

## **Louis Kasekende: The media's role in Ugandan society**

Remarks by Dr Louis Kasekende, Deputy Governor of the Bank of Uganda, at the 4th edition of the Uganda National Journalism Awards; African Centre for Media Excellence (ACME), Kampala, 12 April 2017.

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### **Good evening Ladies and Gentlemen,**

I would like to begin by thanking Peter Mwesige, the Executive Director of the African Centre for Media Excellence, for inviting me to be the Chief Guest at this awards gala. This is an important event for journalism in Uganda and I hope it will contribute to raising standards in the profession and also inspire young people to take up a career in journalism.

The theme of my remarks tonight is the role of the media in our society, and although I will focus on the worlds of business, finance and economics, I think that some of my remarks will also be relevant for journalists covering other walks of life.

What are the essential functions of business and economic journalism? What are the most important services it can offer to the public and society at large? I believe that there are two critical types of services that the public should expect from the business pages or programmes of the media.

The first is to provide objective reporting of the basic facts about the economy and business; for example, what is the rate of inflation? How much profit did company X make? What alternative investments are available such as Treasury bills and bonds and how can they be accessed? Many citizens need this type of information to guide the decisions which matter in their working and private lives. Obviously, in the age of the internet, the public could obtain much of this information themselves, for example through the websites of public agencies and private companies, but for most people that would be very time consuming. For most members of the public, it is much more practical to obtain the economic data they want through the media.

That means that journalists must report these data accurately, in a manner which is easily accessible and understandable, and also, where necessary, explain what it actually means; they must be able to put the data into the relevant context. Obviously that is only possible if the journalists have a good grasp of economic concepts, their relevance and how they are presented in statistical form. On our part, we now endeavour to provide soundbites of key messages in selected local dialects; and I would like to commend the local language media for supporting our cause of translating and interpreting these policy matters for the benefit of the rural community and the “bottom of the pyramid”.

The second type of service required of economic and business journalism is good analysis of relevant issues; journalists need to go beyond reporting facts and explain what is happening and why. This is essential if the public is to acquire any understanding, however rudimentary, of the economic issues which affect their lives and of economic policy. Economic analysis is much more demanding in terms of specialist expertise of journalists than is reporting. Journalists who specialise in economic analysis require good academic training in economics. The media may choose to commission non journalists, for example academics, to provide analysis for them, but the editors who commission this work still require sufficient expertise to be able to evaluate its quality and relevance.

Well informed economic analysis in the media has a vital contribution to make to public debate in Uganda. It is essential, for the health of democracy, that statements about the economy and public policy proposals receive critical scrutiny in the media, by those with the expertise to do this. The media’s record in this regard is rather patchy.

In the United States, the trade policy pronouncements of the current President have been subject to extensive analysis in the media; anyone in that country who is interested in this aspect of public policy can have no excuse for not being well informed about the pros and cons of President Trump's favoured trade policies. In contrast, in Uganda the Government's recently announced Buy Uganda Build Uganda trade policy proposal has received very little analysis and evaluation in the media. Readers and viewers looking for information and advice on what this proposal might mean for the Ugandan economy will have been disappointed.

I would like to say a few words about how the Bank of Uganda (BOU) views its relations with the media. The BOU implements an inflation targeting monetary policy framework, the efficacy of which depends on the public understanding what we are trying to achieve. The BOU uses its monetary policy tool – the policy interest rate (Central Bank Rate) – to target core inflation, but our ability to achieve our inflation target does not just depend on setting the policy interest rate at the appropriate level. Public expectations about future inflation and the impact of monetary policy also help to determine future inflation outcomes. Hence monetary policy must be transparent. The BOU must explain its monetary policy to the public and try to guide inflation expectations through clear indication of its Central bank rate decision, the underlying reasons for that decision and convincing the public that the decision taken shall deliver the publically announced inflation target. For example, if the public is made to expect higher inflation and does not believe in the ability of the Central bank to reign in on this inflation; it will result in a self-fulfilling episode where firms will adjust their prices, leading to higher actual inflation. Naturally, this means that the media is a critical component of the policy transmission mechanism and efficient communications is essential for the credibility of the entire policy framework.

As a result, the BOU has revamped its communications policy to support the implementation of the inflation targeting-lite policy framework. We hold a press briefing immediately after the bi-monthly interest rate setting meeting to which all the media are invited. In addition to the detailed Monetary Policy report issued after the press briefing, our communications department is always willing to respond to questions from the media and to arrange for senior staff to be interviewed. We regard the media as our partners. But we do not expect uncritical coverage from the media of the BOU as that would be counterproductive and would do little to enhance public confidence in monetary policy. Instead, we welcome well informed comment and analysis by the media of our monetary policy, even if critical, which can enhance public understanding and contribute to public debate.

Before I conclude, I would like to make a brief comment on the overall state of the media in this country. When one takes a long term perspective, it is beyond doubt that there has been great progress made by the Ugandan media over the last two decades. The range of media outlets has broadened and we have a much more vibrant media than many other countries in our region. In many respects, the media has been one of the most successful sub-sectors of our economy. I hope that this progress can continue and that initiatives like this one tonight will spur journalists to greater heights. But for this to happen, journalists must jealously guard their integrity and intellectual independence so as not to act according to the whims or biased persuasions of self-interest groups or individuals, which will be to the detriment of the public good, institutions and the economy as a whole.

Finally let me congratulate all the winners of awards tonight. I have no doubt that you have thoroughly deserved your success. Thank you for listening to me.