The impact of Brazilian corruption on the media: a comparative analysis of the magazines Der Spiegel, L'Obs, The Economist, Time and Veja

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This article investigates news about corruption occurring in Brazil and published in widely circulated weekly magazines in the four major western economies; *Der Spiegel* (Germany), *Le Nouvel Observateur* (France), *The Economist* (United Kingdom) and *Time* (United States of America). Subsequently comparing them with the Brazilian magazine (Veja). Through correlation analysis the behavior of the news published in these magazines from 2003 to 2014 was evaluated. The article also quantified the form of corruption practiced in Brazil. Among the main results, it is possible to say that the analysis of news about corruption published in Veja magazine is corrrelated with those published by the foreign magazines analyzed. Also, there was a gradual increase of the news about Brazil in the magazines of the sample.

Keywords: corruption; image; Brazil; news magazines.

A repercussão da corrupção brasileira na mídia: uma análise comparada das revistas *Der Spiegel*, *L'Obs*, *The Economist*, *Time* e *Veja*

O presente artigo investiga notícias sobre corrupção ocorridas no Brasil e veiculadas em revistas semanais de ampla circulação nas quatro maiores economias ocidentais; *Der Spiegel* (Alemanha), *L'Obs* (França), *The Economist* (Reino Unido) e *Time* (Estados Unidos da América). Também compara àquelas com as publicadas em revista brasileira (*Veja*). Por meio de análise de correlação avaliou-se o comportamento das notícias publicadas nessas revistas de 2003 a 2014. O artigo ainda quantificou as formas de corrupção praticada no Brasil. Entre os principais resultados, pode-se inferir que a análise das notícias sobre corrupção publicadas na revista *Veja* está correlacionada com as veiculadas nas revistas estrangeiras analisadas. Outrossim, houve um aumento gradativo das notícias sobre o Brasil nas revistas da amostra.

Palavras-chave: corrupção; imagem; Brasil; revistas de notícias.

La incidencia de la corrupción de Brasil en los medios de comunicación: un análisis comparativo de las revistas *Der Spiegel*, *L'Obs*, *The Economist*, *Time* y *Veja*

Este artículo investiga las noticias sobre la corrupción se produjo en Brasil y se emitió en revistas semanales amplia circulación en las cuatro principales economías occidentales; *Der Spiegel* (Alemania), *Le Nouvel Observateur* (Francia), *The Economist* (Reino Unido) y *Time* (Estados Unidos). También los compara con los publicados en la revista brasileña (*Veja*). A través del análisis de correlación evaluado el comportamiento de las noticias publicadas en estas revistas desde 2003 hasta 2014. El artículo también cuantifica la forma de corrupción practicados en Brasil. Entre los principales resultados, se puede inferir que el análisis de las noticias sobre la corrupción publicado en la revista *Veja* se replican de manera correspondiente en revistas extranjeras analizadas. Además se observó en el período un aumento en noticias sobre Brasil en las revistas de la muestra.

Palabras clave: corrupción; imagen; Brasil; revistas.

1. INTRODUCTION

The combination of the World Cup and the Olympic Games sequentially hosted by the same country over a short period of time would be enough to increase its exposure by the media. Brazil, however, has been attracting attention from international media for other reasons. Over the past two decades, the consolidation of Brazilian democracy, the country's economic performance, its diplomatic positions, and the corruption of its public and private sectors have been relevant and recurring subjects of interest.

Few countries have been at the cover of *The Economist* four times over a period of less than six years. In November 2009, Brazil was the subject of an in-depth article entitled "A 14 Page Special Report on Latin America's Big Success Story." Four years later, Brazil stamped the Latin American edition of the same magazine with another article, "Has Brazil blown it?" In October 2014, Brazil was once again on the cover of the Latin American edition, this time with the headline "Why Brazil needs change," indicating a clear preference for one of the candidates in the presidential election. Finally, in February 2015, the Latin American edition featured another article which identified the country's economic stagnation, inflation, corruption and the high cost of public services as being responsible for "Brazil's Quagmire."

It is within organizational environments that acts of corruption frequently occur, directly influencing senior business management. Given their criminal nature, acts of corruption are omitted by their perpetrators and are usually denied when under investigation or revealed; thus, it is reasonable to estimate that only a small portion of these cases actually come to light. Due to the lack of a broad, representative database of corrupt acts, the measurement of the magnitude of the damage caused is also compromised. Thus, as an alternative to overcome this lack of data, research tools collect the opinions of executives and specialists in relation to the level of corruption in various countries. According to Cavusgil and colleagues (2010), the Corruption Perceptions Index (2013) produced by Transparency International shows the worldwide level of corruption according to international business executives.

A country's image has an influence that goes beyond investments or international commerce. Roth and Diamantopoulos (2009) state that the favorable image of the country that produces a given product or service has a considerable impact on consumers, and therefore influences their buying decisions.

In this way, we can see that the image of a country is relevant to its economic success, mainly in international operations of commerce and investment, and that corruption represents an important variable in the construction of this image. Thus, it is important to identify how Brazil is perceived abroad. In light of this, this study seeks to identify the types of recurring corruption in Brazil and the reporting of news related to this subject, as published in the magazines *Der Spiegel* (Germany), *L'Obs* (France), *The Economist* (United Kingdom) and *Time* (United States), and compares it to the coverage published by the Brazilian magazine *Veja*.

2. REVIEW OF THE LITERATURE

It is impossible to consensually define corruption, because acts and forms of corruption are interpreted in distinct ways in accordance with the perspectives from which it is analyzed. The United Nations (UN) has developed a series of procedures to fight against corruption. In December 2005, the United Nations Convention against Corruption (Uncac) entered into effect. It is the first global legally binding international anti-corruption instrument, which invites participating countries to create legal and political structures that comply with globally accepted standards. In other words, it is an international anti-corruption regime.

The UN points to seven main acts characterized as corruption: bribery, fraud/embezzlement/theft, extortion, abuse of power, favoritism/nepotism, exploitation of conflicts of interest and inappropriate political contributions. The definitions of are centered in examples related to the public sector, but do not exclude the private sector, once that it often adopts the definition of corruption as "the direct or indirect improper use of a public or private position for personal gain." (UNODC, 2004:23)

In the economics literature there is little consensus in terms of a definition for corruption, along with various distinct interpretations. Kaufmann (1997:114) presents corruption as the "abuse of public office for private gain", suggesting that corruption is a characteristic that can be applied to any public agent involved in it, either as the perpetrator or the victim (Kaufmann, 2011). In addition, the author argues that the emphasis on the exposure and discussion of the role of the public sector and public agents in corrupt processes is exaggerated, since the private sector has also a key role in defining corruption.

Similar to the public and private sectors, the shadow economy — which is large in Brazil (Bologna, 2015) — is also related to corruption, since they are positively correlated (Johnson et al., 1997; Hindriks et al., 1999; Dreher et al., 2009). This is also true when we consider perceptions of corruption (Dreher and Schneider, 2010).

In terms of the effects of corruption on macroeconomic policy, Wei (2000) and Campos and colleagues (1999) deal with the effect of corruption on the volume of foreign direct investment. The level of corruption in any given country has a significant effect on the volume of investment it receives from abroad, or in other words, corruption can be considered one of the main factors that inhibits development, particularly in countries with low incomes (Bologna, 2015). Importantly, investors from OECD countries are averse to corruption.

Javorcik and Wei (2009) take a more in-depth look at foreign investment in emerging markets and conclude that corruption does not only reduce foreign direct investment, but it changes the structure of these investments. Campos and colleagues (1999) add that corruption in East Asian countries is better organized and, despite that, these countries have grown more than emerging countries, thus creating a paradox. Jong and Bogmans (2011) look at the way in which corruption

discourages international commerce, comparing its effects worldwide. While corruption in general hinders global commerce, at the same time the bribes to customs agencies increase or facilitate imports, a phenomenon which is more extreme in countries with inefficient customs agencies. Thede and Gustafson (2012) identified channels through which corruption affects commerce and sought to create anti-corruption tools.

The positive role played by the media in controlling and revealing corruption and fraud has also been previously studied. Miller (2006) investigated the role of the press in monitoring accounting fraud and the media attention on companies involved in these acts. Camaj (2012) explored the role of the media in the fight against corruption and its effects on government accountability. However, unlike European countries, this alternative is less encouraged as a long-term solution to corruption in developing nations with low levels of education. As possible options, the focus could be on the reduction of the State (Stone et al., 1996) and the shadow economy (Bologna, 2015).

3. METHODOLOGY

The communication instruments studied were the printed editions of weekly publications of the four major Western economies, namely the United States, Germany, the United Kingdom and France, through each magazine's website and/or portal. In Brazil, our study of news coverage was made through researching the digital archive of *Veja* magazine.

The magazines included in this study followed two inclusion criteria: i) magazines that deal with politics and economics (mandatory), and ii) magazines with the most expressive circulation in their respective country (classificatory).

In relation to methodological procedures, it should be mentioned that one of the main activities of the Circulation Verification Institute (*Instituto Verificador de Circulação* — IVC) is the technical verification and auditing of information used in the commercialization of advertising space, which lists *Veja* as the magazine with the largest circulation in Brazil. The Pew Research Center publishes a report entitled *The State of the News Media*, an analysis of distinct variables having to do with English language publications. The magazine *Time* leads the ranking of US publications and the British publication *The Economist* is the leader of non-American publications. In Germany, in the Top 100 ranking *Zeitschriften*, published in 2015, the magazine *Der Spiegel* (*The Mirror)* occupies the first position. In France, the report *Observatoire de la Presse et des Médias* (*The Press and Media Observatory*), published in 2015, lists the magazine *L'Obs* (which up until 2014 was entitled *Le Nouvel Observateur* (*The New Observer*) as the news magazine with the largest circulation in the country.

The articles studied come from all the printed editions of these magazines from January 1, 2003 through December 31, 2014. We considered the year 2003 as important to Brazil's position on the world stage due to the popularization of the term "Bric."

Our study of foreign magazines was based on searching for the word 'Brazil' in each of these three languages in any part of the articles, or in other words, it was not just limited to the title and subtitle, and all the articles in which Brazil appeared in the title or subtitle were included. For the articles in which the references to Brazil appeared just in the text, the decision to include or not include them was based on content analysis (Bardin, 2009).

4. RESULTS

The foreign publication cover stories and articles were classified according to the subject that they dealt with. The subjects in local media coverage were analyzed using *Veja* cover stories as a reference.

Corruption was the most often portrayed cover story in the editions of *Veja* in terms of relevance, representing 15.6% of the 97 editions, together with articles on health (table 1).

TABLE 1   SUBJECT OF VEJA COVER STORIES

Subject	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total	%
The Environment	0	0	1	2	2	1	1	1	0	1	0	0	9	1,4%
Science and Technology	2	2	2	2	3	2	5	3	3	8	5	0	37	5,9%
Behavior and Society	7	11	4	6	6	6	6	6	9	10	14	7	92	14,8%
The World Cup and the Olympics	0	0	0	0	0	0	1	1	1	0	0	4	7	1,1%
Corruption	2	5	17	9	8	4	7	7	5	10	8	15	97	15,6%
Crime	0	0	0	2	5	2	2	6	5	2	2	4	30	4,8%
Disasters	0	0	2	0	2	1	2	2	2	0	1	0	12	1,9%
The Economy	3	3	2	3	5	9	5	2	4	3	3	2	44	7,1%
Education	0	0	1	0	1	1	1	2	2	2	1	1	12	1,9%
Companies	1	1	0	0	1	0	0	0	1	0	0	0	4	0,6%
Energy	0	0	0	1	0	0	0	0	0	0	0	0	1	0,2%
International Events	11	6	4	7	2	8	5	3	7	4	5	2	64	10,3%
People	2	2	2	2	2	3	4	2	5	6	3	4	37	5,9%
Politics	8	6	7	8	1	2	2	8	2	1	1	13	59	9,5%
Religion	2	1	4	1	4	0	2	1	0	1	5	0	21	3,4%
Health	13	14	6	9	10	12	9	8	7	4	4	1	97	15,6%
Total	51	51	52	52	52	51	52	52	53	52	52	53	623	100,0%

Source: Elaborated by the author (2015).

An analysis of the 757 articles about Brazil in these four international publications indicates that the subject of corruption was the fifth most cited. The 55 articles published on corruption in Brazil represented 7.3% of the total. The most cited subjects in the foreign publications (table 2) were economy (146 articles, 19.3%), politics (139 articles, 18.4%), society and behavior (85 articles, 11.2%) and

international events (67 articles, 8.9%). Comparing these results with those of Table 1, the percentage of cover stories on corruption in *Veja* (15.6%) surpassed the percentage of articles on the same subject observed in these foreign publications (7.3%).

TABLE 2   SUBJECTS RELATED TO BRAZIL COVERED IN FOREIGN MAGAZINES

| Subject	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total	%
The Environment	2	3	3	3	2	6	9	4	6	3	3	4	48	6,3%
Science and Technology	2	0	0	0	0	0	0	0	0	0	0	1	3	0,4%
Behavior and Society	10	4	5	6	8	5	4	6	7	6	13	11	85	11,2%
The World Cup and the Olympics	0	0	2	1	0	0	2	1	1	2	1	12	22	2,9%
Corruption	0	1	13	4	5	6	3	2	6	5	8	2	55	7,3%
Crime	4	3	5	4	3	1	1	4	3	3	5	6	42	5,5%
Disasters	1	0	0	0	1	1	1	0	2	0	1	0	7	0,9%
The Economy	12	6	5	7	16	13	19	9	18	17	20	4	146	19,3%
Education	0	0	0	0	2	0	1	1	1	2	0	0	7	0,9%
Companies	3	6	3	3	3	5	4	6	4	5	7	5	54	7,1%
Energy	0	0	1	0	0	3	3	5	3	2	0	1	18	2,4%
International Events	7	9	6	4	3	5	10	9	4	4	5	1	67	8,9%
People	3	1	2	5	5	5	0	2	5	5	1	6	40	5,3%
Politics	22	11	6	10	6	4	8	19	8	9	12	24	139	18,4%
Religion	0	1	0	1	1	2	1	0	0	0	3	0	9	1,2%
Health	1	1	2	0	3	5	1	0	1	0	1	0	15	2,0%
Total	67	46	53	48	58	61	67	68	69	63	80	77	757	100,0%

Source: Elaborated by the author (2015).

In terms of the coverage of Brazil in foreign publications, we found that Brazil was the subject of 757 articles published in these four foreign magazines, which is a frequency of over one article a week. During the same period, 55 articles (7.3%) were written about corruption in Brazil. The two magazines that stood out were *The Economist* with 515 articles on Brazil (68% of the foreign maga-zine total), of which 42 were about corruption (76% of the foreign magazine total), and *Der Spiegel*

with 159 articles (21% of the total), being 9 about corruption (16% of the total) (Graphic 1). The magazines *Time* and *L'Obs* represented 11% of the coverage of articles about Brazil and less than 8% of the articles were about corruption.

The English language and its consequent appeal to those who do not reside in the United Kingdom (and do not speak German or French) could justify the greater dedication of this magazine to international subjects. However, *Time* had the smallest participation in these results, even though it is published in the same language as *The Economist*.

GRAPHIC 1   ARTICLES ABOUT BRAZIL AND CORRUPTION
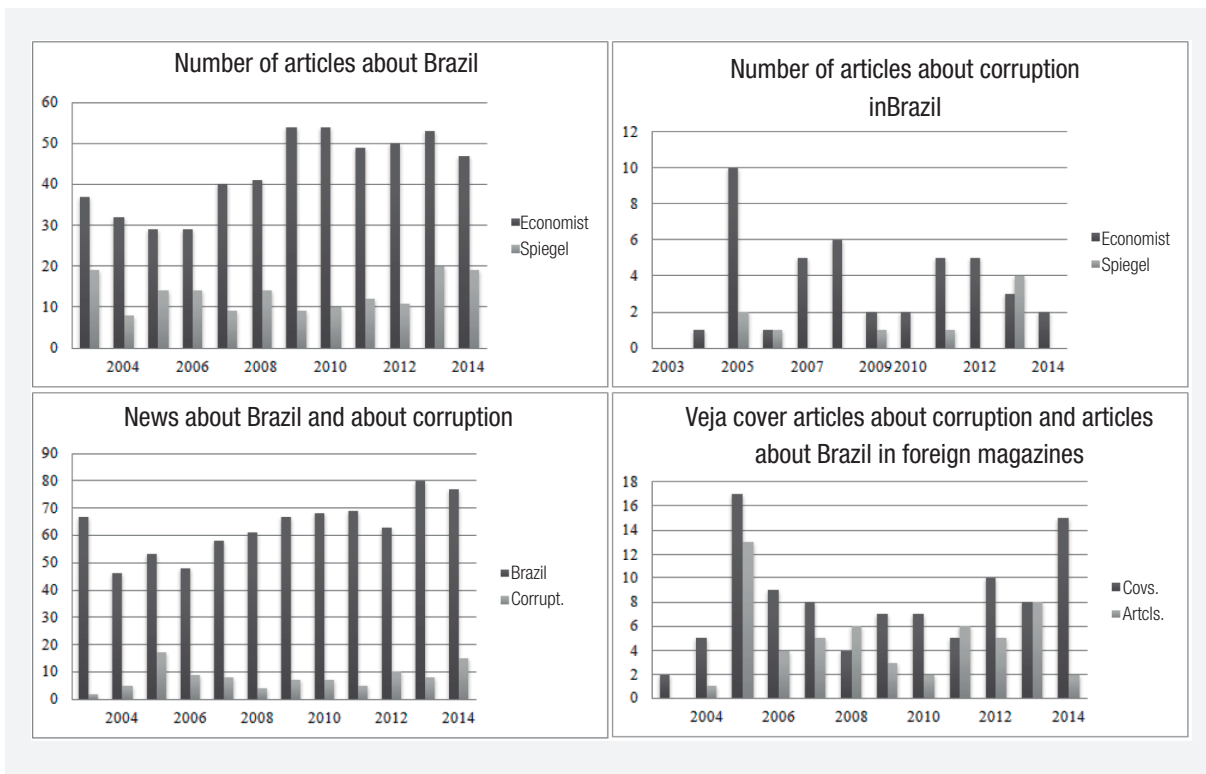
Source: Elaborated by the authors (2015).

We can observe a growing coverage of Brazil in the main Western magazines. In this manner, the correlation between time and the number of articles about Brazil published in these magazines is strong (0.75), or in other words, there was a significant increase on the number of articles about Brazil in the foreign magazines over time.

In terms of news about corruption, it was not possible to identify a significant correlation of the number of articles published over the years to indicate a growing trend. The "Mensalão" Scandal (involving large monthly payments) may be responsible for this result, given that it was the subject of articles in two particular time periods, its initial revelations (2005) and the prison sentences for those involved (2012 and 2013).

Cover articles in *Veja* indicate intense coverage of this subject. Of the 623 articles published over 12 years, 97 were cover stories about corruption or its consequences. During this period, 15.5% were cover stories on corruption and its consequences, which was a larger percentage than the number of articles in foreign magazines (7.3%).

The correlation between time and cover stories about corruption variables for *Veja* not significant (r = 0.324). In other words, the statement that the frequency of cover stories in *Veja* has been increasing over the last 12 years cannot be supported statistically.

The forms of corruption practiced in Brazil were also evaluated in terms of the cover stories in *Veja* magazine. Over the 12 years studied, the 97 cover stories have been organized according to the UNODC classifications, such as fraud/embezzlement/theft (table 3).

TABLE 3   TYPES OF CORRUPTION AND VEJA ARTICLES

Panel A: Types of Corruption According to the UNODC				
Type	*Veja*		Foreign Magazines	
	Cover Stories	Perc.	Articles	Perc.
Abuse of power	12	14,60%	5	9,40%
Improper Political Contributions	4	4,90%	6	11,30%
Extorsion	3	3,70%	0	0,00%
Favoritism/Nepotism	5	6,10%	2	3,80%
Fraud/Embezzlement/Theft	45	54,90%	35	66,00%
Bribery	13	15,90%	5	9,40%
Soma	82		53	

Panel B: *Veja* — Covers which Deal with Corruption in Brazil											
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2	5	17	9	8	4	7	7	5	10	8	15
2,10%	5,20%	17,50%	9,30%	8,20%	4,10%	7,20%	5,20%	10,30%	8,20%	15,50%	

Source: Elaborated by the authors (2015).

The magazine *Veja* selected the subject of corruption for 97 of its cover stories over this 12 year period. During the same period, 55 articles dealing with corruption in Brazil appeared in the main news magazines in the four largest Western economies. The year 2005 stands out in this regard, due to the initial revelations of the "Mensalão" Scandal. The correlation coefficient (r = 0.537) indicates that there is a close relationship between these two variables, with more than 95% degree of certainty that they are positively correlated.

The two main corruption events during this period, the "Mensalão" Scandal and the Petrobras Scandal, were considered as crimes of fraud/embezzlement/theft in government organizations for the purposes of this study. Even though the objective of these operations was mainly related to the illicit financing of political parties and therefore related to improper financial contributions, these crimes may be classified initially as fraud/embezzlement/theft, which was committed to further the subsequent goals.

5. CONCLUSION

During the period studied from 2003 to 2014, Brazil assumed a position of greater importance on the international scene because of its growth and its membership as one of the BRICs. In addition, the World Cup and the Olympic Games also increased its worldwide exposure. On the other hand, the country has attracted attention due to issues that have affected its reputation, especially cases of corruption.

The present study showed that cases of corruption were the subject of 7.3% of the articles about Brazil published by the international magazines examined. In terms of the Brazilian press, represented by cover stories of *Veja* magazine, corruption and its consequences have been the subject of 15.6% of its main articles.

We have also quantified the coverage of news related to Brazil internationally. Our results from the analysis of articles about Brazil in the largest circulation magazines of the four largest Western economies — *Time* in the United States, *Der Spiegel* in Germany, *The Economist* in the United Kingdom and *L'Obs* in France — provide evidence that the number of articles about Brazil has been increasing over time, considering the period studied.

Regarding articles about corruption, our results did not show the same trend, given the frequency of these articles published abroad as well as the frequency of *Veja* cover stories over the 12 year period studied. Although a high number of articles on corruption can be observed, they are concentrated in two specific periods: the first being in 2005 and the second being from 2011 to 2014. This pattern might be related to the "Mensalão" Scandal, with initial revelations in 2005 and, subsequently, guilty verdicts (2011), sentencing (2012) prison terms of various figures involved (2013), as well as the Petrobras Scandal, with initial revelations in 2014. In addition, our analysis showed that the number of articles about corruption published abroad reflects the coverage and exposure of this subject by the Brazilian press.

Finally, as Brazilian corruption, our study demonstrates to some extent that the degree of corruption that has been revealed so far is probably much smaller than its real extent and, like the classic iceberg metaphor, what is visible is only a small fraction of what lurks beneath the surface.

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