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The role of media pressure on the disclosure of sustainability information by local governments

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Abstract

Purpose – The aim of this study is to analyse the level of environmental, economic, and social engagement disclosed by local governments, taking into account factors such as political ideology and media pressure.

Design/methodology/approach – The authors analysed 102 large Spanish municipalities, using data from 2011. An econometric model was used based on dependency techniques for cross-sectional data. The Tobit technique is suitable, since it enables the authors to address particular considerations of extreme scores on the dependent variable.

Findings – The results show that local governments report less strategic and socio-economic information when subjected to strong media pressure, because the press tends to focus on unusual, negative news, and ignores other issues such as the environment. However, in municipalities governed by left-wing parties, media pressure actually promotes disclosure of this type of information.

Research limitations/implications – It would be interesting to create an information index which includes local governments' disclosure, spanning a period of several years.

Practical implications – Particularly in municipalities governed by a left-wing party, media pressure favours the disclosure of sustainability information, including information about the municipal corporation and strategic and social issues.

Originality/value – This study analyses the impact of the press on the disclosure of sustainability information by local governments and also tests the moderating effect of the ruling party's political ideology. The authors did not find any paper that had analysed this impact before.

Keywords Corporate social responsibility, Local government, Information disclosure, Political ideology

Paper type Research paper



Introduction

In recent years public awareness of environmental and social issues has risen sharply, and this has led large business organisations to behave in ways reflecting a firm economic, environmental and social commitment, in a practice termed Corporate Social Responsibility (CSR). Under this concept, an entity becomes a link between diverse

interests, represented as the needs of all the agents that affect the entity or may be affected by it: the stakeholders (Freeman, 1984).

Calls have been made for the public sector to match this social commitment, and there is growing public demand for greater transparency and efficiency among public organisations (Piotrowski and Van Ryzin, 2007). CSR is not confined to the area of private business, but is also the concern of the public sector, which has taken an active role in promoting socially-involved practices (Moon, 2004). However, according to Ball and Bebbington (2008), there is a clear separation between corporate (private sector) social commitment and that of the public sector, because the main activity in the public sector is tightly bound to its social and environmental actions.

Although the public sector is obliged to show greater commitment in terms of sustainability, accountability and information transparency, due to its use of public resources (García-Sánchez *et al.*, 2013), implementation of this commitment remains scarce and novel. According to Erdmenger (1998) the public sector, and especially local government, has a three-fold responsibility with respect to sustainability: to promote actions emphasising the protection of the geographical area in which it operates; to design and implement sustainable policies; and to increase the efficiency and effectiveness of the internal administration of local government.

This commitment to sustainability and the degree of disclosure of such information may be affected by political and ideological factors (García-Sánchez *et al.*, 2013; Navarro *et al.*, 2011), as well as by communication factors such as media pressure on the local administration (Bewley and Li, 2000). Therefore the aim of this paper is to analyse the determinants of the engagement with sustainability disclosed by local governments, taking into account factors such as political ideology and competition and the media pressure in this respect. To do this we analysed 102 Spanish municipalities with large populations, as defined in Article 121 of Act 7/1985 (Ley de 7/1985, Reguladora de Bases de Régimen Local), regulating local government, using data for the year 2011.

The results reveal that as a result of media pressure local governments tend to report less strategic, economic and social information, because most of the news published focuses on negative issues. However political ideology has a moderating effect on this impact. Specifically, in municipalities governed by a left-wing party, media pressure favours the disclosure of sustainability information, including information on the municipal corporation and on strategic and social issues. The reason for this is that the increased information transparency provided by a left-wing government counteracts the negative effect of the bad news published by the media.

The rest of this paper is structured as follows: the second section reviews previous literature, after which our own hypotheses are proposed. The following section sets out the methodology applied: the dependent, independent and control variables, model and the method of analysis used. In the subsequent section the results obtained are presented and discussed. Finally, the main conclusions are drawn and some limitations of this study recognised.

Municipal legitimacy and CSR

The development and disclosure, usually voluntary, of economic, environmental and social performance by local government can be justified by one of the paradigms derived from economic policy, namely legitimacy theory (Deegan, 2002; Navarro *et al.*,



2010; Mussari and Monfardini, 2010; Farneti and Siboni, 2011). It posits the existence of a contract between the firm and society, through which organisations are allowed to consume natural resources and make use of human and other resources in order to produce goods and services and generate waste in a sustainable way, in exchange for creating wealth for society (Mathews, 1993).

If this transfer of resources is to persist, society needs to know the economic, social and environmental impact of the organisation's activities, and will impose a sanction and/or revoke its support if these activities are inappropriate (Hess, 2008). Because the information provided by financial statements is not sufficient for this purpose, the concept of corporate transparency must be extended to other areas, such as the social and environmental dimensions of organisational behaviour (Gray *et al.*, 1987).

In this respect public sector agencies are more politically visible, attracting a high degree of public attention, and therefore need to present themselves as being more responsive in order to achieve organisational legitimacy (Frost and Semaer, 2002). This suggests that voluntary disclosures of sustainability information will be made in order to build, maintain and legitimise agreements, institutions and ideologies to the population. These decisions are of great concern to politicians, who are the key players in making decisions affecting municipal management (García-Sánchez *et al.*, 2013).

Public bodies carry out actions with a marked social component for various reasons: to offer creditors an image of informational transparency; to meet the needs of diverse areas of society, including the media; and to disclose information about their commitment to social and environmental issues (Cárcaba and García, 2008; Navarro *et al.*, 2010).

The role of the media in information disclosure

The effects of media influence on organisations' reputations are explained by agenda setting theory, a paradigm which argues that the coverage given to organisations by the media is crucial to the image formed of them within society (Carroll and McCombs, 2003). One of the first studies analysed the influence of the media on the outcome of the US election campaign in 1968 (McCombs and Shaw, 1972). A significant relationship was found between the issues highlighted by the press during the campaign and the final voting decision of the "undecided" voters. Since then the effects of agenda setting have been reviewed and analysed in numerous studies of national and local election campaigns, in countries including the USA, Spain, Germany, Japan and Argentina (McCombs and Reynolds, 2002). With respect to Spain Canel *et al.* (1996) found evidence of reciprocity between the news and the public agenda regarding local problems.

In the private sector Brown and Deegan (1998) have shown that the community's concerns about environmental issues are heightened by increased attention from the media. For example Bewley and Li (2000) observed a direct relationship between the number of press articles published about a company and its level of corporate transparency on environmental matters. Li *et al.* (1997) found that firms at highest risk of having an environmental impact and those most exposed to media pressure were the most likely to disclose information in this respect.

According to the agenda-setting theory, media pressure decides which public affairs are of most importance. Zimmerman (1977) postulated that the media influence the agency relationship between voters and the leaders of local governments, and thus



affect the degree of disclosure of financial statements. Thus one would equally expect the media to be a determinant factor in the disclosure of economic, environmental and social behaviour, i.e. CSR. At present media attention is mainly focused on issues related to the financial crisis (budget cuts, unemployment, social movements, etc.), and is not covering other issues that affect people less directly (Martínez *et al.*, 2012), such as environmental issues. A strong correlation has been found between the role of the press and actions taken in times of crisis, and to a certain extent, it has even affected the degree of acceptance of certain policies (Bloch-Elkon, 2007; Lee, 1999). Increased media pressure can create uncertainty within local governments, and so they may tend to conceal information in order to avoid compromising situations that would jeopardise their chances of re-election.

In general there is a negative bias in news about governmental affairs. Klite *et al.* (1998), in their study of 102 local television stations, concluded that 39 per cent of news stories are dedicated to cases of crime and natural disasters. Similarly in events in the private sector concerning the environment, less sustainable actions are more likely to be reported because they are considered more newsworthy (Thogersen, 2006), leading to managers being fired, goods or services withdrawn from the market or prosecutions initiated. Media coverage has veered from a healthy scepticism to an automatic negativity about the government (Lee, 1999), and radio and television programmes even include commentators who are ideologically opposed to the government (Kurtz, 1996). Moreover society's degree of concern about a problem depends on the level of knowledge in this respect. If people have a poorer understanding of a particular issue, they tend to rely on the information provided by the media (Thogersen, 2006). Therefore it is to be expected that if a local authority has considerable knowledge of social and environmental issues and problems, it will not feel so strongly affected by media pressures.

In line with these considerations we propose the following hypothesis:

- H1. Local authorities under closer scrutiny by the media are less inclined to disclose information about sustainability-related issues.

The role of political ideology in information disclosure

The ideology of the party in power may affect issues of sustainable development and their disclosure, since according to the standpoint adopted, different types of urban life may be advocated (Prado-Lorenzo *et al.*, 2012). Ni and Bretschneider (2007) suggest that governments with a centre-right ideology tend to implement programmes with a strong economic content, such as the development of markets and the control of inflation, and to introduce reforms of the public sector by measures such as privatisation and increased fiscal discipline. By contrast governments of other ideologies may be more likely to focus on social policies, such as the development of pensions and public healthcare.

Some studies have reported an inverse relationship between conservative ideology in local government and the implementation of sustainable development practices (García-Sánchez and Prado-Lorenzo, 2008; Anderson and Mizak, 2006; Steurer and Hameter, 2010). However Prado-Lorenzo *et al.* (2012) found that governments with a left-wing ideology negatively influence sustainability practices, and concluded that parties with a conservative ideology make extra efforts with respect to sustainability in order to attract centre-left voters.

In disclosure practices politicians can vary the degree of transparency in order to achieve their particular goals (Alt *et al.*, 2006). According to Ferejohn (1999) politicians who wish to increase the size of the public sector should disclose more information so that voters will trust them with a greater volume of resources. Therefore as left-wing governments usually advocate a large public sector, they should be more willing to implement high levels of transparency. However the results obtained in previous studies of disclosure practices are inconclusive. For example while Guillamón *et al.* (2011a, b) and García-Sánchez *et al.* (2013) found that local authorities governed by the left are more transparent than those governed by the right, for Navarro *et al.* (2010) the political orientation of the ruling party does not account for the development of information disclosure practices regarding social responsibility.

Taking into account these views we tested the following hypothesis:

H2. Left-wing governments are more likely to disclose information on sustainability-related issues.

Finally politicians show more concern for municipal transparency when local government is the target of media pressure, because society's interests and concerns in any particular subject are directly related to the amount of attention given to the issue by the media (Brown and Deegan, 1998).

Assuming that left-wing parties tend to be more transparent (Guillamón *et al.*, 2011a, b; García-Sánchez *et al.*, 2013) and will therefore report a greater volume of economic, social and environmental information, we would expect political ideology to moderate the effect of the media on municipal transparency on sustainability issues. Accordingly we hypothesise that:

H3. Left-wing governments in local authorities under closer attention from the media show a greater propensity to disclose information on sustainability-related issues.

Methods

Population and sample

The target population selected for analysis was a sample of Spanish local governments. A local-level study of a particular country allows a large volume of data to be examined, and is more homogeneous than data from different countries (Pettersson-Lidbom, 2001).

Given the large number of Spanish municipalities (a total of 8,116 local authorities as at 1 January 2011) and the considerable differences among them, a selection criterion was required, and the most appropriate was considered to be that of population size (Benito *et al.*, 2010; Navarro *et al.*, 2010; Guillamón *et al.*, 2011a, b). Following these authors our sample was composed of municipalities with large populations, which are legally obliged to provide all basic public services, under Act 7/1985, Regulating Local Government. This Act was later amended by Act 57/2003, on measures to modernise local government, which urged local governments to promote local sustainability and technological development in order to encourage citizens to participate in local government, thus enhancing information transparency. Large municipalities were defined as those with more than 250,000 inhabitants, plus provincial capitals with over 175,000 inhabitants or those with over 75,000 but presenting appropriate economic, social, historical or cultural conditions. Based on these criteria and using the most

recent municipal population statistics available (dated 1 October 2010, www.ine.es), the final sample was comprised of 102 municipalities, the population distribution of which is shown in Table I.

Dependent variables

In Spain there are no rules obliging public bodies to create and disclose a formal CSR report. Therefore, and because studies like Navarro *et al.* (2010) have highlighted the almost total lack of experience of local governments in compiling this type of information, we made an informative index based on previous studies focusing on sustainable disclosure in the public sector (Frost and Semaer, 2002; Marcuccio and Steccolini, 2005; Prado-Lorenzo and García-Sánchez, 2009; Navarro *et al.*, 2010, 2011; Farneti and Siboni, 2011), especially relating to economic, financial and budget information (Caba *et al.*, 2005, 2008; Pina *et al.*, 2007; Torres *et al.*, 2006; Laswad *et al.*, 2005; Cárcaba and García, 2008; Rodríguez-Domínguez *et al.*, 2009a; Gallego-Álvarez *et al.*, 2011). In addition we followed the Global Reporting Initiative (2005) guidelines and indicators of transparency in local governments (Transparency International Spain, 2010). Finally we examined papers on e-government (Rodríguez *et al.*, 2005; Rodríguez-Domínguez *et al.*, 2009b; Gandía and Archidona, 2008; Rodríguez-Domínguez *et al.*, 2011; García-Sánchez *et al.*, 2011). The outcome of this process was a questionnaire consisting of 72 items grouped into two major sections: strategy, corporate profile and relations with stakeholders (25 items); and economic, environmental and social information (47 items). The Appendix shows the content and scope of each section.

The information required for this index was obtained by analysing the web sites of selected municipalities during May and June 2011. Content analysis is a fundamental technique for studying online information and is based on determining the presence or absence of certain information, assigning dichotomous values (1: presence of the information in question; 0: absence of this information). These data were then aggregated in unweighted form, to avoid the potential arbitrariness of using weighted indices.

The dependent variable for this study, Disclosure, is scored from 0 (total absence of the information) to 72 (total presence of the information on the web site). In addition, because the items are grouped into two sections, this variable is broken down into two sub-variables, Strategy and Socio-economic issues. Finally the latter sub-variable is again broken down in the different sub-sections of the questionnaire, into Economic, Environmental and Social issues.

Population	Local authorities (<i>n</i>)	Frequency
Less than 75,000	8	0.0784314
75,000 – 150,000	50	0.4901961
150,000 – 250,000	28	0.2745098
250,000 – 500,000	10	0.0980392
Over 500,000	6	0.0588235
Total	102	1

Table I.
Distribution of local
authorities by population
tranches

Independent and control variables

Media pressure (Google). Media pressure is represented using the numerical variable that measures the number of news items related to each municipality (Reverte, 2009; Gandía, 2005) observed in 2011. Data for this variable were obtained by an online search using Google. Unlike other authors (Reverte, 2009), we extended the search range to include any newspaper – national, international or regional – and not just the specialised economic press, as local government behaviour may be subjected to pressure from any medium. This variable allows us to test hypothesis *H1*.

Political ideology (Left_wing). To analyse the impact of political ideology, a dummy variable was used, taking the value 1 if the ruling party has a left-wing ideology, and 0 otherwise. It was used to test hypothesis *H2*.

*Ideology as a moderator variable (Google *Left_wing)*. To determine whether political ideology moderates the pressure exerted by the media on sustainability disclosure, we used the interaction calculated as the product of the Google and Left_wing variables. This interaction allowed us to test hypothesis *H3*.

Finally, to avoid biased results, we included several control variables whose effect had been tested in previous studies. Concretely we considered:

Political competition (Competition). This was calculated from the number of political parties standing in the last municipal elections (2007). The greater the political competition, the greater the incentive for local government to disclose information about its sustainable commitment in order to remain in office (Baber, 1983; Baber and Sen, 1984). Therefore we expected political rivalry to generate a positive effect on information disclosure in general, not only on accounting data (Cárcaba and García, 2008; Gandía and Archidona, 2008), but also regarding socio-economic and environmental issues (García-Sánchez *et al.*, 2013).

Level of economic development (Unemployment). The level of economic development in the municipality was represented by the local unemployment rate. Hameed (2005) and Piotrowski and Van Ryzin (2007) have shown that economic development is positively related to governmental information transparency, due to variables such as the rate of unemployment. Guillamón *et al.* (2011a) show that municipalities providing less information tend to have a higher rate of unemployment. However according to Navarro *et al.* (2011) municipalities with high unemployment rates have greater social needs and, consequently, are under greater pressure to disclose social information. Therefore the effect of this variable on information disclosure is not entirely clear, a priori.

Level of sustainability (QoL). One of the approaches most often used to determine a municipality's level of sustainability is the quality of life (QoL) of its inhabitants (Glaser, 1991; Williams *et al.*, 2008), in the view that QoL and sustainable development are interconnected (Prado-Lorenzo *et al.*, 2012) and provide a broad view of the concept of personal welfare (Thomas and Evans, 2010). In this context local politicians need to demonstrate convincingly that their population enjoys a greater level of comfort and satisfaction than elsewhere (Prado-Lorenzo *et al.*, 2012), communicating governmental efforts to improve QoL through socially responsible practices and sustainable development, so we expected this variable to be positively related to the level of sustainability disclosure. Following García-Sánchez *et al.* (2013) the level of municipal sustainability is identified by the numerical variable QoL as scored on the MERCO quality of life ranking (www.merco.es).

Local government size (Population). Local government size was measured by the number of inhabitants of the municipality. Larger municipalities tend to receive a greater demand for services, from a wider range of interest groups, and therefore need to demonstrate social responsibility practices such as the provision of information on sustainability. In addition they are more politically visible, attracting the attention of politicians, environmental groups and the general public (Frost and Semaer, 2002). This context requires governments to be more responsive in order to acquire organisational legitimacy and to alleviate possible political costs of their actions. Navarro *et al.* (2011) showed that an increase in population size can enhance practices of environmental disclosure, a result that confirms evidence reported by Cárcaba and García (2008). Thus this variable was expected to positively affect the level of disclosure of sustainability information, although Prado-Lorenzo *et al.* (2012) and Navarro *et al.* (2010) found no significant influence of population size on levels of sustainability and disclosure practices.

Model and analytical methods

According to our hypotheses the disclosure of sustainability information would be determined by pressure from the media, political ideology and other control variables, as follows:

$$\text{Disclosure of sustainability information} = f(\text{media pressure, political ideology, control variables}) \quad (1)$$

In practice, this model can be implemented based on the previous variables as follows:

$$\begin{aligned} \text{Disclosure}_i = & \beta_0 + \beta_1 \text{Google}_i + \beta_2 \text{Left_wing}_i + \beta_3 \text{Google}^* \text{Left_wing}_i \\ & + \beta_4 \text{Competition}_i + \beta_5 \text{Unemployment}_i + \beta_6 \text{QoL}_i \\ & + \beta_7 \text{Population}_i + \mu_i \end{aligned} \quad (2)$$

where

Disclosure is the dependent variable representing practices of sustainability information disclosure. This variable is broken down into Strategy and Socio-economic issues. The latter is further broken down into Economic, Social and Environmental issues.

Google is the independent numerical variable reflecting the number of news items detected for each local government. It represents the degree of media pressure exerted on each local government, as examined in hypothesis *H1*.

Left_wing is the independent dummy variable representative of political ideology. It takes the value 1 if the ruling party is left wing and 0 otherwise. It was used to test hypothesis *H2*.

Google*Left_wing is the independent numerical variable resulting from the product of the variables Google and Left_wing. It was used to test hypothesis *H3*.

Competition is the numerical control variable representing the number of political parties in each municipality.

Unemployment is the numerical control variable representing the unemployment rate in each municipality.

QoL is the numerical control variable that reflects the score for each municipality in the MERCO quality of life ranking.

Population is the numerical control variable representing local government size, measured by the number of inhabitants of the municipality.

The model proposed was evaluated by taking into account that the dependent variables (Disclosure; Strategy and Socioeconomic; Economic, Environmental and Social) are left and right-censored, and so an appropriate estimator was required. In this case the Tobit technique was suitable, since it enabled us to address particular consideration of the extreme scores. The variable Disclosure took values from 0 to 72; Strategy from 0 to 25; Socio-economic from 0 to 47; Economic from 0 to 18; Environmental from 0 to 11; and Social from 0 to 18.

Results

Descriptive analysis

Table II shows the bivariate correlations between the variables used in the model. In no case were high values obtained for the coefficients between dependent and independent variables or between independent variables, and thus there were no concerns about possible multicollinearity and endogeneity problems.

The results of the descriptive statistics are summarised in Table III. The average value of the dependent variable, Disclosure, was 41.14353 of the 72 possible points. The sub-variable Strategy scored 15.12775 out of 25 and Socio-economic scored 26.0148 out of 47. This means that local governments tend to reveal more information on strategic initiatives, the corporate profile and their relationships with stakeholders, and less on economic, social and environmental questions. Thus the sub-variables Economic (11.25186 points out of 18), Environmental (6.382353 out of 11) and Social (8.382353 out of 18) show that local governments focus especially on providing financial information on taxes, spending, debt, annual accounts, etc., to the detriment of environmental issues (environmental practices, energy consumption, waste recycling, pollution, etc.) and social issues (public employment, public companies, social assistance, etc.).

With respect to the independent variables, on average 19,554 news items were published annually concerning each municipality. The average score for the Left_wing variable shows that 47.19 per cent of the municipalities have governments with a left-wing ideology, about which an average of 7,932 news items were published each year (Google*Left_wing).

Regarding the control variables, the average unemployment rate was 7.97 per cent. The average score for political competition shows that about 10 political parties compete for power in each municipality. The average population of the municipalities included in the sample was 214,735 inhabitants; the lowest population recorded is that of the 35,241 inhabitants of Teruel, and the largest, the 3,273,049 citizens of Madrid. Finally the average QoL score is 454.84 points (out of 1,000) on the MERCO ranking, with only Madrid obtaining the maximum score.

Empirical analysis

The fundamental aim of this study was set out in the three hypotheses proposed regarding the effects of media pressure and political ideology on the disclosure of information regarding strategic, economic, environmental and social aspects of local government activities. The results of the calculations made are shown in Table IV.

	1	2	3	4	5	6	7	8	9	10	11	12	13
1 Disclosure	1												
2 Strategy	0.8889*	1											
3 Socio-economic	0.9519*	0.7059*	1										
4 Economic	0.9045*	0.7029*	0.9287*	1									
5 Environmental	0.4079*	0.3651*	0.3865*	0.2903*	1								
6 Social	0.6537*	0.4066*	0.739*	0.4611*	0.1338	1							
7 Google	0.0672	0.0823	0.0488	0.0062	0.1397	0.0672	1						
8 Left Wing	0.0288	0.0607	0.0044	0.0277	0.0281	-0.0474	-0.0838	1					
9 Google *Left_wing	-0.0669	-0.0492	-0.0704	-0.0835	0.0135	-0.0352	0.1801	0.5196*	1				
10 Competition	-0.0039	-0.0156	0.0017	-0.0167	-0.0662	0.05	-0.0572	-0.0395	-0.0786	1			
11 Unemployment	-0.1162	-0.1198	-0.0998	-0.0998	0.1454	-0.1252	-0.1705	-0.0439	-0.0659	-0.0363	1		
12 Population	0.1872***	0.2047***	0.1527	0.0949	0.1542	0.1662	0.9447*	-0.1492	0.0053	-0.0925	-0.1069	1	
13 QoL	0.2165***	0.2426***	0.1734	0.095	0.1395	0.2193***	0.6154*	-0.1199	-0.0151	-0.2134	-0.3258*	0.6813*	1

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

Table II.
Bivariate correlations

Table III.
Descriptive statistics

	Mean	Std. Dev.	Min.	Max.
Disclosure	41.14353	14.15149	13.01	64.03
Strategy	15.12775	6.120185	2.01	25.03
Socio-economic	26.0148	9.151315	7.01	42.01
Economic	11.25186	6.493881	0	18.01
Environmental	6.382353	1.169278	1	8
Social	8.382353	3.612531	1	18
Google	19553.84	49916.12	157	460000
Left wing	0.4719101	0.5020387	0	1
Google *Left_wing	7931.236	16238.94	0	88300
Competition	9.324675	3.958474	4	25
Unemployment	7.97013	2.031402	4.4	13.5
Qol	454.84	147.0864	200	1000
Population	214734.7	363867.1	35241	3273049

Regarding Model 2A, the dependent variable is Disclosure, i.e. the overall index of sustainability disclosure. Here the variable Google is inversely related, and the effect is statistically significant at the 99 per cent confidence level; thus as a result of media pressure local governments are less inclined to disclose sustainability information, probably because the press often focuses on unusual, negative aspects (Lee, 1999; Thøgersen, 2006). The variable Left_wing positively affects Disclosure, but this effect is not statistically significant in the model. However the interaction between the two variables, Google*Left_wing, has a positive effect on the dependent variable, one that is significant at the 95 per cent confidence level. This implies that political ideology moderates the negative effect of the media on sustainability disclosure in municipalities governed by left-wing parties; the negative effect of the press is restrained by the greater information transparency offered by the local government (Guillamón *et al.*, 2011a, b; García-Sánchez *et al.*, 2013). Our results show that a community's concerns about environmental issues are heightened by increased attention from the media (Brown and Deegan, 1998), regarding a direct relationship between the issues published about a company and its level of corporate transparency on environmental matters (Bewley and Li, 2000).

Regarding the control variables, the population size (Population) and the level of sustainability (QoL) are both significant at the 99 per cent confidence level, while the level of economic development (Unemployment) is significant at 95 per cent. These three variables positively affect information disclosure, which means that larger municipalities, with a higher level of quality of life, but with high unemployment, tend to report a greater volume of sustainability information, due to the demands of their citizens, demands that are increased by these three characteristics. Larger municipalities face stronger and more varied demands for public services from different interest groups, and at the same time are more politically visible to society (Frost and Semaer, 2002), which drives them to disclose more information on sustainability. Furthermore in municipalities with higher rates of unemployment, residents will have greater social needs, and so governments will disclose more information (Navarro *et al.*, 2011) in order to demonstrate their actions in response to the situation. The same motivation will be found in the more sustainable municipalities, where politicians seek to demonstrate the higher degree of welfare

Dependent variable	Model 2A Disclosure			Model 2B Strategy			Model 2C Socio-economic		
	Coef.	Std. Err.		Coef.	Std. Err.		Coef.	Std. Err.	
Google	-0.0006916*	0.0001733		-0.0003591*	0.0000784		-0.0003655*	0.0001212	
Left_wing	3.113993	5.043667		0.0301948	2.239086		2.814374	3.525742	
Google*Left_wing	0.0004479**	0.0002242		0.0002418*	0.0001016		0.0002413	0.0001568	
Competition	0.302588	0.4088928		0.1400276	0.1811863		0.1693915	0.2858338	
Unemployment	1.10303***	0.5575304		0.1439276	0.2509596		0.8676325**	0.389738	
Qol	0.042342*	0.011308		0.0217759*	0.0050871		0.0226013*	0.0079048	
Population	0.0000738*	0.0000189		0.0000346*	8.43E-06		0.0000417*	0.0000132	
/sigma	11.86386	1.19826		5.206808	0.5568793		8.292953	0.8376961	
				Model 2E Environmental			Model 2F Social		
				Coef.	Std. Err.		Coef.	Std. Err.	
Google	-0.000283*	0.0000959		-2.84E-06	0.0000153		-0.0001318*	0.0000484	
Left_wing	3.633944	2.739303		0.3184767	0.438188		-1.192919	1.408842	
Google*Left_wing	0.000134	0.0001237		6.82E-06	0.0000197		0.0001565**	0.0000626	
Competition	-0.0022574	0.2213956		0.062642	0.0359806		0.1009939	0.1141064	
Unemployment	0.1353334	0.3109135		0.3411131*	0.04906		0.2988477***	0.1556527	
Qol	0.011689***	0.0062493		0.0067007*	0.0009951		0.0056286***	0.0031544	
Population	0.0000305*	0.0000103		-1.09E-06	1.66E-06		0.0000174*	5.27E-06	
/sigma	6.356269	0.7110291		1.043904	0.1054502		3.30924	0.339835	

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

Table IV.
Determinant factors of
information disclosure on
sustainability: Model 2

and satisfaction enjoyed by their citizens than those elsewhere (Prado-Lorenzo *et al.*, 2012). Finally, the variable Competition was not found to be statistically significant in this model.

In Models 2B and 2C the dependent variables are the two sub-variables into which Disclosure was broken down. The dependent variable in Model 2B, Strategy, represents the degree of disclosure of strategic and descriptive information about the municipality (planning for Local Agenda 21, identification of the mayor and councillors, plenary sessions and meetings, etc.). In this case the variable Google continues to negatively affect the dependent variable, and this is significant at 99 per cent confidence. This inverse relation might be explained by the existence of a negative bias against government in the media, which mainly focuses on negative issues (Lee, 1999). Thus governments may disclose less information in order to conceal the existence of disturbing situations. The Left_wing variable remains non-significant but the statistical significance of the Google*Left_wing interaction (which remains positive) has increased to 99 per cent. This could be interpreted in the same way as in the case of Model 2A, i.e. that media pressure has the effect of reducing the disclosure of sustainability information, except in municipalities governed by left-wing parties, where the bias toward information transparency counters the negative effect of media pressures.

Regarding the control variables, population size and the level of sustainability continue to have a positive and statistically significant effect on the dependent variable, at the 99 per cent confidence level, as in Model 2A, but Unemployment is no longer significant. In this case the larger municipalities report a greater amount of information about the city council and about strategic questions, to meet the demand from a wide variety of stakeholders (Frost and Semaer, 2002). Moreover politicians in municipalities with a higher level of quality of life will wish to demonstrate the greater comfort and satisfaction enjoyed by their citizens than those elsewhere (Prado-Lorenzo *et al.*, 2012).

In Model 2C Socioeconomic is the dependent variable, containing information related to economic, environmental and social issues (taxes, public spending, financial statements and budgets, environmental conservation, the number of public employees, social spending, etc.). In this case, although Google continues to have a negative effect, significant at 99 per cent confidence, the interaction between Google and Left_wing is no longer statistically significant. Therefore the moderating effect of political ideology on media pressure discussed previously does occur in the case of information on the municipal corporation and on strategic issues, but it is reduced in the case of economic, environmental and social aspects. Models 2D, 2E and 2F show what type of information is referred to, specifically, by this loss of significance of the variable Google*Left_wing.

The effects of the control variables are the same as in the case of Model 2A, in which the population size, the economic level and that of sustainability all affect the disclosure of sustainability information – economic, environmental and social – as shown in Model 2C.

The second part of the table shows the breakdown of the Socio-economic variable into the types of information included, i.e. economic, environmental and social. In Model 2D Economic is the dependent variable, while in Model 2E it is Environmental and in Model 2F it is Social.



The variable *Left_wing* is still not statistically significant, but Google negatively affects the disclosure of economic and social development, and this is significant at 99 per cent confidence, while media pressure does not affect the disclosure of environmental information. The non-significance of the ideology variable means that the political orientation of the ruling party does not account for the development of information disclosure practices regarding social responsibility (Navarro *et al.*, 2010). Since society's interests and concerns on any particular subject are directly related to the amount of attention given to the issue by the media (Brown and Deegan, 1998), at present the economic and social consequences of the financial crisis are in the spotlight, and this fact to some extent determines the implementation of public policies (Lee, 1999). In the case of economic and social information, the fact that the media focuses on the bad news arising from the financial crisis would tend to reduce the disclosure of this type of data, as a means of concealing the unfavourable situation. However in municipalities governed by left-wing parties social information is not affected by media pressure, and local governments continue to report on these issues, because of the eminently social nature of the left-wing ideology. With regard to economic information, not even the latter parties, which are often the most transparent (Guillamón *et al.*, 2011a, b; García-Sánchez *et al.*, 2013), disclose this type of data when media pressure is extreme, at a time of economic crisis.

In summary media pressure makes local governments more conservative, and less inclined to disclose strategic, economic and social information, because most of the news published highlights the negative aspects of local administrations. In this sense hypothesis *H1* is supported, except in the case of environmental information.

Although ideology, in itself, is not a crucial factor in determining the degree of disclosure of information on sustainability by local governments, it does have a moderating effect on the impact of media pressure on such disclosure. Thus where a left-wing party is in power, media pressure will tend to favour the disclosure of sustainability information, especially about the municipal corporation and about strategic and social issues. The reason for this is that these parties are more transparent, and so the negative impact of the media pressure is offset by the information transparency provided by the municipal authorities. In consequence the absence of statistical significance means that hypothesis *H2* cannot be accepted, but the results obtained corroborate hypothesis *H3*. Figure 1 graphically summarises the empirical evidence of the paper.

Conclusions

Consideration of the social dimension of public sector organisations has generated awareness within society of the right to insist on these organisations reporting CSR information, thus demonstrating their commitment to the concept. This commitment may be affected by the pressure exerted on local government by the press and other media (Bewley and Li, 2000), since media determine which public issues are considered to be most important, and this may affect the implementation of certain public policies (Lee, 1999).

Moreover politicians can vary the degree of information transparency provided in order to achieve their own goals. In general left-wing parties tend to be more transparent (Guillamón *et al.*, 2011a, b; García-Sánchez *et al.*, 2013) and therefore report a greater amount of economic, social and environmental information. We expect

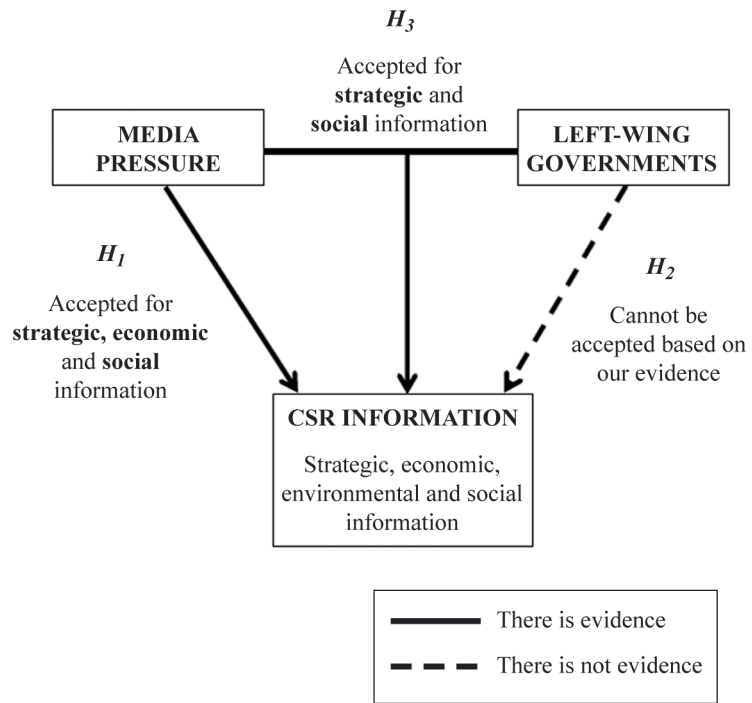


Figure 1.
Graphical summary of the empirical results

political ideology to moderate the effect of the media on local government information transparency regarding sustainability.

In this line the fundamental aim of this study is to analyse the impact of the press on the disclosure of information about the strategic, economic, environmental and social initiatives undertaken by local governments, and also to test the moderating effect of the ruling party's political ideology.

The results show that as a result of media pressure, local governments tend to release less strategic, economic and social information because the press focuses on unusual, negative news. However media pressure does not affect the disclosure of environmental information. We also showed that political ideology moderates the negative effect of the media on the disclosure of information: corporations governed by left-wing parties tend to be more transparent in their information disclosure and thus counteract the negative effect of the press. This moderating effect is particularly apparent regarding information about the municipal corporation itself and about strategic and social issues. Also noteworthy is the close agreement between our results and those obtained in previous studies in relation to the positive effects of population size, the quality of life and the level of economic development on the volume of sustainability information disclosed by local governments.

This paper demonstrates a growing boom of ethical commitment to sustainability issues in the public sphere which are acquiring a renewed role in society. Specifically it shows the counter-productive effect of media pressure on sustainable information that local governments disclose, moderated by their political ideology.



In general media pressure on politicians may be considered as an important means for the fight against cases of lack of transparency in local governments. A well-developed system of information reduces asymmetries between citizens and politicians, monitoring opportunistic behaviours, since this system could be used for debating political actuations, being a mechanism to support or crack the public image of politicians. However there is no evidence for this in the case of Spain, since we found a negative slant to the news published about local governments.

Our study shows that media do not always get the job done. When media strongly emphasise certain aspects of local administration, the governing party may choose not to disclose information, in order to avoid compromising situations that could jeopardise its chances of re-election. Re-election is the ultimate goal of politicians in power, since they will tend to take actions that keep citizens/voters happy when they are more visible through media. So when left-wing parties, whose ideology favours social actions and public policies of welfare, are more visible, they tend to disclose more sustainability information in order to make citizens aware of them. However right-wing parties, that support budgetary control, will tend to be opaque in relation to sustainability information when media are focused on them, because these actions are not an important point of their electoral campaigns.

These results may be useful to the ordinary citizen. They should be careful with media and electoral promises, taking into account that news is usually focused on negative aspects of politicians. We recommend developing a clear and open informative system that gets the job done as a means of debating political actuations. Media are a relevant force to provide all citizens with information needed to decide their votes.

To overcome one of the limitations of this study, it would be interesting to create an index of information disclosure by local governments spanning a period of several years, which would make it possible to apply panel data techniques in the empirical analysis. This would enable a better control of the unobserved heterogeneity present in the differences between municipalities that remain constant over time. Furthermore the consideration of different time periods would make the results more generalisable. In addition if data were obtained for years prior to the global crisis, we could examine the effects of media pressure before and after this fact. Finally another line of research could be to focus on comparisons with other countries, considering different institutional contexts that grant different degrees of importance to media pressure and to the disclosure of sustainability information.

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Appendix

A) Strategy, profile of the local corporation and stakeholders

- Municipal Strategic Plan or Local Agenda 21 Action Plan
- Political composition of the local council
- E-mail addresses of the mayor and councillors
- Information on the various government offices and their functions
- E-mail addresses of government offices
- Basic information on decentralised offices
- Agendas for town meetings
- Minutes of town meetings
- Agreements reached at town meetings
- By-laws and regulations
- Catalogues of municipal services and related information
- Public fees and other charges
- Incidents in municipal services
- Municipal code of ethics or good governance
- Registration of interests of activities and goods, under the Local Government Act
- Remuneration of the mayor and councillors
- Senior municipal officers and their remuneration
- Regulations for citizens' participation
- Citizens' participation boards
- Composition and functioning of neighbourhood councils
- Channels for citizens' participation in strategic issues
- Channels for suggestions and citizens' participation in municipal budgeting
- Forums on the municipal web site
- Mailbox for complaints and suggestions



B) Economic, environmental and social information

1. Economic, financial and budgetary indicators

- Per capita surplus/deficit
- Fiscal autonomy
- Per capita tax revenue
- Per capita expenditure
- Per capita investment
- Average payment period
- Average collection period
- Amount of municipal public debt
- Historical development of municipal public debt
- Per capita debt
- Indicators of efficiency and effectiveness
- Municipal annual accounts (balance sheet, financial assets statement, budget settlement and summary report)
- Municipal budget
- Proposed budget amendments during period of political information
- Budget amendments approved
- Periodic reports on budget implementation
- Budgets for decentralised offices
- External audit reports

2. Environmental indicators

- Environmental expenditure and investments
- Environmental impact of municipal products and services
- Promotion of energy-efficient or renewable products and services
- Effect on energy consumption of these initiatives
- Direct energy consumption from primary sources
- Intermediate energy consumption
- Actions taken to increase energy savings
- Water catchment sources and volume of water collected
- Percentage of water recycled and reused in the municipality
- Information about waste discharges and the treatment of waste water
- Updated information on air and acoustic pollution in different neighbourhoods

3. Social indicators

- Municipal job opportunities
- List of job posts in the town/city council
- List of job posts in decentralised offices



Information on staff selection processes
Composition of job hiring boards and calls for applications
Calls for tenders
Resolution of bids, identities of successful and unsuccessful bidders
List and value of transactions with major suppliers
List and value of transactions with major contractors
List and value of the works and projects funded by the State Fund for Employment and Local Sustainability (FEESL)
Value of the work completed and/or paid for FEESL-funded projects
Companies contracted to carry out FEESL-funded projects
Expenditure on social programmes
Calls for applications for aid and/or grants
Aid and/or grants to NGOs, neighbourhood associations, cultural institutions, etc.
Number of requests, complaints, etc. resolved by administrative silence
Online administrative procedures, permits and licences
Online follow-up of processing status and incidents in administrative procedures

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