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# Exposure to television and individual beliefs: Evidence from a natural experiment



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Does the information provided by mass media have the power to persistently affect individual beliefs about the drivers of success in life? To answer this question empirically, this contribution exploits a natural experiment on the reception of West German television in the former German Democratic Republic. After identifying the impact of Western television on individual beliefs and attitudes in the late 1980s, longitudinal data from the German Socio-Economic Panel is used to test the persistence of the television effect on individual beliefs during the 1990s. The empirical findings indicate that Western television exposure has made East Germans more inclined to believe that effort rather than luck determines success in life. Furthermore, this effect still persists several years after the German reunification. *Journal of Comparative Economics* **43** (4) (2015) 956–980. University of Mannheim, L7, 3-5, D-68131 Mannheim, Germany.

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#### 1. Introduction

Individual preferences for redistribution cannot fully be explained by pure self-interest but are also affected by fairness considerations. Voters usually want to reduce inequality as far as it is driven by factors that are beyond individual control (such as luck or social conditions) but reward individual effort. Individuals, however, do not exactly know to what extent a certain level of inequality reflects differences in individual effort or is a consequence of other factors. Therefore, people have to form and rely on beliefs about the relative importance of effort as a determinant of success in life, for instance, when voting on redistributive policies.

In line with that, these beliefs are both related to preferences for redistribution (e.g. Alesina and Giuliano, 2009; Corneo and Grüner, 2002; Fong, 2001) and actual policies such as the size and structure of the welfare state (Alesina and Glaeser, 2004). In contrast to their policy relevance, our knowledge about individual belief formation is still incomplete.

The literature on belief formation suggests that individuals use available information from various sources to learn about the rewards to effort and form their corresponding beliefs about the drivers of success. They use, for instance, their personal experience or family history to learn about the relative importance of effort (Di Tella et al., 2007; Giuliano and Spilimbergo, 2009; Piketty, 1995).

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Moreover, Alesina and Glaeser (2004) argue that observable differences in beliefs of Americans and Europeans do not just reflect differences in personal experience but are rather a result of political indoctrination. Convincing empirical evidence isolating the impact of indoctrination (such as exposure to Marxist ideas) on beliefs about the drivers of success is still missing. This contribution wants to close this gap by analyzing if political indoctrination via mass media has a persistent impact on beliefs.

To answer this question empirically, I test whether the exposure to West German television and thereby to Western world views and ideologies has affected East Germans' beliefs. The focus on the case of the former German Democratic Republic (GDR) has at least two advantages: First, state-controlled mass media was used to promote the ideologies and world views of both German states. The predominant ideology differed considerably between Communist and Western states and also comprised assumptions about the determinants of success in life and social mobility. Second, by focusing on the GDR, I can exploit a natural experiment on the reception of Western television broadcasts. Approximately 15% of the population living in the Southeast and the Northeast of the GDR could not receive Western television broadcasts. In these regions, the strength of the over-the-air television signal was too low to receive these broadcasts either because the nearest West German transmitter station was too far away or because the area was surrounded by mountains. Therefore, the population in these regions constitutes a natural counterfactual to the majority of GDR citizens who were already exposed to Western television before reunification. Moreover, since the decision to watch West German broadcasts was partly exogenous for each GDR citizen (given his or her place of residence), it is possible to overcome the self-selection problem common in empirical works on media effects. <sup>1</sup>

The empirical analysis draws on two different data sets. First, I use survey data collected in the GDR during the late 1980s to test whether the differential access to Western television is reflected in East Germans' beliefs before reunification. The second part of the analysis is devoted to the persistence of the Western television effect during the 1990s. For that purpose I exploit longitudinal data from the German Socio-Economic Panel (GSOEP). Overall, the findings indicate that exposure to Western television has made East Germans more inclined to believe that effort rather than luck determines success in life. Furthermore, the effect of West German television on East Germans' beliefs seems to have persisted until 10 years after reunification.

This paper adds to the literature both on belief formation and on media. It is closely related to empirical studies on the role of television which indicate that values, attitudes or behavior are affected by information on different ways of life and world views as presented in entertainment programs (e.g. soap operas or movies). Recent examples are cable television in rural India which has improved women's status by offering information about urban life (Jensen and Oster, 2009) or access to national telenovelas in Brazil presenting mostly small and wealthy families which has increased divorce rates (Chong and La Ferrara, 2009) and reduced fertility (Chong et al., 2008). So far, literature has mostly focused on the immediate impact of media on attitudes and behavior. I provide further evidence indicating that television has also the power to persistently affect certain attitudes.

This paper further contributes to literature by relating a permanent exposure to considerably different and biased media sources to beliefs about drivers of success. By this, it offers insights into the role of political indoctrination for the formation of individual beliefs (as suggested by Alesina and Glaeser, 2004). Recently, the impact of Communism on individuals' attitudes or preferences has received much attention among economists. By focusing on the case of Germany, this literature usually interprets differences between East and West Germans as a result of different socialization during the 40 years of separation (e.g. Alesina and Fuchs-Schündeln, 2007; Heineck and Süssmuth, 2013). Socialization, however, is a broad and rather imprecise concept that encompasses all differences in general life experience. Attempts to identify the impact of specific aspects of socialization on individual beliefs (or other attitudes) have not been undertaken before. This paper isolates the effect of indoctrination by state-controlled television on beliefs about the drivers of success from the broader aspect of different socialization and life experience in both parts of Germany. Bringing forward the argument that life experience of the population should not differ systematically between regions with and without Western television reception, differences between the two groups can be attributed to the impact of Western television and the set of information provided therein.

The remainder of this paper is organized as follows. The second section provides institutional facts about television in the GDR. The subsequent section offers some insights into the role of television for belief formation. Section 4 is devoted to the discussion of the identification strategy, the empirical approach and the data. The results are presented in Section 5, followed by a discussion of potential confounding factors and further tests in Section 6. Concluding remarks are offered in Section 7.

#### 2. Institutional background: television in the GDR

Following World War II, Germany was separated by the allied forces and in 1949 two independent German states were founded. While these states did not differ substantially before their separation (Alesina and Fuchs-Schündeln, 2007), 40 years of political and economic division led to a strong divergence in living standards. GDR citizens suffered from economic scarcity and political repression by the state authorities. In November 1989 the unexpected opening of the inner-German border by the GDR regime resulted in the merging of the two German states, with the monetary union in July 1990 and the political reunification in October 1990.

In both German states, the first television broadcasting corporations were founded in 1952 (e.g. Meyen, 2003). In West Germany, two public corporations were established, the First German Television (ARD) with its constituent regional broadcasting

<sup>&</sup>lt;sup>1</sup> Empirical approaches which do not use any exogenous source of variation in media access to measure media effects usually face a self-selection problem: it is not clear whether a person has a certain attitude *because* of a particular media source or whether the decision to utilize a media source is actually driven by prior attitudes.

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