.61	-1.74
Hungary	32	30	0.64	-1.11
Ireland	38	38	0.86	-
Italy	24	20	0.57	-0.20
Latvia	31	27	0.60	-
Lithuania	35	32	0.54	-
Luxembourg	41	41	0.94	-
Malta	33	31	0.72	-
Netherlands	40	39	0.94	1.37
Poland	29	29	0.64	-0.75

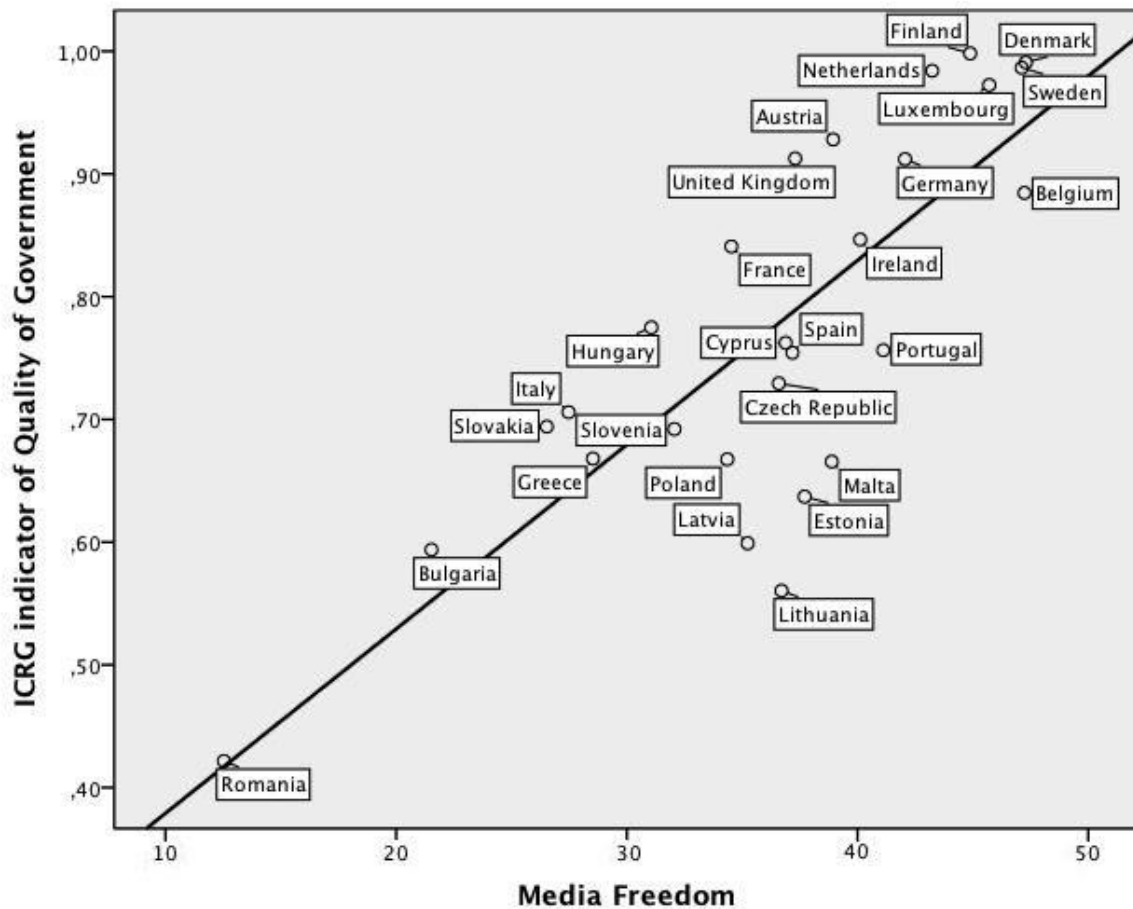
Portugal	37	37	0.75	-0.82
Romania	9	10	0.44	-0.55
Slovakia	31	30	0.61	-2.00
Slovenia	30	28	0.67	-
Spain	30	29	0.75	0.34
Sweden	42	43	0.94	1.36
United Kingdom	35	34	0.86	1.05

Notes: ^aPress Freedom Index scores ranging from 0 (not free) to 50 (free). Source: Freedom House 2006 and 2010. ^bQuality of Government Index scores ranging from 0 (low quality) to 1 (high quality). Source: the International Country Risk Guide 2010. ^cQuality of Government Index scores ranging from -2.10 (low quality) to 1.88 (high quality). Source: Charron, Lapuente and Dykstra 2011.

The EU member states that comprised the sample of this study pertain to different models of media systems. According to the Hallin and Mancini (2004) typology, the North European countries mostly feature a democratic-corporatist model which is – in addition to political parallelism and journalistic professionalism – characterized by the state taking on an active role in media policy guided by social responsibility (2004:144-5). Nevertheless, these countries regularly appear at the top of the freedom of the media rankings, their state intervention in the media field obviously not being detrimental to media freedom. They also score high on different QoG indexes.

Figure 1 displays the focal relationship between media freedom and QoG graphically using the average Freedom of the Press Index score for the period 1993 to 2010 and the average ICRG QoG Index score for the period 1984 to 2010. The scatter plot reveals the variation structure of the focal relationship among the 27 European countries and confirms the variation among the individual country in Table 1. Eastern European countries are clustered to the left, reflecting their lower levels of QoG. Western and Northern European countries are clustered in the upper right corner, reflecting both higher levels of QoG and higher levels of media freedom.

FIGURE 1 MEDIA FREEDOM / QUALITY OF GOVERNMENT IN EUROPE



Notes: Media Freedom is the Freedom of the Press Index: average score for the period 1993 to 2010 and ranging from 0 (not free) to 50 (free). Source: Freedom House, 1993-2010. The indicator of Quality of Government is the average score for the period 1984 to 2010 and ranging from 0 (low quality) to 1 (high quality). Source: The International Country Risk Guide, 1984-2010.

To put it differently, there is a clear difference in high or low QoG between countries in the former Eastern bloc and Western European democracies, but less difference in terms of media freedom. This pattern is most evident for the variation in media freedom across the European countries with an average score between 30-40. Within this limited range of average media freedom score there are countries from all regions of Europe represented, with a considerable variation in QoG (from Lithuania with an average score of 0.56 to Austria with an average score of 0.93).

Figure 1 indicates a positive relationship between media freedom and QoG. However, there is a need for further specifications of the focal relationship. In the first set of specifications I use OLS regression models to observe the bivariate relationship between media freedom and QoG and investigate how the focal relationship changes after controlling for other variables. In the second specification, the interaction effects between media freedom and regime type, electoral system type, government centralization, and political empowerment are included in the regression model individually.

Table 3 reports the results from the regression analysis. The main variable of interest, media freedom, has a strong significant positive effect on QoG in the bivariate relationship. The results suggest that if media freedom is increased one step (on a fifty pointed scale), QoG increases by 0.17 units and explains more than 60 percent of the variations in QoG ($R^2=.64$). The highly significant effect in the bivariate relationship also holds in a regression analysis even after the control variables are included in the model.

In the multivariate regression model, the effect of media freedom has decreased but still maintains highly significant and positive effects on QoG and explains almost 70 percent of the variations in the dependent variable ($R^2=.69$). When looking at the control variables, all coefficients are insignificant. The data suggest that none of the added control variables are significantly associated with QoG.

TABLE 3 THE EFFECT OF MEDIA FREEDOM ON QUALITY OF GOVERNMENT (ICRG QOG INDEX)

	Bivariate	Multivariate		Model 1	Model 2	Model 3	Model 4
Media Freedom	.017***	.015***	(1)	-.008	.015***	.012*	.014**
(0=not free, 50=free)	(.003)	(.003)		(.019)	(.003)	(.005)	(.004)
Regime Type (RT)		.075	(2)	-.665	.075	.077	.074
(0=presidential, 1=parliamentary)		(.055)		(.616)	(.057)	(.056)	(.057)
Electoral System Type (EST)		-.001	(3)	.002	-.026	-.007	.000
(0=proportional, 1=majoritarian)		(.049)		(.048)	(.281)	(.050)	(.050)
Government Centralization (GC)		-.042	(4)	-.029	-.043	-.158	-.044
(0=federal, 1=unitary)		(.038)		(.039)	(.039)	(.177)	(.039)
Political Empowerment (PE)		.254	(5)	.231	.254	.262	.064
(mean ratio)		(.194)		(.193)	(.198)	(.197)	(.770)
Interaction:							
Media Freedom x RT				.023			

				(.019)			
Media Freedom x EST					.001		
					(.009)		
Media Freedom x GC						.004	
						(.005)	
Media Freedom x PE							.005
							(.020)
Constant	.189*	.176	.893	.178	.260	.206	
	(.083)	(.099)	(.603)	(.103)	(.160)	(.154)	
Adjusted R²	.64	.69	.70	.67	.68	.68	
N= 27							

Notes: * $p < .01$, ** $p < .05$, *** $p < .001$. Entries are unstandardized regression coefficients, with OLS standard errors within parentheses. Collinearity VIF: (1) 1.72, (2) 1.21, (3) 1.11, (4) 1.10, (5) 2.07.

When it comes to the interaction effects between media freedom and the control variables, firstly, the results suggests that there are no significant interaction effects. This means that there is no significant difference in the focal relationship between countries political context captured by the interaction variables. In model 1 the media freedom coefficient has a negative sign and has become insignificant but the main effect of media freedom continues to be significant and positive throughout the rest of the specifications of the interaction terms in the three remaining models. In model 2 the results imply that there is a strong independent positive effect of media freedom on QoG regardless of countries electoral rules and party system. This also applies to the results from model 3 and model 4 where the significant media freedom coefficients suggests that media freedom has an independent effect on QoG regardless of government centralization and political empowerment.

On the basis of significant coefficients and specifications of different interaction terms, the results from table 3 imply that the answer to the question if media freedom contributes to high levels of quality of government, is yes – the focal relationship remains robust and significant.

The results from table 4 is based on the same specifications of the focal relationship as in table 3 but on the more public service related definition of QoG operationalized by the EU QoG Index. The significant coefficient implies a positive bivariate relationship between media freedom and QoG and which in this case means that media freedom explains approximately 35 percent of the variations in QoG ($R^2=.35$).

TABLE 4 THE EFFECT OF MEDIA FREEDOM ON QUALITY OF GOVERNMENT (EU QOG INDEX)

	Bivariate	Multivariate	Model 1	Model 2	Model 3	Model 4	
Media Freedom	.086**	.025	(1)	.023	.027	.056	-.038
(0=not free, 50=free)	(.027)	(.031)		(.043)	(.033)	(.049)	(.046)
Regime Type (RT)		.047	(2)	.002	.042	-.092	-.015
(0=presidential, 1=parliamentary)		(.881)		(.030)	(.919)	(.911)	(.814)
Electoral System Type (EST)		.764	(3)	.764	1.21	.907	.814
(0=proportional, 1=majoritarian)		(.509)		(.509)	(2.53)	.547	(.471)
Government Centralization (GC)		.139	(4)	.139	.144	1.59	-.237
(0=federal, 1=unitary)		(.410)		(.410)	(.429)	(1.85)	(.435)
Political Empowerment (PE)		6.99**	(5)	6.99**	6.95*	7.43**	-6.12
(mean ratio)		(2.24)		(2.24)	(2.35)	(2.34)	(7.74)
Interaction:							
Media Freedom x RT				.002			
				(.030)			
Media Freedom x EST					-.015		
					(.086)		
Media Freedom x GC						-.045	
						(.056)	
Media Freedom x PE							.380
							(.216)
Constant	-2.78**	-2.77*		-1.95	-2.81*	-3.74*	-5.56
	(.864)	(1.06)		(.806)	(1.13)	(1.62)	(1.59)
Adjusted R²	.35	.54		.54	.50	.53	.61
N= 18							

Notes: * $p < .01$, ** $p < .05$, *** $p < .001$. Entries are unstandardized regression coefficients, with OLS standard errors within parentheses. Collinearity VIF: (1) 1.82, (2) 1.12, (3) 1.23, (4) 1.14, (5) 2.01.

In the multivariate regression model, the significant effect of media freedom weakens and disappears. Instead, there is a positive significant effect from women's opportunities for political empowerment on QoG. What is even more interesting is that the significant effect of political empowerment remains unchanged and positively and significantly associated with QoG in three of the four regression models. Model 1 to 4 reflects the results for these interactions suggesting no significant interaction effects between media freedom and any of the interaction variables controlled for in the models. In model 4 the political empowerment coefficient changes sign and becomes insignificant with large standard errors indicating problem of multicollinearity. It is however important

to note the difference between coefficients in interaction models and variables in an additive model in that coefficients in an interaction model not indicate the average effect of a certain variable. Nevertheless, the results from table 4 implies that the answer to the question if media freedom contributes to high levels of quality of government, is no – the focal relationship between media freedom and the more public service related concept of QoG disappears once the control variables are included in the model.

One way to overcome the problem of large standard errors and multicollinearity and not least to sort out if and if so, in what ways political empowerment affects the focal relationship is to examine the EU QoG Index subcomponents

TABLE 5 THE EFFECT OF MEDIA FREEDOM ON QUALITY, IMPARTIALITY, AND CORRUPTION

	Quality	Impartiality	Corruption	Quality	Impartiality	Corruption
Media Freedom (0=not free, 50=free)	.056 (.028)	.058* (.024)	.105** (.025)	-.091 (.047)	-.033 (.041)	.027 (.044)
Regime Type (0=presidential, 1=parliamentary)				-.105 (.838)	.589 (.730)	-.516 (.779)
Electoral System Type (0=proportional, 1=majoritarian)				1.07 (.485)	.071 (.422)	.931 (.450)
Government Centralization (0=federal, 1=unitary)				-.173 (.447)	-.550 (.390)	.120 (.416)
Political Empowerment (PE) (mean ratio)				-17.8* (7.96)	-1.12 (6.94)	3.63 (7.40)
Interaction:						
Media Freedom x PE				.654** (.222)	.205 (.194)	.103 (.207)
Constant	-1.78 (.911)	-1.88* (.766)	-3.42** (.811)	1.68 (1.64)	-.719 (1.43)	-2.42 (1.53)
Adjusted R²	.15	.23	.49	.51	.52	.68
N= 18						

Notes: *p < .01, **p < .05, ***p < .001. Entries are unstandardized regression coefficients, with OLS standard errors within parentheses.

In table 5, the bivariate relationship and interaction effects of political empowerment on the relationship between media freedom and the three subcomponents of the EU QoG Index are examined separately. The data suggests that the focal relationship is mainly driven by media freedom on the subcomponents that capture impartiality and corruption. When it comes to the interaction effects of political empowerment on the relationship between media freedom and the subcategories there are some interesting results. The significant and positive effect of media freedom on impartiality and corruption disappear. Instead there is a significant and positive interaction effect of political empowerment on the relationship between media freedom and quality. One reasonable explanation is due to differences in how the two QoG measures are constructed. The ICRG QoG Index is aimed at mainly international investors, which could imply that QoG is more geared toward less red tape and business friendly environments. The EU QoG Index, on the other hand, focuses primarily on quality, impartiality, and corruption within public services and welfare systems, and QoG provided to its citizens. Table 5 reveals the result from the interaction suggesting that the ability to explain and increase QoG is best done if media freedom and political empowerment are increased simultaneously and with significant positive effect on the quality “pillar” of the public service related QoG concept.

Conclusion and Discussion

In this study, quality of government was used as the dependent variable and media freedom was assumed to be a predictor. This design was inspired by earlier research but can also claim theoretical logic. Free media, independent of the state, is in the position to go beyond its information function and fulfill a role as a watchdog vis-à-vis those in power. The possibility of the media engaging in investigative journalism combined with the prospect of irregularities being publicly revealed and scandalized operates as an antidote to crooked dealings in the political and the administrative system and thus supports QoG.

Earlier studies have examined the relationship between media freedom and the level of corruption. In this study I treated corruption as one among other indicators of the exercise of public authority and used two different definitions of the broader concept of QoG. As a consequence, this led to totally different results depending on which definition of QoG I used in the analyses. The commonly used ICRG QoG Index includes a subcomponent of QoG that refers to corruption, the

other two stand for "law and order", which represents the impartiality of a country's legal system, and "bureaucracy quality" indicating the quality of government services. When this index is used for examine the focal relationship the results show a significant positive relationship between media freedom and QoG. This result not only corroborates earlier findings but demonstrates also the effectiveness of a free media as a critic of the power system and confirms Baker's assessment contending: "Exposure of government corruption or incompetence – [...] – is probably the most important contribution the press can make to democracy." (2002:133) However, when the focal relationship is examined with the EU QoG Index, which is more specifically related to the output of public services and welfare systems, the significant positive relationship between media freedom and QoG turns insignificant and disappear. Instead, there is an interaction effect suggesting that the ability to explain and improve QoG is best done if media freedom and political empowerment are increased simultaneously and with significant positive effect on the quality of public services as a result. Hence the findings are dissimilar to previous research, not impartiality nor in the fight against corruption. As already mentioned, one reasonable explanation could be found in the differences in how the two QoG indexes are constructed. The ICRG QoG Index is aimed at mainly international investors, which could imply that QoG is more geared toward less red tape and business friendly environments. The EU QoG Index, on the other hand, focuses primarily on quality, impartiality, and corruption within public services and welfare systems, and QoG provided to its citizens.

In addition to Lindstedt and Naurin (2010), which found interaction effect of media freedom and electoral accountability and emphasize that the "publicity condition" must be accompanied by an "accountability condition" in order to fight corruption. The results of this study suggest the need of an "empowerment condition" or a "big bang condition" – everything must be in place for the free media to have an impact (see e.g., Rothstein 2011). Freedom of the media plays an important role in the fight against corruption when it is accompanied by a modernization mechanism such as women's abilities for political empowerment. Although, the results of this study implies interaction effect of political empowerment and media freedom: free media requires a reduction of the gap between those with and those without political empowerment in order to create and increase QoG provided to citizens through public services and welfare systems. To reach two such completely different results depending on which definition of QoG utilized is remarkable. Numerous policy proposals and general recommendations from international actors (i.e. the World Bank, UN, OECD, EU) profoundly emphasize the importance of free media in controlling corruption and

promoting well functioning government institutions. Yet, this study emphasizes that the importance of media freedom in processes of establishing, improving and maintaining QoG needs to be more nuanced.

Nevertheless, it must be recognized that this is a first attempt to examine the role of free media in creating and increasing countries QoG. Therefore, one should be cautious about drawing too strong conclusions from this study as it has its limitations. On the one hand, the empirical evidence from this study suggests a strong association between media freedom and QoG. On the other hand, the result from this study suggests interaction effect of political empowerment and free media.

Overall, the results of this study imply that there is still need for more research to carry out on the role and consequences of free media. Freedom of the media is under constant threat and cannot be regarded as being stable over time even in countries with high QoG. It has to be left for future research to examine whether different models of media systems that are defined by different relationships between politicians and the media, and how countries' historical contexts and alternative indicators of media freedom, other than just the conditions for media to operate freely (i.e. exposure and accessibility), may contribute to high QoG.

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APPENDIX

Appendix 1 DESCRIPTION OF THE VARIABLES

Variables	Description	Sources
Dependent variables		
QUALITY OF GOVERNMENT (ICRG QoG Index)	Corruption, law and order, bureaucracy quality (scaled from 0=low quality, to 1=high quality).	The PRS Group "The International Country Risk Guide (ICRG)" (Data from 2010).
QUALITY OF GOVERNMENT (EU QoG Index) EU QoG Index subcategories:	Mean score on quality, impartiality, and corruption within public education, public health care and law enforcement (range between -2.10 ~ 1.88).	Charron, Lapuente and Dykstra (2011) (Data from 2009).
QUALITY	Mean score on quality of public education, public health care and law enforcement (range between -2.14 ~1.71).	Charron, Lapuente and Dykstra (2011) (Data from 2009).
IMPARTIALITY	Mean score on impartiality of public education, public health care and law enforcement (range between -1.7 ~ 1.26).	Charron, Lapuente and Dykstra (2011) (Data from 2009).
CORRUPTION	Mean score on corruption in public education, public health care and law enforcement (range between -2.25 ~-2.02).	Charron, Lapuente and Dykstra (2011) (Data from 2009).
Independent variable		
MEDIA FREEDOM	Measures economic influences, political pressures and controls, and laws and regulations influence over media content. (0=not free, 50=free).	Freedom House (Data from 2010).
Control variables		
REGIME TYPE	Parliamentary vs. Presidential political system (0=presidential, 1=parliamentary).	Kefer "Database of Political Institutions" (Data from 2010).
ELECTORAL SYSTEM	Majoritarian vs. proportional electoral system (0=majoritarian, 1=proportional).	Golder (2005) and The Quality of Government Institute (Data from 2005).
GOVERNMENT CENTRALIZATION	Federal vs. unitary system (0=federal, 1=unitary).	Regan and Clark "the Institutions and Elections Project (IAEP)" (Data from 2010).
POLITICAL EMPOWERMENT	The mean ratio of female to male members of parliament, ministerial level, and head of state or government in the last 50 years (range between .03 ~ .57).	World Economic Forum "Gender Gap Index" (Data from 2010).