



# Collective mass media bias, social media, and non-partisans



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## HIGHLIGHTS

- Mass media's collective coverage significantly influences political outcomes through manipulating the information non-partisans receive.
- Taking social media into account, mass media reporting shows a possible collective bias.
- The collective bias may lead society to a collective failure, in which an inferior policy is voted for and implemented.

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## ABSTRACT

This paper builds a simple political agency model to demonstrate that there is a possible collective bias in the reporting of political issues, and suggests that this bias may lead society to a collective failure, in which overall social welfare is harmed. In our model, media outlets aim to build a reputation of high adeptness at policy forecasting, and audiences rely on policy information to make better decisions and update their beliefs regarding the quality of each outlet after the election outcome is revealed. The role of social media is incorporated into our model's framework; thus, the chance of a non-partisan individual being informed about each political candidate's proposed agenda depends on the collective mass media coverage of that candidate as well as the number of partisan individuals in favor of that candidate, since it is assumed that partisan voters post politically relevant information on social networks.

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## 1. Introduction

The impact of mass media on political outcomes like government accountability (Besley and Prat, 2006), voting behavior (Dellavigna and Kaplan, 2007), and public policy (Strömberg, 2004; Eisensee and Strömberg, 2007) has been well documented. However, as widely appreciated as the forceful role of media in politics is, its troubling tendency toward bias is also widely acknowledged. Existing research demonstrates the origins of media bias from both demand (Strömberg, 2004; Gentzkow and Shapiro, 2010) and supply (Baron, 2006; Druckman and Parkin, 2005) sides. However, most previous studies have focused on the bias of individual outlets. In contrast, this paper argues that not only is each individual outlet biased in its reporting of political issues, but also that multiple outlets tend to similarly report on the same issue. In other

words, there exists a possible *collective* bias in the coverage of political issues. Moreover, this collective bias may result in a collective failure, in which information regarding the superior policy is excluded from the news, the inferior policy ultimately gets implemented, and, in this way, overall social welfare is harmed.

The notion of collective bias is based on the following observations.

(1) The mass media's coverage of political issues is likely to be affected by partisan individuals' preferences, but could also affect the decisions of non-partisan individuals, those who have no ex-ante bias toward any issue.

Gentzkow and Shapiro (2006) argue that newspapers cater to audiences' preferences, because audiences are more likely to regard an outlet that reports "like-minded news" as high quality. In a later study, Gentzkow and Shapiro (2010) analyze US daily newspapers to prove that the mass media significantly responds to consumers' views in their reporting. The assumption of selective exposure to like-minded news is in line with studies in social psychology, specifically those of cognitive dissonance. In contrast,

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non-partisan individuals lack ex-ante bias and, in turn, selective exposure. In other words, the mass media could directly affect the private actions and/or political decisions of non-partisans by manipulating the information to which they have access.

In this paper, we focus on the role of non-partisan instead of partisan individuals, unlike most studies in political economics. We did this for three reasons. First, it is the non-partisans who finally decide the outcome of elections. Second, all partisans, prior to choosing partisanship, were, at one point, non-partisan. Third, most young people who have a decisive impact on their country's future political direction are or have been non-partisan. Studies on the influence of mass media on non-partisans help us to understand the dynamics of political change in a society.

(II) The expanded use of social media, such as Facebook and Twitter, has intensified the exchange of information among individuals. Nowadays, audiences obtain information from mass as well as social media because informed audiences post content on social media. Meanwhile, audiences, especially younger ones, have gradually shifted from purchasing traditional print media products to reading news online, typically by downloading apps and then reading content electronically on mobile terminals.

The above shift has led to changes in the profit profiles of media outlets. The American media industry's main source of revenue is no longer from circulation, but instead from a collection of financial receipts related to reputation, such as advertising.<sup>1</sup> The powerful role of reputation is well appreciated in the context of organizational behavior (Fombrun, 1996) and industrial organization (Kreps and Wilson, 1982). A media outlet's reputation is a belief or evaluation of the outlet generally held by the public or community with regard to some socially desirable behaviors. Classically, reputation is related to factual and accurate reporting (see Gentzkow and Shapiro, 2006). It can also be gained by accurate political forecasting, for audiences do care about policy forecasting.<sup>2</sup> Accurate policy forecasting helps individuals to make more informed decisions and take appropriate action.

We used the above observations to develop the framework for a game in which media outlets' main motivation is to build a reputation for policy predicting, instead of aiming to maximize revenue from sales of media products such as newspapers (the classical scenario). Through playing, the audience/voter learns over time how good a media outlet is at policy forecasting. Moreover, the game incorporates social media. It assumes that voters are informed about future policies by social as well as print media, since some voters may post political information on their personal accounts, but that only partisan voters are motivated to post information about a political policy on social media, either advocating a position or sharing propaganda. Further, we assume that partisan voters are selectively exposed to like-minded news, i.e., news of their preferred policy/politician, while non-partisan voters take in whatever information they encounter. The electorate makes use of all the information they receive to take private action and then to vote. We assume that non-partisans do not actively seek political information, as they know that the payoff of one's private actions is deeply affected by election results, while one's individual impact on the election outcome is negligible.

There are three implications to this position. First, the collective coverage of mass media significantly influences political outcomes,

because its focus can affect the information non-partisan voters gather as well as the private actions they take, thus influencing their voting choice. Second, taking social media into account, mass media reporting shows a possible collective bias. Third, this collective bias may lead the society to a collective failure in which an inferior policy is voted for and implemented.

## 2. Model

### 2.1. Basic setting

We consider a two-period model. During the first period, two politicians,  $L$  and  $R$ , separately form and announce their policy platforms. We assume that  $L$  advocates high-tax policies, referred to as policy  $L$ , while  $R$  advocates low-tax policies, referred to as policy  $R$ . At the end of the first period, an election is called. The winning politician implements his or her policy in the second period.

Two media outlets, referred to as newspapers  $A$  and  $B$ , report on each candidate's political platform.<sup>3</sup> We assume that there are two types of newspapers. At a probability of  $\alpha$ , a newspaper is highly adept at policy prediction and reports the winning policy with probability  $\bar{\gamma}$ ; otherwise, the newspaper is of low adeptness and only has a  $\underline{\gamma}$ ,  $\alpha < \frac{1}{2}$ ,  $\bar{\gamma} > \underline{\gamma}$  probability of reporting the winning policy. The electorate is, ex-ante, unaware of the newspaper type.

The economy is populated by a continuum of individual voters, who are divided into three subgroups: pro- $L$ , pro- $R$ , and non-partisan. The proportions of each are  $\omega\eta$ ,  $\omega(1-\eta)$ , and  $1-\omega$ , respectively. Within each subgroup, voters are ex-ante identical. Voters here are audiences. We assume  $\max\{\omega\eta, \omega(1-\eta)\} < \frac{1}{2}$ , and  $\min\{\omega\eta + 1 - \omega, \omega(1-\eta) + 1 - \omega\} > \frac{1}{2}$ . This assumption ensures that it is the non-partisan voters who decide the outcome of the election.

Partisans seek out and are selectively exposed to the policies they favor. In contrast, non-partisan voters are randomly informed. A non-partisan is more likely to be informed of a policy if it is widely covered in newspapers and/or posted on social media. We denote the amount of space that a newspaper  $i$  uses for reporting stories on policy  $j$  as  $S_j^i$ , while  $i \in \{A, B\}$  and  $j \in \{L, R\}$ . For simplicity, the total space that each newspaper devotes to political issues is identical to 1,  $0 \leq S_j^i \leq 1$ . Thus, the collective media coverage of policy  $j$  can be denoted as  $\sum_i S_j^i$ . The probabilities of a non-partisan voter getting information about a policy,  $P_L$  and  $P_R$  are simplified as  $\frac{S_L^A + S_L^B + \omega\eta}{2+\omega}$  and  $\frac{S_R^A + S_R^B + \omega(1-\eta)}{2+\omega}$ . These probabilities indicate that the chance of a non-partisan being informed about a policy depends on its collective media coverage ( $\sum_i S_j^i$ ), and on the number of partisan voters who post information about it on social media ( $\omega\eta$  or  $\omega(1-\eta)$ ). Without loss of generality, it is assumed that mass and social media's impacts on informing audiences are of the same magnitude. We only analyze the decisions of those non-partisan voters who are informed on at least one policy issue. Uninformed voters resort to a default action and either randomly vote for a candidate or withdraw their vote, and thus have no effect on the outcome of the election.

Becoming informed about future policies helps individual voters to take private action,<sup>4</sup> for example, in choosing a high- or

<sup>1</sup> In 2012, out of the American newspaper industry's \$38.6 billion total revenue, 49% came from print advertising, 10% from digital advertising, 8% from direct marketing/niche advertising and non-daily publications, while only 26% was from circulation. (*The American Newspaper Media Industry Revenue Profile 2012*).

<sup>2</sup> Many methods have been utilized to evaluate and increase the accuracy of election forecasting, including expert judgment, polls, and statistical models (see LewisBeck, 2005).

<sup>3</sup> Two newspapers are assumed to be symmetric and ex-ante neutral toward either policy, as most studies that justify demand-driven media bias such as Strömberg (2004) assume. This assumption is made in order to focus our attention on analyzing the role of media competition and audiences, especially partisan ones, on mass media's coverage choices. Our model loses nothing to generality in the situation where neutral media outlets pander to biased ones for reputation concerns, because we assume there are partisan audiences. The effects of biased media on neutral media's coverage are actually similar with the influence of partisan audiences.

<sup>4</sup> Strömberg (2004), Baron (2006), and Gentzkow and Shapiro (2006) apply similar assumptions.

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