

**“The Role of the Press
in an Emerging Democracy”**

**Address by Roberto Civita, W'57
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Dean Harker, Dean Sheehan,
Chairman Mangels
President Fonseca
Distinguished Members of the Wharton Faculty
Fellow Wharton Alumni
Ladies and Gentlemen:

It is a great pleasure for me to have been invited to speak to the participants of the Wharton Global Alumni Meeting in Rio for the second time in five years. As a “paulista”, I’m a trifle jealous. But as a Brazilian, I wholeheartedly agree with your choice of venue. Rio is indeed a splendid city and I am sure you will all enjoy being here.

I was originally scheduled to talk about the role of the press regarding business, but I have taken the liberty of expanding this to include the role of the press in an emerging democracy.

Brazil is not only one of the economic BRICs made famous by Goldman Sachs, but also – and fortunately – a great emerging democracy.

Over the past four decades, two of which under military rule, the Brazilian press has played a key role in first clamoring for and then contributing enormously to the strengthening of our democratic institutions.

As soon as censorship was lifted in the mid seventies, Brazilian media – and especially the printed media – inspired, mirrored, echoed and amplified the popular movements which led to the election of our first civilian president in over twenty years in 1985, and to the direct election of a president by popular vote in 1990.

The press was also very much involved in the impeachment of this very same president – Fernando Collor de Mello – on charges of corruption less than three years later. I am proud to remember that VEJA, the weekly newsmagazine published by Editora Abril, led the change that resulted not only in the toppling of a charismatic leader, but in this being done peacefully, because of enormous public pressure, without so much as a bloody nose or a broken window, and strictly in accordance with Constitutional due process.

More than a decade later, we are again in the midst of a major corruption scandal at the very highest levels of government. This time, alas, not only is the executive branch deeply involved, but so are at least a hundred members of Congress. The media – again led by VEJA – has once again revealed the details of the thievery – case by case , piece by piece, and proof by proof.

I am delighted to report that, prodded by the daily findings of the media, Brazil's democratic institutions – its independent prosecutors, its Federal Police, the provisions of Congressional self-regulation and both State and Federal Courts – have risen to the occasion by first investigating and then indicting scores of politicians, including cabinet ministers, political party leaders, Senators and Congressmen.

My hope, at this point, is that an informed public will use the flood of information it has received over the past year when it goes to the polls in the presidential, gubernatorial and congressional elections scheduled for October 2nd – only six weeks from now. But the question is how: unfortunately, there is a growing conviction among a great majority of voters that all politicians are crooks, and that the only alternative is to vote for the ones who promise them (or have already “given” them) more jobs, more credit and more handouts.

In parallel with its political coverage, the thinking media in Brazil (never numerous enough in any nation) has also been enormously important in leading the debate and helping to change the mindset on the economic front. First of all, with regard to globalization, which was perceived by many to be more of a threat than an opportunity. Both VEJA and “O Estado” – a great newspaper also from São Paulo – have been arguing the contrary for nearly twenty years, insisting that Brazil could benefit greatly by accepting the inevitable and preparing – through privatization, the creation of regulatory agencies, the removal of trade barriers, investments in technology and productivity, a more intelligent tax structure and so on – to play an increasingly active role in a burgeoning global economy.

Along the same lines, the responsible press has been advocating, year after year and government after government, the need for economic reforms – of our archaic labor laws, of our enormously onerous and overly-complex tax structure, of our impossible-to-sustain social security system.

Along the way, a few of us have had the dubious distinction of supporting the Central Bank's struggle to keep inflation under control with the world's highest interest rates at the same time as we struggled to pay the interest on the massive debts we incurred in investing in new technologies.

On the whole, I am pleased to report that the battle on the macro-economic front seems to have been won. President Lula's first term has been characterized – much to nearly everyone's surprise – by fiscal responsibility, rigorous control of inflation, huge advances in exports and a growing trade balance. I would venture to say that Brazil has entered a virtuous economic circle and will continue to benefit from it, regardless of who wins the next election.

Without getting into other equally fundamental issues such as education (without which there is no hope) and concern for the environment (increasingly and urgently essential) on which both VEJA, many of Abril's other publications and much of the responsible media have been insisting, you can easily understand the enormous (I almost said crucial) importance of the traditional media in a country which is still under construction.

With all due respect for the "new media", who else could keep nearly two hundred million people informed? How else could voters know what their supposed representatives are really up to? Who else could force government to take action? Where else would Internet users and bloggers alike get their information?

All of this, of course, raises another fascinating question: what does a nation need to develop and maintain a press that effectively serves as both a conscience and a watchdog?

The answer – as we all know – begins with freedom of the press. And on this count, we are fortunate, in Brazil, to have this freedom guaranteed by our Constitution. Which doesn't mean, of course, that the attempts to limit, control and even muzzle the press have disappeared ...

Consider this:

“The functionaries of every government have propensities to command at will the liberty and property of their constituents. There is no safe deposit for these but with the people themselves, nor can they be safe with them without information. Where the press is free, and every man able to read, all is safe”.

This was written over two hundred years ago by Thomas Jefferson, and is as valid today as it was in the eighteenth-century.

As usual, the price of liberty and freedom on this as on every other front is eternal vigilance. Of everything from attempts to regulate who can and cannot be a journalist to the granting of licenses for radio, television and broadband frequencies, to libel laws and the courts that judge them.

A second consideration in this critical equation has to do with the obvious but often-forgotten interrelationship between democracy, free enterprise and press freedom.

Without economic freedom, there would be no competition. Without competition, there would be only a minimum amount of advertising. Without competitive advertising, there would be no way to support the multitude of often dissonant and cacophonous but essential voices that are necessary for free and open debate. And without a truly free press, there can be no democracy.

To complicate matters further, it is not enough to have a free press. Nations also need a responsible press. But how to attain this? It is hard enough to guarantee the free flow of news, opinion and analysis. But how to keep it intelligent and honest?

First, by guaranteeing competition. Left entirely to economic forces, the market will tend to lead us to the concentration of control in too few hands.

Second, by enlightened cross-ownership legislation. It can be argued that with the advent of new technologies and new platforms such as the Internet, the cell phone and wireless broadband, this has become less essential. I agree, but tend to prefer to stay on the safe side for a while longer.

Third – inevitably – by improving the quality of education for every child at every level. To cite Jefferson again: “A nation that expects to be ignorant and free expects what never was and never will be”. I would add, today, that it also cannot aspire to any material progress or general well-being unless it prepares its citizens to live and work in an increasingly complex world.

Finally, I would prescribe a certain amount of prayer – to assure that at least a handful of owners, journalists and managers will insist and persist in creating and maintaining responsible media. Private property with a public trust.

Responsible in that it acts as a good citizen, concerned with the well-being and future of the nation as a whole.

Responsible in that it clearly opposes wrongdoing, immorality and illegality.

Responsible in that it avoids cheap (or expensive) sensationalism and opportunistic ideological or demagogic posturing, limiting itself to reporting verifiable facts and defending a handful of basic and clearly defined principles.

The principles on the wall of our headquarters building in São Paulo state that the Abril Group strives to contribute – among other things – to “the progress of education, the improvement of the quality of life, the development of free enterprise, and the strengthening of democratic institutions”. These were written long ago, when there still was a good

deal of debate about the validity of free enterprise and Brazil had no democratic institutions at all.

The “real world” first intrudes on these principles when one recalls that journalism is not only an art and a craft but also a business.

All the ethical standards in the world will not allow you to build and maintain the structure and the staff to identify, investigate, write, edit, publish, and deliver the stories that provide the information that the public needs to form intelligent opinions if you can't stay in business. Being responsible, maintaining ethical standards, keeping commitments all have their price, sometimes very high.

But they also have their compensations. Like attracting and keeping intelligent and loyal people who develop the credibility that attracts intelligent and loyal readers who in turn attract the best advertisers. And allowing you to look at yourself squarely in the mirror every morning and sleep well every night.

Summing up, it is my firm conviction that the effective harnessing of the information revolution by free, independent and responsible media can transform this continent, help to resolve its grave social problems, defend the hard-won personal liberty of its people, instill lasting citizenship values, and gain a respectable place for our people in the world.

I, and my colleagues in Brazil are investing – and will continue to invest – our resources, our efforts, and our commitment to the continued growth and expansion of reliable communications media. We will do so because it is not only good business, but also because ensuring the free flow of accurate information and responsible opinion and analysis to the largest number of people possible is the best way we can nurture the economic, social and political development of our great country.

Thank you very much.