

# INDIA: World Bank's Image and Outreach Effectiveness

## A Country Assistance Evaluation

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## **Acronyms**

CAS	Country Assistance Strategy
CEM	Country Economic Memorandum
EXT	External Affairs Department
IMF	International Monetary Fund
NGO	Nongovernmental organization
OED	Operations Evaluation Department

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## **Preface**

This paper is one of the background papers prepared as an input to the India Country Assistance Evaluation (Task Manager: Gianni Zanini) by the Operations Evaluation Department (OED) of the World Bank. Findings are based on a desk review of World Bank documents and on interviews with Bank officials and outside experts.

An earlier version of this paper was reviewed by the Bank's External Affairs team, the International Economics Division of the Planning Commission of the Government of India, and Indian media agencies. It was also discussed at a workshop in New Delhi on March 14, 2000, chaired by Mr. M. D. Nalapat and with participation of a wide selection of the Indian press corps, members of policy research institutes, and other representatives of civil society.

The author is grateful for all comments received, which have been taken into account in this revised version. However, the views expressed in this paper remain entirely those of the author. They do not necessarily represent the views of OED or the World Bank.



## Executive Summary

1. The image of the Bank has improved greatly in recent years, partly because of a more favorable environment and partly because of improved efforts by the External Affairs Department (EXT). A favorable environment has been created by the new Indian consensus on economic reform, the collapse of the Soviet Union and rise of Deng's China. This has happened independently of the Bank's outreach effort, but created favorable conditions for strengthening it.
2. The Bank's performance has improved in many respects, and this is appreciated by the media. However, they say that several gaps remain (slow response time, insufficient breadth of dissemination, inadequate availability of Bank literature). Not a single journalist at a Delhi workshop had heard of the Comprehensive Development Framework. Personnel problems have also affected EXT operations.<sup>1</sup>
3. The 1990s policy of greater openness and disclosure has been highly beneficial for the Bank's image. The media would like even more transparency.
4. Increased contact and collaboration with local academics and NGOs has improved the two-way flow of information, built bridges, and helped create local capacity.
5. Bank dissemination in past decades over-emphasized new loans and total loan volume. This has changed for the better in the 1990s, with many more field visits, press interviews with Bank experts, and increased coverage of economic and sector work. More of this is needed.
6. In past decades the Bank targeted mainly the English-language media. It is now making greater efforts to reach the Indian-language press. It needs to take this process further.
7. The rapid growth of television has made it far more important than the print media in a country where literacy is low and 70 per cent of the population is rural. TV channels in regional languages are growing in number and reach. Radio remains an important rural medium. EXT has made a start in harnessing the tremendous potential of the electronic media, but requires additional resources.
8. The rapid spread of internet use by the media, including the Indian-language media, is a dissemination opportunity that the Bank has grasped by putting a large amount of material online. Greater use of it needs to be made, including the posting of photographic material and translations into Indian languages.

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<sup>1</sup> The Delhi EXT office says it was not asked to disseminate CDF because India is not a CDF country. The Washington EXT office however says CDF was to be disseminated as a major policy thrust of the Bank even if the Indian government lacked interest.





## 1. Overview

1.1 In the 1990s, the image of the World Bank in India improved greatly, mainly for reasons beyond the Bank's control. In the preceding four decades, there was a consensus among Indian political parties and the press on socialism. This changed in the 1990s to a new consensus on economic liberalization. So the earlier tension between the Bank's philosophy and the Indian socialist consensus gave way in the 1990s to growing convergence (though some critics remained as vocal as ever). This created a promising climate for EXT, which took advantage of favorable conditions to increase its reach and effectiveness. Some gaps remain.

1.2 Three major factors helped created the new Indian consensus on liberalization: economic crisis, the collapse of the Soviet Union and the miraculous growth of Deng Xiaoping's China. The first and most important was economic crisis. In 1991 India virtually ran out of foreign exchange, and a new government headed by Narasimha Rao decided to change economic course. Initially, many critics claimed that India would suffer a "lost decade" (like Africa and Latin America) by going for structural adjustment. In fact the economy recovered after just one year of stagnation, and average GDP growth in the Seventh Plan period (1992-97) was a record 6.9 per cent. The success of liberalization ensured that the reforms would not be reversed. Even the ruling BJP has diluted its traditional ideology of swadeshi (self-sufficiency) and continued moving towards an open economy.

1.3 This created favorable conditions for the Bank's outreach: the audience became far more receptive than in earlier decades.

## 2. The Bank's Outreach Strategy In The 1990s

2.1 In this decade, the Bank's outreach policy has changed in three important ways. The first is greater openness and disclosure. The second is increased contact and collaboration with academics and NGOs. The third is increased vigor in media relations.

### Openness and Disclosure

2.2 In earlier decades, both the Bank and the government preferred secrecy: they kept the policy dialogue, Country Economic Memorandum (CEM), and other reports confidential. This was supposed to safeguard political sensitivities, yet in practice could exacerbate them. Confidential documents would leak to the media and sometimes be distorted and sensationalized to imply that the Bank and IMF were ideological demons bent on eroding India's sovereignty. Now that the reports are public, this happens much

less. Distortions and misunderstandings have not disappeared, but most reporting is now responsible and reasonably accurate. Media persons say they find the new climate a vast improvement. But they still want increased transparency in explaining the selection of particular projects or states over others, and in tracking the progress of projects and programs.

2.3 Second, easy access to CEMs, state-level CEMs and other reports on economic and sector work have greatly aided the flow of information and analysis to the media, academia and civil society. The most recent sectoral focus is on poverty and social sectors, but earlier work on infrastructure and fiscal issues has also been widely read and discussed. The creation of a more knowledgeable audience has improved public understanding of the problems India faces.

2.4 Third, this improvement in knowledge has enabled the Bank to influence public debate without intruding visibly and causing political complications. A significant, rising proportion of the public debate on issues draws on Bank analyses, reports and reform efforts, even when the Bank itself is not mentioned by name. In this manner the Bank has succeeded in evolving from its earlier role of financier to a provider of knowledge. This is a major gain.

2.5 The move towards openness was initiated by India, not the Bank. In 1989 Finance Secretary S. Venkitaramanan decided for the first time to release CEMs for three preceding years. Then when Manmohan Singh became finance minister, he insisted on making public all key Bank documents, including the text of the \$500 million Structural Adjustment Loan. The full text of this was carried by some financial dailies. Subsequently the Bank itself adopted a policy of greater openness and disclosure.

2.6 This does not go far enough. The Bank did not make public its earlier Country Assistance Strategies (CASs), and this was counterproductive. It meant the Bank failed to alert the public to a significant, welcome change in emphasis, and failed to give analysts and journalists an appropriate yardstick to measure its performance. Fortunately the next CAS is going to be disseminated.

### **Increased Contact with Academics and NGOs**

2.7 In recent years, the Bank has adopted a more collaborative approach. Greater engagement with local academics and research institutes has extended the policy dialog with the government to a wider spectrum of experts, some of whom are now entrusted with sector work for the Bank. In preparation for the last Country Assistance Strategy, 14 workshops were organized on specific themes, with the participation of local experts and NGOs. This helped exchange information and ideas, and provided valuable additional inputs. However, outreach to academics needs strengthening: some academics claim to be in the dark about workshops in their area of expertise. More sector work needs to be done locally, not only to gain from local insights and knowledge but to help build local capacity.

2.8 Both the Indian government and Bank now use NGOs to help implement programs in rural development and social sectors. This has brought a significant, active section of civil society in contact with the Bank, and improved communications. NGOs are a very varied lot, but the policy of increased contact and participation has, overall, been a positive experience. The contact is still limited, and needs deepening.

2.9 Tension remains between the Bank and NGOs on several matters. Many NGOs have Marxist leanings, and others complain that the Bank is aiding large projects that create pollution and displace people. The Narmada project brought the Bank a lot of bad publicity. Yet by appointing the Morse Commission and later withdrawing from the project, the Bank earned some goodwill among NGOs.

2.10 Within the NGO community, critics say many groups now co-operate with the Bank not out of genuine affinity (many are traditional Bank bashers) but because they have been seduced by money. The Bank need not feel defensive about this. Even the central and state governments co-operate with the Bank largely because they need the money. The Bank's viewpoint is different: it sees itself as not just a financier but a catalyst to spread knowledge and ideas. Its effort to co-opt NGOs and academics has gone some way to increase that spread.

### **Increased Vigor in Media Relations**

2.11 Economic liberalization since 1991 has led to an explosive growth of the media, and of business and economic journalism in particular. Satellite TV has created dozens of channels in place of the old state monopoly, and new channels are constantly coming up in all India's many regional languages. The stock market has soared and international portfolio investment in the markets is now almost \$10 billion, apart from which Indian companies have increasingly listed equity abroad in the form of Global Depository Receipts and American Depository Receipts. This has induced considerable foreign interest, so the foreign media have greatly increased their staff and coverage in India. The local business press has expanded fast. The Economic Times, the biggest financial daily, has increased its circulation from around 100,000 in 1990 to 400,000 today. This has created major new opportunities for the Bank to exploit.

### **EXT Strategy**

2.12 The Bank's image is determined mainly by broad political and economic forces, and by overall Bank-India relations. It is determined only to a limited extent by the vigor of EXT dissemination.<sup>2</sup>

2.13 EXT strategy and performance in recent years has improved. A new policy of decentralization has led to the expansion of the New Delhi EXT office and upgraded positions. The New Delhi office has stepped up substantially its contacts with and output for the media. The focus of dissemination has shifted from loan volume to the Bank's

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<sup>2</sup> The Delhi EXT office disagrees. However it is a commonplace that the image of any large organization depends mainly on ground realities and only to a limited extent on outreach efforts.

support for economic reform (especially at the state level), poverty reduction and social sector development. Press events and field visits for the press (including the burgeoning electronic media) have increased. EXT has been aided greatly by the change in the national consensus from socialism to economic reform, a change encompassing the media too.

2.14 The attempt to build EXT capacity at the local level and increase outreach has been a qualified success, marred by personnel problems. A new post of Advisor, External Affairs (grade 24) was created and filled in 1996 by a senior journalist, Vivek Bharati. However, both Bank staff and newsmen say he was not sufficiently proactive, and did not push the Bank's country team hard enough. This was compounded by a lack of budget resources, and the traditional reluctance of some Bank staff to engage with the media. When he left after two years, there was a substantial delay in replacing him, and finally in 1999 Aseem Tiwari was selected. But he too resigned and left after a few months. Better personnel selection would have yielded better results.

2.15 Nevertheless, the New Delhi office has expanded its product line. It has introduced an India country brief, updated annually; several sector and project briefs; a series of photo exhibits; and project booklets capturing local success stories are in the works. Future plans include quarterly bulletins on different sectors and an updated India country brochure. The current strategy emphasizes the Bank's work on poverty and improving social services, to try and counter earlier impressions that it is an institution forcing conditions down the throat of developing countries to the detriment of the poor.

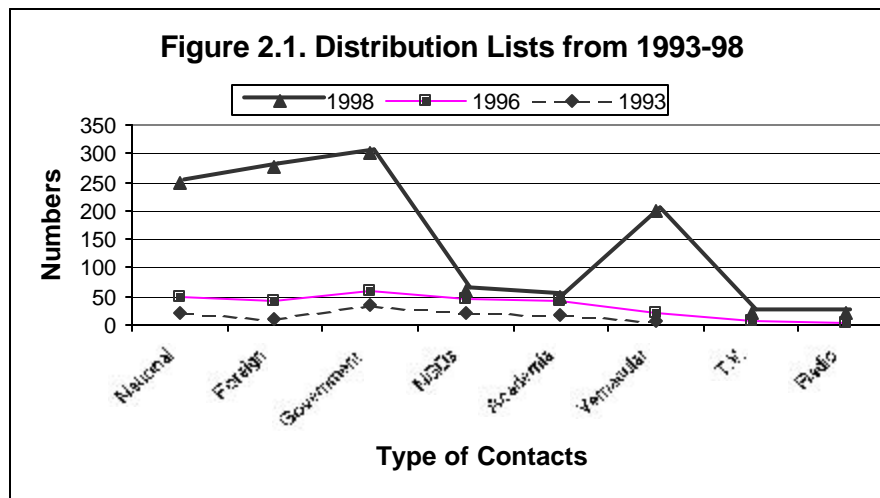
2.16 In earlier decades, the Bank country team preferred to keep a low profile, since the Indian government wanted to avoid giving the impression that it was influenced by Washington. Now that a new consensus on liberalization is in place in India, the Bank can be more outgoing. It has become much more accessible and forthcoming.

2.17 However, Indian journalists interviewed by this writer say the new potential has not been fully exploited. Many are not aware that EXT has shifted its focus to poverty and social sectors, and still view the Bank mainly as a catalyst for policy reform in macroeconomic management, trade, the financial sector, infrastructure and possibly agriculture. All are, however, aware of the new strategy of supporting reforms in the States.

2.18 In the past, dissemination tended to emphasize new loans in press releases. This approach stressed lending volume rather than actual project performance. The Bank has sought to rectify this shortcoming in recent years. For instance, it has organized field visits for the media to the sodic soils reclamation project in Uttar Pradesh. The resultant spate of articles in the print media has improved the Bank's image, and points to the importance of field visits for dissemination.

2.19 A recent innovation was a video conference in Paris between Bank staff, government officials and the media in Delhi. More of the same is needed.

2.20 EXT has expanded its distribution lists and number of media events over the last five years (Figure 2.1). This is part of its effort to expand its outreach, especially to new targets like the Indian-language and foreign press. Economic liberalization has resulted in



a big increase in the number of foreign journalists posted in India. EXT has an explicit strategy to target these foreign India-based journalists and, through them, opinion in donor countries.

2.21 In recent years, the print media have greatly increased the number of interviews they publish. For instance The Economic Times, India's main financial daily, now publishes one interview every single day. This has opened a new window of opportunity. EXT has begun exploiting this, and the number of media interviews with visiting Bank staff has increased. More of the same is needed.

2.22 Till now, the Bank's image in India and EXT's impact have been assessed subjectively. EXT has now embarked on an interesting exercise to quantify these issues. It has undertaken surveys of a wide spectrum of decisionmakers, media persons and other categories of people to get an idea of what they know about the Bank and what they feel about it. If such surveys are conducted regularly, they will provide a much clearer picture of how the Bank's image is changing over time, providing valuable feedback for future EXT strategies.

### Internet Use

2.23 The use of the internet by the media, including the regional media, is spreading fast. The Bank's internet site is well organized and has much material of interest to the Indian media. A new India Country Web site is planned. However, journalists suffer from information overload, so EXT cannot rest content with putting material on the internet: it must constantly alert them to new story and analysis opportunities. The internet needs to be used as a means of supplying more photographic material and Indian-language translations to the media. Some journalists feel the Bank should post a diary on the internet to alert them of upcoming events, and track progress in ongoing projects.

## Targeting TV and Regional Languages

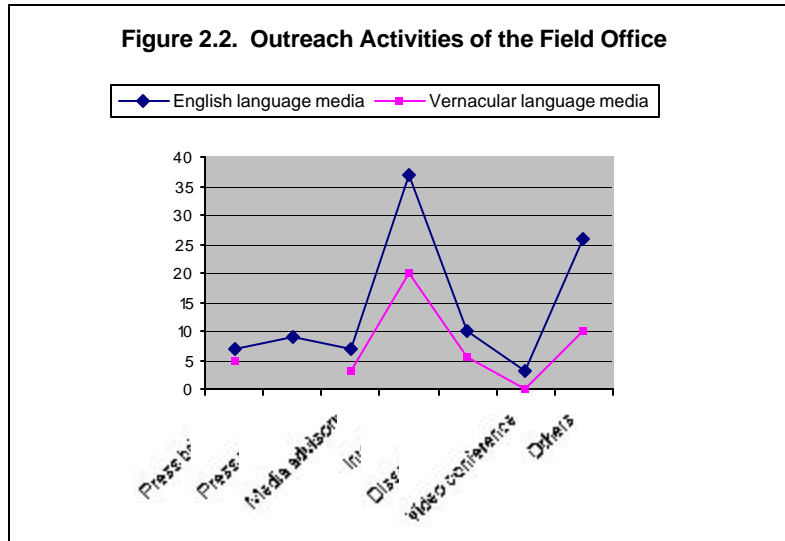
2.24 In past decades, the Bank's dissemination focussed on the English-language print media, which has traditionally led the intellectual debate on policy. But the new targets need to be the burgeoning electronic media (TV and radio) and Indian-language press (India has 17 official languages).

2.25 TV reaches a far greater audience than the print media in a country where literacy is low and newspapers do not reach all rural areas. The biggest English-language newspaper, The Times of India, published from seven cities, has a combined circulation of slightly over one million. By contrast, the number of TV-owning families is now estimated around 70 million, of whom 18 million have cable TV. Sales of new TV sets in 1998-99 crossed nine million, an indication of the pace at which the market is growing.

2.26 Press releases are of limited use to TV channels. Nor are they likely to make much use of macroeconomic or sectoral analyses. Being visual media, they are far better suited to field visits to successful projects. These are expensive for a TV company to undertake. If the Bank can organize field visits that encompass three or four projects in a state, that will be mutually beneficial for the TV companies as well as the Bank. From the Bank's viewpoint, coverage of successful rural projects will be far better for its image than say TV panel discussions on fiscal or financial sector issues, where disagreements with the government are more likely to be highlighted and sensationalized, and which most viewers find difficult to digest anyway.

2.27 By their very nature TV channels can more vividly capture the main elements of a project than the print media. Unlike newspapers, TV channels will repeat their clips time and again. Twenty-four-hour news channels have opened, which need film footage to fill time. By contrast, the print media suffer from shrinking space as advertising migrates to TV.

2.28 Now that the Bank has started negotiating and lending directly to state governments, the interest of the regional Indian-language press in the Bank has increased, creating new opportunities for dissemination. This section of the press is far bigger than the English-language press. The New Delhi office of the Bank is aware of the need to target this segment and has increased its contacts with them (Figure 2.2). But journalists in state capitals like Hyderabad and Chennai say they have only a hazy idea of EXT's activities. EXT organized the release of WDR 1998 in Hyderabad and has sometimes organized some local translations of press releases and Bank documents, but the process has some way to go.



2.29 A new initiative is the World Bank Institute's training courses for business journalists of the vernacular press, whose grasp of economic matters is far lower than that of the relatively skilled English dailies. The first course was held in New Delhi in April in collaboration with a local NGO, Center for Civil Society. Later the Center proposed holding such courses in other state capitals, and the Bank assisted it in doing so in Hyderabad and Chennai.

2.30 TV channels are proliferating in regional languages. The Bank needs to target these channels, organizing field visits and inputs for panel discussions. English is spoken mainly by the urban middle class, and the 70 per cent of Indians in rural areas are fluent only in regional languages. They have been bypassed by conventional Bank dissemination, and a major effort is needed to reach them. EXT has now established links with regional channels like Eenadu TV (based in Hyderabad) and Asianet TV (based in Kerala).

### 3. What The Media Think

3.1 Ultimately, EXT's impact cannot be judged just by looking at its list of expanded activities. What matters is the impact on the audience. This consultant interviewed a dozen journalists and NGOs, and took stock of media comments at a workshop in New Delhi.

3.2 Most of them said that the Bank's dissemination had improved significantly, but also had complaints (some of which were exaggerated) about slow response time, insufficient breadth of dissemination, inadequate availability of Bank documents and

insufficient photos. None of them had heard of the Comprehensive Development Framework, although it is a major strategic thrust of the Bank.

3.3 Overall, the media felt that EXT had improved a lot but had some way to go. That is the bottom line.



## Summary of Discussion at CAE Workshop on Bank's Outreach Strategy

March 14, 2000

The main conclusions of the workshop, attended by the media and academics, were:

- The World Bank's image has much improved, partly because of a new national consensus on reforms in India and partly because of improved efforts by EXT.
- Workshop participants said large sections of Indian society still remained suspicious of the Bank, and greater dissemination efforts were required to overcome this.
- EXT has expanded its outreach considerably, increased the amount of disseminated material and number of contacts with the media. It has organized field trips to successful projects, which were widely appreciated by participants. However, they pointed out gaps in dissemination that remain to be filled (slow response time, insufficient reach, inadequate availability of Bank publications, insufficient photos). Not a single participant had heard of the Comprehensive Development Framework.
- Participants appreciated the Bank's new policy of openness, but wanted more transparency on several issues such as the criteria for choosing projects/programs, and backtracking by state governments in implementing promised changes. A Bank representative said the Bank's guidelines provided for confidentiality in Bank-government relations. Participants replied that loan problems concerned citizens no less than governments.
- Participants expressed concern about corruption in bank-aided projects. They also wanted more Bank literature on corruption and ways to curb it.
- EXT emphasis shifted in 1990s from the volume of lending to poverty alleviation and social sectors. Participants said this had helped increase awareness of Bank involvement in these areas, but more needs to be done. They wanted more background briefings on the progress of projects.
- The Bank's new policy of lending to the states has greatly increased the interest of the Indian-language press in Bank activities. EXT has increased dissemination to this influential section of the media, and initiated some translations into Indian languages. Participants appreciated the strategy but emphasized the need for high quality in translation to make it reader-friendly.
- EXT has taken advantage of new opportunities created by the rapid expansion of TV. More can be done. The radio remains a key channel of dissemination in rural areas.

- EXT has taken advantage of the internet to place a lot of material online, and this was appreciated by participants. They felt the Bank could post a diary/calendar on its web site which could give constantly updated information on what it was doing in India.
- The bottom line: EXT has improved a lot, but has some way to go yet.