

THE ROLE OF MEDIA PRESSURE IN PROMOTING TRANSPARENCY OF LOCAL GOVERNMENTS

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Abstract

This paper analyses the role of media pressure on the level of public transparency of local governments. Making use of a sample composed by 110 Spanish cities for the 2008-2010 period, the results show that local governments tend to be more transparent under media pressure, especially in relation to information about economic, financial, urbanism and public works issues.

Additionally, we take into account the electoral moment, since the analysis of the ways in which public affairs are conducted is still superior when elections are approaching. Empirical results indicate that media plays a fundamental role in that moment because governments are willing to decrease the level of information transparency.

Keywords: local government, transparency, elections, political ideology, media, agenda-setting.

1. Introduction

As a consequence of several financial scandals, citizens' interest is focused on the behavior of the public sector, especially on topics such as accountability and transparency. Public demand for transparency in public institutions is increasing constantly (Piotrowski and Van Ryzin, 2007). Citizens, as providers of resources, require information in relation to the activities that are defrayed by their resources (Guillamón, Ríos-Martínez and Vicente-Oliva, 2011), knowing where they are allocated and how they are being used (Jorge *et al.*, 2011). Indeed, good governance is firstly assessed by citizens in terms of transparency in decision-making and policy implementation (Sharman and Chaikin, 2009).

Information opacity enables corruption in public bodies, but this could be avoided with higher levels of information transparency (Hood, 2001). In Spain, information opacity has led to several corruption cases (e.g. irregular adjudications, capturing illegal subsidies, kickbacks within political parties, etc.), especially at the local level. Here, one of the main problems for the identification of these cases is the lack of protective laws for informers, as Spain was one of the few European countries that do not had a public transparency law, until December 2013. At present, Law 19/2013, of December 2013, on transparency and access to public information and good governance, requires all public administrations and public entities to actively publicize their activities.

In absence of specific legislation to ensure access to government activities in a clear, permanent and timely fashion, media could be seen as a tool to keep citizens informed about the daily administration of the local government (Gandía and Archidona, 2008). Media provide information to citizens and incite the government to promote accountability (Macdonell and Pesic, 2006). The coverage given to organizations by the media is crucial to the image formed of them within society (Carroll and McCombs, 2003). Thus, it could be expected that higher media pressure push governments to act more responsibly (Besley and Burgess, 2002). This is our research question, which is empirically tested by using a sample composed by 110 Spanish municipalities, whose information on levels of transparency has been published by Transparency International Organization Spain¹.

Microscopic analysis of the public sector by the media is still superior in election periods with the aim of informing citizens about the management capacity of the ruling party, and in the face of possible re-election. Media plays a fundamental role in transmitting information to mass audiences, so they could be interpreted as a way to make available information that could be used by citizens in the voting process (Strömberg, 2004). Accordingly, this study also takes into account the electoral moment in testing the role of media on information transparency of local governments.

1 For more details see www.transparencia.org.es.

The remainder of this paper is divided into the following sections. In the second section, we review previous literature and present the working hypothesis. The third section contains the methodology. The fourth section presents and discusses the research results and finally, we set out the main conclusions, implications and limitations.

2. The concept of transparency and its determinants

Although there is not universal definition of transparency, all of them hold the availability of information. The OECD (2002) defines transparency as openness on policy intentions, formulation and implementation. On the basis of OECD's definition, Armstrong (2005) defines this concept as the access by the public to timely and reliable information on decisions and performance in the public sector. Similarly, Alt, Lassen and Rose (2006) noted the overall degree to which citizens, the media and financial markets can observe the government's strategies, its activities and the resulting outcomes. In short, transparency can be viewed as the degree of access to information about the government, being accessible on time to all relevant stakeholders (Kaufmann and Kraay, 2002), and allowing the knowledge of the ways in which public affairs are conducted (Heald, 2006).

Previous studies are focused on the relationship between transparency and several socio-economic and political factors. For instance, Piotrowski and Van Ryzin (2007) found that factors such as age, political ideology, confidence in government leaders, the income level, etc., affect the public's demand for transparency. Alt, Lassen and Rose (2006) showed that more equal political competition and power-sharing are related to greater levels of fiscal transparency, but political polarization is related to lower transparency. Meanwhile, Laswad, Fisher and Oyelere (2005) found that leverage, municipal wealth, press visibility and types of council are related to financial disclosures of local governments in New Zealand. Jorge *et al.* (2011) showed a positive link between transparency and the size of Italian local governments, and a negative impact of voting participation on the level of transparency in the case of Portuguese and Italian local governments.

Transparency has been highly studied in Spanish local governments. For instance, Gandía and Archidona (2008) found that disclosure levels in Spanish local governments depend on political competition, public media visibility, access to technology and educational levels. Cárcaba-García and García-García (2010) show that size, capital investment and political competition are positively related to information disclosure by Spanish local governments, but they found a negative link between voluntary financial disclosure and press visibility of Spanish local governments. Guillamón, Ríos-Martínez and Vicente-Oliva (2011) found a positive link between the level of transparency and taxes, and transfers per capita, population, and left-wing ideology. Guillamón, Ríos-Martínez and Vicente-Oliva (2011) also showed that government fragmentation is related to higher levels of transparency, but that the unemployment rate impacts negatively on levels of financial transparency. The positive link between

population and left-wing governments has been also found by Albalade del Sol (2013); additionally, he found a negative link between transparency and political strength, unemployment rate, and tourism index, and no influence of voters' participation and the level of economic activity.

2.1. Research hypotheses

Regarding previous literature, one of the determinants of public transparency is press visibility. Laswad, Fisher and Oyelere (2005) indicated that press visibility is positively associated with the internet financial reporting practices of local governments in New Zealand, and similarly, Gandía and Archidona (2008) found that web disclosure levels in Spanish local governments are positively related to public media visibility. Although Cárcaba-García and García-García (2010) showed that press visibility is negatively linked to voluntary reporting of financial information on the internet by Spanish local governments, Grimmelikhuijsen and Welch (2012) refined previous results, by using a sample of Dutch municipalities; they found that media attention affected positively on a specific type of public transparency, the policy information.

In general, media pressure may make a political system more transparent in three ways (Balking, 1999): (i) it enables people to understand the operations of the government, (ii) it involves the public in policy decisions, and (iii) it makes the responsible officials accountable. These effects are shown thanks to an increase in information availability, through which citizens know operations and activities of governments and the use of resources that they provide to governments. In addition, the media provides information to citizens, inciting the authority to promote accountability (Macdonell and Pesic, 2006), so it would be expected that media might be a determinant of the level of municipal transparency.

The agenda-setting theory (McCombs and Shaw, 1972) defends that highlighted items of media agenda influence the agenda of society, thus society uses the most relevant news to decide what topics and people are the most relevant (Carroll and McCombs, 2003). The media are highly persuasive in focusing the public attention on certain events and topics, determining the importance that people attach to them (Shaw 1979).

Thereon, the media make more information available, and it is a powerful tool to push governments to act more responsibly (Besley and Burgess, 2002). This is highly important when information access right is under regulated. Citizens require information on the public activities financed with resources they provide; and the access to such information should be considered a right. However, there is no universal law regarding transparency. Regulation 1049/2001 which forms part of European Union law could be an attempt to regulate this topic, but, in general, countries have developed their own national laws. In general, regulations on transparency are very recent, due to demands of information have specially grown from the global economic crisis of 2008. In the case of Spain, until 2013 there was not a specific regulation on access to

public information, namely Law 19/2013 from 9 December 2013 on transparency and access to public information and good governance².

In such situations, in which regulation is weak and government has discretionary power to disclose some information and do not disclose other information, media plays a fundamental role in transmitting information to mass audiences. As a consequence, we proposed the following hypothesis with the aim of testing the relationship between media pressure and public transparency on local government:

H1 – Local governments tend to be more transparent when the media exert pressure on them.

Greater transparency creates clarity of responsibility by enabling citizens to access the decisions taken by the government, reliably and in good time (Armstrong, 2005). Transparency increases the visibility of government actions (Alt and Lassen, 2006), which is always important for citizens, but it is even more relevant when elections are close.

Nordhaus (1975) proposed the pioneer model of political business cycles, in which ruling governments have incentives to manipulate economic variables in order to be re-elected. From this opportunistic point of view, the maximization of re-election probability is usually considered to be a political parties' main aim, which determines the ruling government's policies (Downs, 1957). In this context, governments could create favorable conditions in pre-election periods to influence the opinions of voters about their mandate. Favorable conditions refer to higher public spending or public debt – which results in more/better public services – and lower taxation; these policies improve the image of the ruling party and may increase the probability of re-election.

A way for citizens to know the ruling government activities is through information disclosure – i.e. public transparency. This idea is deduced from the Ferejohn's (1999) model, in which voters tend to allocate their resources to candidates that provide a more precise signal of the political agent, through information disclosures. Thus, it could be expected that ruling government increases transparency in the pre-election period with the aim of showing the 'favorable conditions' that they have created (such as increasing public spending, reducing taxes, etc.) and improve their image in the 'political market'. Following these arguments, we formulate the second hypothesis:

H2 – The closeness of the election means that local governments tend to be more transparent.

However, the role of the media logic³ is important, since media does not necessarily act on behalf of the public, but also media has financial aims (Cárcaba-García and

2 This law requires all branches of government, including political parties, to be transparent, although the original text does not explicitly name the latter group. Severe penalties will be imposed in cases of the concealment of financial information, which is one of the most opaque areas of information disclosure.

3 Media logic refers to the assumptions and processes for constructing messages, including grammar, format and rhythm (Altheide, 2004).

García-García, 2010). Following Mazzoleni and Schulz (1999), it has come to reflect a commercial logic, including the typical aims of commercial communication activities. This has generated situations in which journalists' interpretations become negative (Hallin, 1992), and media coverage has risen from healthy skepticism to automatic negativity about governments. Probably, news about negative action (e.g., corruption cases) are more commercial than others. The consequence is the 'mediatisation'⁴ of governments, who are dependent on and shaped by the media (Mazzoleni and Schulz, 1999).

With financial objectives, media usually prefers to publish news on cases of corruption and political scandals, on the basis on commercial logic. Such news has a negative effect on electoral support and damage ruling government re-election (Costas-Pérez, Solé-Ollé and Sorribas-Navarro, 2011); even the magnitude of electoral punishment depends on the media coverage. According to these arguments, the negativism of media and their attention on political scandals create a negative image of the ruling government. Thus, we expect that they tend to entrench themselves and reduce their level of public transparency, such as we proposed in the following hypothesis:

H3 – Media pressure reduces the effect of the electoral cycle on the level of transparency of local governments.

3. Empirical research

3.1. Sample

To test our research hypotheses we use a sample composed by 110 Spanish local governments in the period 2008-2010, because of the availability of information about the Spanish local governments' transparency on Transparency International Spain website. These local governments have a population over 50,000 inhabitants, and also include all province capitals⁵. This sample is adequate to test the hypotheses since these local governments are legally urged to promote citizens' participation in local governments and enhance information transparency, according to the Act 57/2003 of measures to modernize local government.

3.2. Model for analysis

In order to test the hypotheses, we use the following dependence models for panel data:

$$IT_INDEX_{it} = \beta_0 + \beta_1 MEDIA_{it} + \beta_2 LEFT_{it} + \beta_3 STRENGTH_{it} + \beta_4 DENSITY_{it} + \varepsilon_{it} + \mu_{it} \quad [1]$$

$$IT_INDEX_{it} = \beta_0 + \beta_1 MEDIA_{it} + \beta_2 PREVIOUS\ YEAR_{it} + \beta_3 PREVIOUS\ YEAR * MEDIA_{it} + \beta_4 LEFT_{it} + \beta_5 STRENGTH_{it} + \beta_6 DENSITY_{it} + \varepsilon_{it} + \mu_{it} \quad [2]$$

4 Mediatisation is the process through which elements of the society (language, religion or politics) assume media form (Hjarvard, 2008).

5 In general, all province capitals have populations over 50,000 inhabitants, except Soria and Teruel, with 39,987 and 35,288 inhabitants in 2011 respectively.

$$IT_SUB-INDEX_{it} = \alpha_0 + \alpha_1 MEDIA_{it} + \alpha_2 LEFT_{it} + \alpha_3 STRENGTH_{it} + \alpha_4 DENSITY_{it} + \varepsilon_{2it} + \mu_{2it} \quad [3]$$

$$IT_SUB-INDEX = \alpha_0 + \alpha_1 MEDIA_{it} + \alpha_2 PREVIOUS\ YEAR_{it} + \alpha_3 PREVIOUS\ YEAR * MEDIA_{it} + \alpha_4 LEFT_{it} + \alpha_5 STRENGTH_{it} + \alpha_6 DENSITY_{it} + \varepsilon_{2it} + \mu_{2it} \quad [4]$$

The dependent variable (IT_INDEX) represents the level of local governments' transparency through the index published by Transparency International Spain, and it takes values between 0 and 100 (i.e. the higher the level of IT_INDEX, the higher the level of transparency). Additionally, this index is disaggregated into five groups depending on the type of information to which they relate (IT_SUB-INDEX): (a) Information about the municipal corporation (e.g., biographical data on the mayor and councilors, contact addresses, salaries and remuneration, etc.); (b) Relations with citizens and society (e.g., city council webpage appearance, possibility of publishing administrative processes online, publishing public jobs, traffic, environmental situation, discussion forums, etc.); (c) Economic and financial information (e.g., the publication of the annual accounts of the city council, municipal budgets, audit reports and external control, data deficit/surplus and income/expenditure per capita, amount of municipal debt, etc.); (d) Information about municipal service contracts (e.g., calls for tenders for bids, if the public is the supplier associated with each service, etc.); (e) Information about urban development and public works (e.g. information on urban planning and public works such as zoning plans and planning agreements, decisions on re-qualifications and urban adjudications, ads and bids for public works, information on deals and decisions, etc.)

To test hypothesis H1, we use the independent variable called MEDIA, which represents the number of news items related to each local government over each year of the sample. This measurement has been previously used, for instance by Laswad, Fisher and Oyelere (2005), Gandía and Archidona (2008), Cárcaba-García and García-García (2010), and Grimmelikhuijsen and Welch (2012) to represent press visibility. The former made a count search on Newzindex; the last made a count search on local Dutch newspapers; the rest of scholars used the number of Google quotes for each local government by a search in 'google.com'. Due to the relevance of internet in the last decade, we consider that this technique is the most adequate, since most of the newspapers have an online version. Accordingly, to create the variable MEDIA, we conducted a 'Google News' search with the name of each local government in quotation marks as the search term. Using advanced search tools, we filtered the results by year, from 2008 to 2010. To obtain validity of our measure, the search was performed on both Google.com and Google.es, obtaining identical results. The Google News search allows us to determine the relevance of each local government to any newspaper, not just the specialized economic press, as local government behavior may be subjected to pressure from any medium. This broad selection allows us to identify all the media pressure on the local governments, taking into consideration pressures generated from different interest groups, not only those specialized in economic issues. Google's search engine has been used by other authors in very different areas of

research (e.g. Reverte, 2009; Aguinis *et al.*, 2012; Cuadrado-Ballesteros, Frías-Aceituno and Martínez-Ferrero, 2014; García-Sánchez, Cuadrado-Ballesteros and Sepúlveda, 2014).

To test the hypothesis H2, we considered the election proximity, using a dummy variable, called PREVIOUS YEAR that takes the value 1 in the year before elections and 0, otherwise. In this case, as the time period analyzed is 2008-2010, this variable takes the value 1 in 2010 and 0 in all other years, since local elections were held in 2011 in Spain. Finally, with the aim of testing the third hypothesis, we create the variable PREVIOUS YEAR*MEDIA, through the interaction between the two previous variables. This shows the effect that media pressure may exert as a moderator of the impact of the electoral cycle on municipal transparency level.

Finally, results are controlled by some political and socioeconomic factors: firstly, we consider the political ideology, through the variable LEFT, which is a dummy that takes the value 1 if the ruling party is of left ideology and 0, otherwise. Progressive ideology parties, who prefer a larger public sector (Borge, 2005), tend to be more transparent (Guillamón, Ríos-Martínez and Vicente-Oliva, 2011; Guillamón, Bastida and Benito, 2011) in gaining the trust of voters which are the providers of public resources (Ferejohn, 1999).

Furthermore, we use a Herfindal index to represent the political strength, calculated according to Rattsø and Tovmo (2002), and Borge (2005) as, where n represents the number of political parties in local government, and p_i represents the number of councilors of the party i in local government. This index takes values between 0 (maximum fragmentation) and 1 (maximum strength). Maximum fragmentation (0) implies that each councilor is of a different party and maximum strength (1) indicates that all councilors are of the same political party. Roubini and Sachs (1989a and 1989b) showed that the problems of coordination in fragmented and coalition governments lead to higher deficits than single party governments. This leads to less information transparency in order to avoid showing such internal problems to citizens.

Finally, to control the size of local government, we take into account population density (DENSITY), represented as the number of inhabitants per km^2 . In general, large cities present agglomerations, which can be considered to attract large companies and businesses and be a symbol of modernity and economic power, but can also be considered to present large social and economic inequalities (Camagni, 2002).

Considering that our dependent variables take values between 0 and 100, we use the Tobit methodology for panel data. The random error term is decomposed into two parts: μ_{it} , which varies among municipalities and over time, and the individual effect ε_{it} , which characterizes the municipality and is invariant over time. These can be interpreted as the factors that are not included in the regression, and which are specific to each municipality.

4. Empirical results

4.1. Descriptive analysis

The descriptive statistics are shown in Table 1. We can see that the mean value of the global transparency index, *IT_INDEX*, is 62.45 (in the range from 0 to 100); this means that, in general, Spanish local governments show a medium level of transparency in the analyzed period. In particular, local governments tend to be more transparent about relationships with citizens and society, about municipal corporations, and about urban development and public works. The lowest level of transparency relates to economic and financial information.

Table 1: Descriptive statistics

	Mean	Std. Dev.	Min	Max
IT_INDEX	62.45375	21.05091	12.5	100
A	69.69844	20.65767	15.8	100
B	72.66219	18.35811	15	100
C	47.91906	35.23493	0	100
D	55.81563	29.48701	0	100
E	62.99781	24.70239	0	100
MEDIA	19659.99	61068.2	97	871000
PREVIOUS YEAR	0.3333333	0.4721204	0	1
PREVIOUS YEAR*MEDIA	9902.491	53733.46	0	871000
LEFT	0.4181818	0.4940094	0	1
DENSITY	2711.1	3468.205	52.67829	18474.43
STRENGTH	0.4803609	0.0954648	0.2	0.68

IT_INDEX represents the municipal transparency index; **A** representing the *IT_INDEX* subscript which reports on the municipal corporation; **B** reflects information about relationships with citizens and society; **C** reflects economic and financial information; **D** reflects information about the hiring of public services; **E** reflects information about planning and works public; **MEDIA** represents the number of news related to each municipality; **PREVIOUS YEAR** is a dummy variable that takes the value 1 in the year prior to the election and 0 otherwise; **PREVIOUS YEAR*MEDIA** reflects the interaction between the **PREVIOUS YEAR** and **MEDIA**. **LEFT** is a dummy variable that takes the value 1 when the ruling party is leftist ideology and 0, otherwise; **STRENGTH** reflects the strength of local government policy through the Herfindal index calculated according to Rattsø and Tovmo (2002); **DENSITY** represents the inhabitants per km².

Source: Authors' computations

Furthermore, the average amount of news for local governments in this period of time is 19,660, of which 9,902 news items are provided in the year before elections (mean value of variable **PREVIOUS YEAR*MEDIA**). Finally, about 42% of the sampled municipalities are governed by left-wing parties. The Herfindal index, which measures political strength, has a mean value of 0.48, in the range between 0 and 1. This mean value reflects that, in general, councilors represent different parties in local governments. In addition, population density is about 2,711 inhabitants per km², although the standard deviation is high. The bivariate correlations are shown in Table 2. Although several coefficients are statistically relevant, any correlation between the dependent and independent variables or between the independent variables is large.

Table 2: Bivariate correlations

	1	2	3	4	5	6	7	8	9	10	11
1. IT_INDEX	1										
2. A	0.8021*	1									
3. B	0.8183*	0.6837*	1								
4. C	0.8815*	0.6003*	0.5893*	1							
5. D	0.7247*	0.4657*	0.5302*	0.5663*	1						
6. E	0.8396*	0.5806*	0.6327*	0.6176*	0.6561*	1					
7. MEDIA	0.1273**	0.0892	0.1339**	0.1151**	0.0197	0.1208**	1				
8. PREVIOUS YEAR	0.2681*	-0.0566	0.1838*	0.3272*	0.3518*	0.2715*	0.1165**	1			
9. LEFT	0.1437**	0.1493*	0.1046***	0.1316**	0.0756	0.1128**	-0.0635	0*	1		
10. STRENGTH	0.1637*	0.1711*	0.2184*	0.1288**	0.0903	0.0699	-0.0296	0*	0.1699*	1	
11. DENSITY	0.16*	0.1924*	0.1809*	0.1261**	0.0855	0.0718	0.1639**	0.0031	0.2013*	-0.03	1

* ** and *** indicate significance at the 1%, 5% and 10% level respectively.

IT_INDEX represents the municipal transparency index; **A, B, C, D** and **E** represent the different sub-indices that compose the previous global index; **MEDIA** represents the number of news related to each municipality; **MEDIA** represents the number of news related to each municipality; **PREVIOUS YEAR** is a dummy variable that takes the value 1 in the year prior to the election and 0 otherwise; **LEFT** is a dummy variable that takes the value 1 when the ruling party is leftist ideology and 0, otherwise; **STRENGTH** reflects the strength of local government policy through the Herfindal index calculated according to Rattssø and Tovmo (2002); **DENSITY** represents the inhabitants per km².

Source: Authors' computations

4.2. Explanatory analysis

Table 3 shows the empirical results. Concretely, we found a positive link between media pressure and the level of public transparency, which is relevant at a confidence level of 95%. This means that when media pressure is strong, the level of municipal transparency is high, according to the hypothesis H1. Media is associated with a higher level of public transparency, favoring citizens' knowledge of how resources are managed (Gandia and Archidona, 2008); thus, the local political system is more transparent (Balkin, 1999).

In addition, the estimated coefficients of MEDIA and PREVIOUS YEAR are positive and statistically relevant at the 99% confidence level. However, when we considered the interaction between these two variables, it is negatively related to IT_INDEX and it is relevant at 95% confidence level. The coefficient of PREVIOUS YEAR indicates that in the year before elections, the level of transparency at the local level is higher, according to the hypothesis H2. This means that governments tend to be more transparent in pre-electoral periods with the aim of improving the image that voters have on their mandate and provide a more precise signal of their future policies (Ferejohn, 1999).

However, it is necessary to take into account that this relationship is changed by media pressure because the variable PREVIOUS YEAR*MEDIA has a negative coefficient. This shows that local governments tend to be less transparent when media pressure is strong in the year before elections, in line with the hypothesis H3. Media is a great mechanism for citizens to know the behaviors of the ruling government. In general, the negativism and commercialization of the media industry (Mazzoleni and Schulz, 1999) generates media that is focused on financial scandals about local governments and cases of corruption, especially when elections are approaching. Thus, ruling governments tend to reduce the level of transparency, as a mechanism of entrenching themselves.

In general, the three control variables are positively related to IT_INDEX at different confidence levels. This means that municipalities governed by left-wing parties, with high political strength and more densely populated areas tend to be more transparent with the aim of being supported by citizens who provide the public resources (Ferejohn, 1999). In addition, Roubini and Sachs (1989a and 1989b) showed that the problems of coordination in fragmented and coalition governments lead to higher deficits than in single party governments. This generates problems that are not well considered by citizens and so, local governments tend to avoid this becoming known. Finally, larger cities, with higher populations, may pressure government favoring information transparency.

Table 3: Empirical results

	Coef.	Std. Err.	Coef.	Std. Err.
MEDIA	0.0000367**	0.0000168	0.0000872*	0.0000301
PREVIOUS YEAR			10.96531*	2.003548
PREVIOUS YEAR*MEDIA			-0.0000701**	0.0000335
LEFT	3.381725	2.223357	3.759995***	2.10194
STRENGTH	32.72048*	11.19899	33.40672*	10.56389
DENSITY	0.0007033**	0.0003112	0.0006762**	0.0002933
_cons	43.6636*	5.482268	38.99461*	5.217144
/sigma_u	9.418554*	0.8120428	10.81387*	0.8878908
/sigma_e	17.42173*	0.7425086	16.11494*	0.6843663
rho	0.2261686	0.0356596	0.3104891	0.0416034

*, ** and *** indicate significance at the 1%, 5% and 10% level respectively.

MEDIA represents the number of news related to each municipality; **PREVIOUS YEAR** is a dummy variable that takes the value 1 in the year prior to the election and 0 otherwise; **PREVIOUS YEAR*MEDIA** reflects the interaction between **PREVIOUS YEAR** and **MEDIA**; **LEFT** is a dummy variable that takes the value 1 when the ruling party is leftist ideology and 0, otherwise; **STRENGTH** reflects the strength of local government policy through the Herfindal index calculated according to Rattsø and Tovmo (2002); **DENSITY** represents the inhabitants per km².

Source: Authors' computations

4.3. Robust empirical analysis

Table 4 shows the same models but here, the dependent variable represents the different sub-indexes that compose the global transparency index (IT_INDEX). Regarding sub-index A as the dependent variable, which is related to transparency according to information about municipal corporations, the results are less conclusive. The only statistically relevant variables are those control variables that represent political strength and density, whose coefficients are positive. This means that when more councilors represent the same party and when the municipality is more densely populated, the level of information transparency is greater.

When the dependent variable represents the level of transparency according to relationships with citizens and society (sub-index B), and the level of economic and financial transparency (sub-index C), respectively, results are similar to those obtained for the global transparency index. **MEDIA** and **PREVIOUS YEAR** show positive coefficients, and **PREVIOUS YEAR*MEDIA** shows negative coefficients. This means that when elections are approaching the level of municipal transparency increases. However, if media pressure is strong in that moment, the level of transparency may be reduced. This means that local governments tend to be more transparent in terms of information related to relationships with citizenship and information related to economic and financial information when elections are approaching. However, if media pressure is strong in that moment, the level of transparency may be reduced.

As for sub-index A, for IT_SUB-INDEX D – which represents the level of transparency according to public services contracts –, results are less conclusive, since the only statistically relevant variable is PREVIOUS YEAR at the 99% confidence level. This means that local governments tend to disclose information about public services contracts in the year before the election, independent of media pressure.

Finally, for IT_SUB-INDEX E, the level of transparency is related to information about urban development and public works. The variable MEDIA is positively and significantly (at 95%) related to the dependent variable. The variable PREVIOUS YEAR has a positive coefficient, and it is significant at the 99% confidence level, meaning that the level of public transparency increases when elections are approaching. However, media pressure changes this relationship, reducing the disclosure of public information about urban development and public works in the year before elections.

The individual analysis of each sub-index provides an interesting conclusion. On the one hand, sub-index C represents transparency about economic and financial information (municipal annual accounts, public budgets, public incomes and expenses, and level of public debt). In Spain, although municipal public debt is not a problem within all public administrations, it is a problem for councils. Access to this information should not be limited for citizens (Transparency International Spain, 2010) with the aim of avoiding the loss of their confidence.

On the other hand, sub-index E represents transparency about urban development and public works (information about urban development plans, urban agreements, urban reclassifications and adjudications, bidding processes). This sub-index represents one of the most important problems of corruption in Spain. Information opacity is more important in municipalities that have suffered cases of urban corruption (Transparency International Spain, 2010).

Owing to the relevance of these incidents in Spain, the effect of media pressure as a mechanism of monitoring and controlling public managers is more statistically relevant for sub-indexes C and E. In conclusion, Spanish local governments tend to be more transparent when media pressure is strong, especially for economic and financial information and information about urban development and public works, topics in which Spanish local governments have traditionally suffered more cases of corruption. In addition, the level of transparency, especially in relation to this information, is higher when elections are approaching. However, this relationship is moderated by media pressure, reducing the level of transparency when media pressure is strong, to avoid a loss of confidence of citizens just when elections are close.

5. Concluding remarks

Using a sample composed by 110 Spanish cities for 2008-2010, this paper analyzed the behavior of local governments about public transparency, considering additionally the electoral moment. The empirical results show that the level of municipal transparency is higher when media pressure is strong, suggesting that media could be seen as a powerful tool to push governments to act responsibly (Besley and Burgess,

Table 4: Empirical results for sub-indexes

	Subindex_A		Subindex_B		Subindex_C		Subindex_D		Subindex_E	
	Coef. (Std. Err.)	Coef. (Std. Err.)	Coef. (Std. Err.)	Coef. (Std. Err.)	Coef. (Std. Err.)	Coef. (Std. Err.)	Coef. (Std. Err.)	Coef. (Std. Err.)	Coef. (Std. Err.)	Coef. (Std. Err.)
MEDIA	0.0089 (0.0213)	0.0570 (0.0415)	0.0202 (0.0185)	0.0664*** (0.0399)	0.1594** (0.0724)	0.0155 (0.0358)	0.0314 (0.0640)	0.0526** (0.0267)	0.1264** (0.0495)	
PREVIOUS YEAR		-1.7680 (1.8718)		9.1052* (1.4993)	29.9830* (3.8087)		29.0903* (3.8608)		17.3394* (2.7938)	
PREVIOUS YEAR * MEDIA		-0.0428 (0.0354)		-0.0662** (0.0289)	-0.1513** (0.0671)		-0.0548 (0.0647)		-0.1101** (0.0483)	
LEFT	3.6558 (3.4568)	3.9751 (3.4496)	1.6773 (2.9650)	7.7957 (5.6410)	8.1362 (5.6507)	3.6413 (4.7588)	3.6849 (4.7390)	5.9573 (3.6673)	6.3830*** (3.6886)	
STRENGTH	35.7786** (17.4938)	35.7845** (17.4212)	43.2008* (15.0103)	50.8141*** (28.4569)	51.5030*** (28.4500)	33.2996 (24.0462)	34.6096 (23.8964)	13.7764 (18.6018)	14.4571 (18.6655)	
DENSITY	0.0011** (0.0005)	0.0010** (0.0005)	0.0009** (0.0004)	0.0010 (0.0008)	0.0010 (0.0008)	0.0009 (0.0007)	0.0009 (0.0007)	0.0003 (0.0005)	0.0002 (0.0005)	
_cons	48.1299* (8.5765)	48.2878* (8.5777)	48.3465* (7.3597)	44.7289* (7.4187)	5.4221 (14.0396)	38.0393* (11.7785)	27.4963** (11.8018)	53.1128* (9.1157)	46.3597* (9.2123)	
/sigma_u	14.6821* (1.3943)	14.6263* (1.3812)	12.6062* (1.1956)	13.0217* (1.1612)	21.5557* (2.6084)	11.9897* (3.5043)	15.1021* (2.6506)	11.3103* (2.1342)	12.7332* (1.8887)	
/sigma_e	14.9227* (0.7555)	14.8397* (0.7501)	12.8673* (0.6468)	11.8540* (0.5945)	29.6974* (1.6013)	33.7549* (1.8833)	29.6250* (1.6494)	23.9601* (1.2243)	21.9808* (1.1246)	
rho	0.4919 (0.0572)	0.4928 (0.0569)	0.4898 (0.0575)	0.5468 (0.0539)	0.2353 (0.0656)	0.1120 (0.0633)	0.2063 (0.0651)	0.1822 (0.0631)	0.2516 (0.0642)	

*, ** and *** indicate significance at the 1%, 5% and 10% level respectively.

MEDIA represents the number of news related to each municipality; **PREVIOUS YEAR** is a dummy variable that takes the value 1 in the year prior to the election and 0 otherwise; **PREVIOUS YEAR * MEDIA** reflects the interaction between **PREVIOUS YEAR** and **MEDIA**; **LEFT** is a dummy variable that takes the value 1 when the ruling party is leftist ideology and 0, otherwise; **STRENGTH** reflects the strength of local government policy through the Herfindal index calculated according to Rattsø and Tovmo (2002); **DENSITY** represents the inhabitants per km².

Source: Authors' computations

2002). This tool is even more necessary when regulation on access to information is low; media enables citizens to access the decisions taken by the government and to observe the strategies, activities and results of public policies (Balking, 1999). Thus, media may incite the government to promote accountability (Macdonell and Pesic, 2006), replacing regulation on access to public information. However, our findings show that the proximity of elections moderate such relationship. In general, the negativism and commercialization of the media industry (Mazzoleni and Schulz, 1999) generates media that is focused on financial scandals about local governments and cases of corruption involving politicians, especially when elections are approaching. Thus, as a mechanism of entrenchment, politicians are willing to decrease the level of transparency.

In addition, empirical results suggest that Spanish local governments tend to be more transparent about economic and financial information and information about urban development and public works, when media pressure is strong. These topics are relevant in the case of Spain because local governments have traditionally suffered more cases of corruption related to them. The ruling governments increase the level of information disclosures about these topics when elections are approaching, but this level is reduced when media pressure is strong in that moment; this behavior could be understood as an entrenchment strategy – due to the fear to lose the confidence of voters.

To avoid such situation, a reliable transparency law is necessary. Until December 2013, Spain was one of the few European countries that do not have a public transparency law. However, we think that this law is the first step, but it is not enough. It posits that public administrations must disclose periodical institutional, organizational and planning information, relevant legal information, and economic, budgetary and statistical information. However, it does not determine specifically what information must be disclosed, and the frequency of data provision.

This study has some limitations. The use of the Google tool may be doubted, since not all newspaper reports or regional issues can be found on Google. A more specific database for press could provide more valid data about media pressure. Furthermore, the possibility of distinguishing between good and bad news about local governments could enrich this study. Furthermore, we were focused on Spain due to the availability of data, and our empirical evidence is not generalized to other countries or periods. We believe that these limitations could be overcome in future studies.

Our future lines of research are in accordance to our present limitations. It would be useful to conduct the same analysis using a larger sample. In order to ensure more robust results, future research would corroborate our evidence through alternative measures of transparency and media pressure. In addition, it would be interesting to carry out a comparative analysis between local governments from different countries, controlling for institutional contexts. Thus, whether the characteristics of each country related to legal aspects about anti-corruption, and how free media may affect the relations proposed in the present study could be analyzed. More concretely, it would

be very interesting to test how the presence of legislation on transparency may diminish or turning stronger the effect of media pressure on the level of transparency.

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