



Macroeconomics & Fiscal Management

MFM PRACTICE NOTES

PRACTICAL LESSONS IN BUILDING A PLATFORM FOR POLICY DIALOGUE: REFLECTIONS ON THE *INDONESIA ECONOMIC QUARTERLY*

Ahya Ihsan, Ilsa Meidina, Elitza Mileva, Alex Sienaert and Ashley Taylor¹

Regular economic development updates can contribute significantly to dialogue and debate on key policy issues; this MFM Practice Note² shares practical experience from the World Bank's production of one such report, the Indonesia Economic Quarterly (IEQ).

High quality economic updates can be powerful platforms for the World Bank to influence, and inform, public policy debates on development challenges that are occurring at a country, regional or global level. Building a strong economic update brand can have positive reputational spillovers and can help to build and strengthen partnerships with policymakers, local research institutions, development partners, the media and the broader public. Measuring the impact of economic updates on the policy discourse, or reforms, can help to build a reinforcing cycle of internal buy-in, and external interest, in the product leading to further interest in contributing to, and consuming, future releases. This MFM Practice

Brief provides some practical examples of the strategies and processes which can be used to build such updates as platforms for policy dialogue, drawing on the experience of five years of production of the Indonesia Economic Quarterly (IEQ).

The IEQ aims to support improvements in the quality of evidence-based policy-making regarding Indonesia's near-term economic and medium-term development challenges by stimulating, informing, and influencing the public debate and policymaking on these issues. The IEQ is a cross-sectoral product of the Indonesia World Bank country office, led by the MFM team. Production is supported by Bank budget and as part of the work program financed by an Australian Government-funded Trust Fund on Support for Enhanced Macro Economic and Fiscal Policy Analysis (SEMEFFPA). Over recent years the high-quality, topical evidence-based



¹ This MFM Practice Note was cleared by Shubham Chaudhuri, Practice Manager (GMFDR).

² The authors prepared this Note by drawing on the experience of the past and present wider team responsible for the IEQ, as well as for providing input to regional and global economic update reports. The Note also draws from review

comments and discussions on a range of economic updates across regions. All IEQ reports and web pages (including launch presentations, press releases and related material) are available at <http://www.worldbank.org/en/country/indonesia/publication/indonesia-economic-quarterly-reports>.

policy analysis in the IEQ has informed, and influenced, the public policy debate in Indonesia on a range of issues, from near-term macro challenges, fiscal reforms in areas such as energy subsidies and capital budget disbursements, through to social protection and social security programs, education spending and local service delivery.

Designing a product

A product structure to reflect the World Bank's comparative advantage and value-added: The IEQ is structured in 3 main sections: the first is an economic and fiscal update, placing developments in a regional and global context and providing updated forecasts; the second focuses on emerging, topical economic or policy issues; and the final section focuses on Indonesia's longer-term development challenges.

Domestic and international commentary on economic developments in Indonesia, as with other emerging economies, is increasingly available but with a mix of analytical quality and depth, periodicity and time horizon. However, the World Bank's balanced, evidence-based appraisal of recent economic and policy developments still adds value, informing and raising awareness in policy debates, including on important, but potentially politically-sensitive, areas such as energy subsidy reform. In addition, of particular value added is the World Bank's analysis of medium-term development challenges, its regional and international perspective, and a focus on poverty and social outcomes.

Choosing an appropriate frequency: The choice of frequency is an important one. The IEQ is produced every quarter, a choice which reflects the significant volume of available high frequency data for Indonesia, and the availability of a sufficient volume of analysis to feed into the report. In countries with lower frequency of data availability, a lower frequency release may be more appropriate, and biannual economic updates at the country, regional and global levels are a common choice. Whatever the choice of frequency, sticking to a regular

production schedule is important both for internal planning purposes and for building the external brand of the economic update by making it a regular and predictable contributor to the flow of publicly available comment and analysis. In addition, the choice of frequency and release dates needs to be well-coordinated with other updates, for example, from authorities or other corporate products, at the global or regional level.

Building demand for, and the sustainability of, the product

There are a number of ways to leverage a regular economic update report so as to grow the demand for and impact of the product. For example:

- *Providing input into policy debates:* Launch events provide a convenient, regular forum for engagement with high-level policymakers, the media and the public on the key policy issues of the day.
- *Building relationships:* Launch events offer the opportunity to build relationships with other institutions, such as think tanks or institutes, by partnering and holding joint events. Launch materials can also be used for briefings and workshops with select stakeholders including development partners, government ministries or agencies, and for regional and academic outreach efforts.
- *Broader dissemination:* Economic update reports also provide a very helpful alternative dissemination platform for country-specific or regional analytical work, for example to preview upcoming major reports and to provide publically accessible précis to facilitate media coverage and penetration.

Production processes

Production planning pays: Regular publication offers the opportunity to “learn by doing” and to implement and maintain a systematic approach to the production process. A first vital item is establishing regular and timely production processes. This includes scheduling

the timing of production around key macro data releases or government policy announcements and putting in place regular fora for discussion of the storyline of the next report.

A focus on quality is crucial, including strong forecasting and technical processes with an emphasis on internal consistency: Maintaining a rigorous approach to forecasting is important given the reputational importance of good public forecasts, and to maximize their quality for internal due diligence purposes and other corporate requirements. A necessary condition for good forecasts is consistency - ensuring that macro (growth, inflation and balance of payments), fiscal and poverty projections are based on the same set of exogenous assumptions (e.g. global growth, oil prices). For the IEQ, this is achieved partly through pre-context setting meetings attended by the production team prior to a broader, more formal internal workshop on the storyline for the report.

Developing a pipeline of pieces on topical or structural policy issues: For the topical and medium-term development issues sections, the challenge is to draw effectively on materials produced across the World Bank and IFC. To try to formalize this process (and ensure delivery of such pieces), and also to build country office support for the product, the Indonesia country office has convened an editorial board for the report, chaired by the Country Director. This ensures country office-wide buy-in for using the report as a key dissemination channel, which is crucial for there to be sufficient input to and collaboration in the IEQ. External contributions may also be considered, for example from the Government. This will require assessing the benefits this can bring (building capacity, providing additional insights and supporting relationships with the Government) with the potential impact this can have on control over the timing of delivery and on the content.

Recognizing and planning adequate resourcing: As the above discussion makes clear, producing a regular, high quality economic update, while conferring many benefits, also requires significant resources. These costs should be acknowledged and

factored into wider time allocation and management planning. Without this, there is a risk that producing such reports places an unsustainable burden on core team members, impedes the delivery of other, high priority output, or that the reports which are produced add little value.

Dissemination strategies

Disseminating the economic update through multiple channels can help achieve impact including via the web and social media: Dissemination is key to achieving the development objectives of an economic update. The dissemination of the IEQ takes place through a range of modes, designed and implemented in collaboration with the World Bank communications team. These include a public launch event with a moderated topical panel discussion to follow the update presentation; press briefings; smaller briefings and discussions with government counterparts, development partners and private sector organizations; email, web and social media dissemination; regional events; and distribution of hard copies. Panel discussions allow for external participation, often facilitated through co-hosting of launches with local think tanks, academia and government agencies. Considerable emphasis is also placed on supporting domestic media penetration and more public awareness through disseminating the report and undertaking related activities in the national language, Bahasa Indonesia.

The uptake of social media is particularly strong in Indonesia, and has been used to disseminate the IEQ via Twitter and Facebook. This can widen the audience, with Twitter feed and re-tweets from the local "Twitterati" of particular use in promoting Indonesian language website visits and report downloads. Other options for web dissemination include videos or infographics with key messages.

Measuring impact

Systematic monitoring and evaluation (M&E) of IEQ impact has proved useful including

through surveys and media monitoring and influence logging

To assess the quality and the extent to which the IEQ contributes to policy discussion, regular M&E activities such as readership surveys, media tracking and influence logging are conducted (see Box 1). Such M&E can not only measure impact but can guide resourcing of different parts of the updates and stimulate interest in providing analytical contributions or resourcing.

Box 1: The Indonesia Economic Quarterly's media impact³

Taking place every quarter, the IEQ launch events over the last two years are the World Bank Indonesia's most regular formal engagement with the national media, including importantly publications in Bahasa Indonesia. The reporters who routinely cover the events now anticipate the launches, and routinely cite the data and analysis in the report for weeks following the launch, thus illustrating that the IEQ 'brand' is strong.

In addition, the 24 hour news cycle has translated into repeated dissemination of the IEQ's messages. The quantity of media coverage is inevitably dependent on other events and/or news of the day. There is an ebb and flow to the amount of media coverage, but on average, there are at least two dozen articles citing the IEQ within the first 24 hours after the launch. More often than not, the IEQ key messages will be the top headline of the Economy and/or Business section of the dailies, if not on the front page. The initial headline then often prompts related articles in following days, with the various media asking government counterparts for their 'reaction' to the World Bank report. IEQ analysis initiates debate and discussion.

While positive media coverage from Indonesia's most influential news outlets is important, the influence of social media should not be under-estimated. A retweet by one Twitter account with hundreds of thousands of followers, can translate into a steep spike in visits to the IEQ web-page. Hence media coverage by one of the more mainstream online sites such as Detik.com can be very influential, as news from these sites are more likely to be retweeted - and retweets translate into a wider discussion of the report's key messages.

Online readership surveys are disseminated with each report, and additional surveys have also been conducted approximately one month later. Hardcopy survey forms are also distributed during at the event (typical attendance: 200). Brief survey questions are formulated to assess the relevance of the report to the audience's area of work, the quality of the analysis, and the extent to which the reports influence debate and stimulate discussion, as well as capturing constructive feedback.

Media monitoring of printed and online newspapers and social media interaction is also conducted the day after the launch and for the following month. This helps gauge the responses of policymakers in Indonesia to the messages in the report. Influence logging, for example of citations, quotes etc, is undertaken to understand the channels of influence of the report in policy debate and formulation.

About the authors:

Alex Sienaert, Country Economist, World Bank's Macroeconomics & Fiscal Management Global Practice (GMFDR)
Email: asienaert@worldbank.org

Ashley Taylor, Senior Economist, World Bank's Macroeconomics & Fiscal Management Global Practice (GMFDR)
Email: ataylor@worldbank.org

Elitza Mileva, Economist, World Bank's Macroeconomics & Fiscal Management Global Practice (GMFDR)
Email: emileva@worldbank.org

Ahya Ihsan, Economist, World Bank's Macroeconomics & Fiscal Management Global Practice (GMFDR)
Email: aihsan@worldbank.org

Ilsa Meidina, Operation analyst, World Bank's Macroeconomics & Fiscal Management Global Practice (GMFDR)
Email: imeidina@worldbank.org

This note series is intended to summarize good practices and key policy findings on MFM-related topics. The view expressed in the notes are those of the authors and do not necessarily reflect those of the World Bank, its board or its member countries. Copies of these notes series are available on the MFM Web site (<http://worldbank.org/macroeconomics>)

³ Box contributed by Dini Djalal, Senior Communications Officer, World Bank Jakarta.