MEDIA MONITORING AND GOVERNMENT BANKS

Hung-Kun Chen
Department of Banking and Finance Tamkang University

Po-Hsin Ho
Department of Business Administration,
National Taipei University, Taiwan

Chih-Yung Lin *
College of Management &
Innovation Center for Big Data and Digital Convergence
Yuan Ze University, Taiwan

Che-Wei Chi
Department of Finance
National Taichung University of Science and Technology

Abstract

This study investigates whether media monitoring affects the performance of government banks using 67 country data from 2004 to 2010. We find that government banks in countries with strong media monitoring outperform privately owned banks. The evidence reveals the operational efficiency of government banks in countries with strong media monitoring could be higher than private-owned banks. By contrast, government banks in countries with weak media monitoring apparently underperform privately owned ones. These findings support that good media monitoring efficiently monitors lending corruption in government banks. Therefore, if a country underlines the operation performance of government banks, the government should minimize its influence in the media industry.

Keywords: Government banks, Media monitoring, Operation performance, Lending corruption

JEL: C23, E61, G15, G21

*Corresponding author: College of Management, Yuan Ze University, Taiwan, R.O.C