

The Political Economics of Media

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Prerequisites. This course is offered as part of the *optional* curriculum for the *second-year researchers* in the department of economics, EUI. Students are expected to have a good background in microeconomics and econometrics.

Course Description. Media are the primary sources citizens rely on to obtain political information. For this reason, media plays a critical role in shaping citizens' political beliefs and political actors' behavior. Therefore, the political influence of media has long been at the center of both public and academic debates. In the past decade, however, the incredibly rapid proliferation of online and social media has dramatically changed our media landscape. On the news-supply side, traditional media industry (e.g., newspapers, TV-channels) encountered dramatically increased competition from social media. On the news-demand side, this

The course aims at providing students an overview of frontier topics in the area of political economics of media. We will focus on three broad themes (with finer topics beneath each):

- Theme I: The contemporary media landscape
 - Measurement & evidence of media bias
 - Online and offline media consumption
 - Quality of news provision
- Theme II: Factors shaping our media landscape
 - Supply-side: journalists, interest groups, politicians
 - Demand-side: commercial motives
 - Increased competition and limited attention
- Theme III: The political impacts of (biased) media
 - Citizen beliefs and opinion polarization
 - Voting behavior
 - Influences of online and social media
 - Media in weak democracies and autocratic regimes

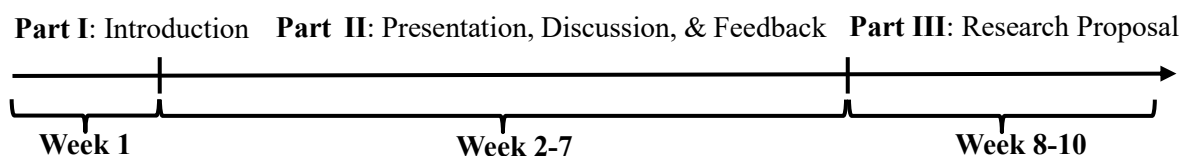
This course will give a balanced coverage of both theoretical and empirical studies over these topics. Each student will be requested to present and discuss several papers from the reading materials (cf. Appendix B) selected by the lecturer. In addition, students will need to develop their own research ideas related to topics of this course and design preliminary research proposals to address them.

Learning Goals. By the end of the course students should be able to:

- Recognize important topics related to the political economics of media.

- Critically assess the existing studies on topics related to this course.
- Develop their own research ideas in topics related to this course.
- Improve oral presentation skills through practicing and receiving feedback.

Course arrangement. For this course, we will meet in ten weekly classes for two hours each. The course will be structured three parts following the timeline below:



Part I: an introductory class. This part contains only one class, where the lecturer gives a brief overview of the course arrangement and the three themes covered in this course.

Part II: oral presentation, discussion memos, and peer feedback. Each student will be required to choose *three papers* (one from each broad topic) and read them in depth. Each student will be asked to orally present one paper he or she selects and to write two discussion memos for the remaining two papers. In preparations for both oral presentations and discussion memos, students are required to (i) identify the main contribution of the selected paper, (ii) explain the key methodology used to establish the main results, and (iii) comment on the merits and limits of the paper, as well as possible avenues for future research. Both oral presentations and discussion memos must follow certain guidelines, which are explained in the next section.

There will be in total six classes for this part. Each class will focus on two selected branches under a broad topic listed in the course description above. Each class will be divided into two halves. In the first half, the lecturer will give an organized overview of existing studies for the branches of the topic covered in class. In the second half, two students will present the papers chosen by themselves. The remaining students will need to participate actively in discussions and provide written feedback on the presentations following the guideline provided by the instructor.

Part III: research proposal. At the end of the course each student must develop his or her own research idea on topics related to this course and hand in a preliminary research proposal to address it. The proposal should read like a grant application (motivation and context, research question, proposed methodology and possible implications). A guideline for writing the research proposal is provided in the next section. Each student can collaborate with at most one other peer to form a team to work on the research proposal.

All classes in this part will be organized in a seminar style, where four teams (each consisted of either one or two students) will need to present preliminary versions of their research ideas and plans, followed by discussions from both peers and the lecturer. The purpose of this arrangement is two-fold. First, students will benefit from others' comments and suggestions in developing their research proposals. Second, students will be able to evaluate their progresses in oral presenting skills.

By the end of Week 10, all teams are requested to submit their finalized research proposal. Later submissions will NOT be accepted. For this reason, students are strongly encouraged to work on their research proposals as early as possible.

Assessment and Guidelines. Students' tasks and their weightings in final grade are summarized in the following table.

Tasks	% of Final Grade
Oral Presentation	30%
Discussion Memos	10%
Feedback Provision	10%
Research Proposal	50%
Total	100%

The guidelines for each task are elaborated below:

- *Oral Presentation.* Each presentation must be strictly controlled within 20 minutes (as is common in many conference presentations). The instructor will time each presentation and stop the student if the time limit is reached. During the presentation, audiences are advised to ask clarification questions only. After the presentation, there will be an additional 10 minutes for Q&A and in-depth discussions. In the presentation, each student must:
 - Explain research question and motivation of the paper
 - Explain the research methodology used by the paper
 - Explain main results and contributions of the paper
 - Critically discuss pros and cons of the paper, and provide suggestions for improvements or avenues for future research

Performance of each presenter will be assessed by the instructor using the “Evaluation Form for Presentation”. Based on the instructor’s assessment, an *aggregate performance score* (APS) ranging between 1 to 3 will be calculated for each student as his or her final grade for presentation. Both the evaluation form and the construction of APS are explained in Appendix A.

- *Discussion Memos.* In the memo the students should discuss a paper he or she reads in a concise and critical manner. The memo must
 - Explain the main contribution and results of the paper under discussion;
 - Explain the key methods the authors use to establish their results;
 - Point out at least three critical questions, comments, or recommendations for future research.

In addition, the memos must satisfy a few requirements on format: document type must be Word or PDF, 12pt font size, 1.5-line space, and no more than one page. The deadline of submission is the end of Week 7. Late submissions will NOT be accepted. The grading outcome will be either “Pass” or “Fail”. Each student must submit two discussion memos satisfying all the above requirements to pass and get the grade.

- *Feedback Provision.* Before each presentation, students will be given structured evaluation forms (cf. Appendix A) to provide written feedback for the performance of the presenter. At the end of each class, students must directly hand in the evaluation forms to the presenters. The grading outcome will be either “Pass” or “Fail”. Each student must fill out evaluation forms for *all* other peers to pass and get the grade.
- *Research Proposal.* The research proposal must follow standard format requirements (12pt font size, double spacing) and be no longer than 10 pages (references included). [More details T.B.A.]

Appendix A. Evaluation Form for Presentation

Evaluation Form for Presentation		
Content	Questions to Assess	Yes/No
Introduction	Is the research question clearly explained?	
	Does the motivation invoke your interest to the research question?	
Methodology	Are the research methods in the paper clearly and precisely explained?	
	Does the speaker clearly distinguish critical and secondary steps?	
Results	Are the main results of this paper clearly and precisely explained?	
	Does the speaker clearly distinguish major and minor results?	
Structure	Is it easy to identify a coherent logical structure of the presentation?	
	Is the chosen format of presentation helpful in keeping your attention?	
Discussion	Are the speaker's discussions about pros and cons of the paper insightful?	
	Are the speaker's comments on improvement or future research insightful?	
Time Management	Does the speaker manage the presentation smoothly within the time limit?	
	Does the speaker reasonably allocate time for different parts of the talk?	
Other comments/suggestions to the presenter: 		

Construction of the *Aggregate Performance Score* (APS)

As is evident in the form, each presenter will be evaluated in six dimensions: Introduction, Methodology, Results, Structure, Discussion, and Time Management. For each of the six dimensions, the evaluator will need to give “YES”/“No” answers to two related questions about the presenter's performance. Based on the feedback, a “performance score” (PS) for a specific dimension can be constructed as follows: PS=3 if answers are “Yes” for both questions, PS=2 if only one answer is “Yes”, and PS=1 if answers for both questions are “No”. An *aggregate performance score* (APS) can then be computed as the average PS for all six dimensions.

Appendix B. Reading Materials

I will select 3-4 papers for each topic under each broad theme. So, in total there will be 36 to 48 papers in the reading list. It will be the students' own responsibility to obtain these papers.

Theme I: The contemporary media landscape

Topic I.1: Measurement & evidence of media bias

- Groseclose, T., & Milyo, J. (2005). A measure of media bias. *The Quarterly Journal of Economics*, 120(4), 1191-1237.
- Gentzkow, M., & Shapiro, J. M. (2010). What drives media slant? Evidence from US daily newspapers. *Econometrica*, 78(1), 35-71.
- Puglisi, R., & Snyder Jr, J. M. (2011). Newspaper coverage of political scandals. *The Journal of Politics*, 73(3), 931-950.
- Puglisi, R., & Snyder Jr, J. M. (2015). The balanced US press. *Journal of the European Economic Association*, 13(2), 240-264.

Topic I.2: Quality of news provision

- Angelucci, C., & Cagé, J. (2019). Newspapers in times of low advertising revenues. *American Economic Journal: Microeconomics*, 11(3), 319-64.
- Cagé, J. (2020). The production of information in an online world. *Review of Economic Studies*, forthcoming.

Topic I.3: Online and offline media consumption

- Gentzkow, M., & Shapiro, J. M. (2011). Ideological segregation online and offline. *Quarterly Journal of Economics*, 126(4), 1799-1839.
- Allcott, H., & Gentzkow, M. (2017). Social media and fake news in the 2016 election. *Journal of Economic Perspectives*, 31(2), 211-36.
- Prat, A. (2018). Media power. *Journal of Political Economy*, 126(4), 1747-1783.
- Kennedy, P. J., & Prat, A. (2019). Where do people get their news?. *Economic Policy*, 34(97), 5-47.

Theme II: Factors shaping our media landscape

Topic II.1: Supply-side: journalists, interest groups, politicians

- Djankov, S., McLiesh, C., Nenova, T., & Shleifer, A. (2003). Who owns the media?. *The Journal of Law and Economics*, 46(2), 341-382.
- Baron, D. P. (2006). Persistent media bias. *Journal of Public Economics*, 90(1-2), 1-36.
- Besley, T., & Prat, A. (2006). Handcuffs for the grabbing hand? The role of the media in political accountability. *American Economic Review*, 96(3), 720-736.

- Anderson, S. P., & McLaren, J. (2012). Media mergers and media bias with rational consumers. *Journal of the European Economic Association*, 10(4), 831-859.

Topic II.2: Demand-side: commercial motives

- Mullainathan, S., & Shleifer, A. (2005). The market for news. *American Economic Review*, 95(4), 1031-1053.
- Gentzkow, M., & Shapiro, J. M. (2006). Media bias and reputation. *Journal of Political Economy*, 114(2), 280-316.
- Ellman, M., & Germano, F. (2009). What do the papers sell? A model of advertising and media bias. *The Economic Journal*, 119(537), 680-704.
- Beattie, G., Durante, R., Knight, B., & Sen, A. (2017). Advertising spending and media bias: Evidence from news coverage of car safety recalls (No. w23940). National Bureau of Economic Research.

Topic II.3: Increased competition for attention

- Perego, J., & Yuksel, S. (2018). Media competition and social disagreement. Working Paper.
- Galperti, S., & Trevino, I. (2018). Shared Knowledge and Competition for Attention in Information Markets. Working Paper.
- Chen, H., & Suen, W. (2019). Competition for attention in the news media market. Working paper.

Theme III: The political impacts of (biased) media

Topic III.1: Citizen beliefs and political attitudes

- Gerber, A. S., Karlan, D., & Bergan, D. (2009). Does the media matter? A field experiment measuring the effect of newspapers on voting behavior and political opinions. *American Economic Journal: Applied Economics*, 1(2), 35-52.
- Chiang, C. F., & Knight, B. (2011). Media bias and influence: Evidence from newspaper endorsements. *Review of Economic Studies*, 78(3), 795-820.
- Durante, R., & Knight, B. (2012). Partisan control, media bias, and viewer responses: Evidence from Berlusconi's Italy. *Journal of the European Economic Association*, 10(3), 451-481.

Topic III.2: Voting Behavior (include more papers regarding influence of online media or entertainment)

- DellaVigna, S., & Kaplan, E. (2007). The Fox News effect: Media bias and voting. *The Quarterly Journal of Economics*, 122(3), 1187-1234.
- Enikolopov, R., Petrova, M., & Zhuravskaya, E. (2011). Media and political persuasion: Evidence from Russia. *American Economic Review*, 101(7), 3253-85.

- Gentzkow, M., Shapiro, J. M., & Sinkinson, M. (2011). The effect of newspaper entry and exit on electoral politics. *American Economic Review*, 101(7), 2980-3018.
- Cagé, J. (2019). Media competition, information provision and political participation: Evidence from French local newspapers and elections, 1944–2014. *Journal of Public Economics*, 104077.

Topic III.3: Political impacts of entertainment and online media

- Gentzkow, M. (2006). Television and voter turnout. *The Quarterly Journal of Economics*, 121(3), 931-972.

Topic III.3: Policy making and accountability

- Strömberg, D. (2004). Radio's impact on public spending. *The Quarterly Journal of Economics*, 119(1), 189-221.
- Durante, R., & Zhuravskaya, E. (2018). Attack when the world is not watching? US news and the Israeli-Palestinian conflict. *Journal of Political Economy*, 126(3), 1085-1133.

Topic III.4: Media in weak democracies and autocratic regimes

- McMillan, J., & Zoido, P. (2004). How to subvert democracy: Montesinos in Peru. *Journal of Economic perspectives*, 18(4), 69-92.
- Adena, M., Enikolopov, R., Petrova, M., Santarosa, V., & Zhuravskaya, E. (2015). Radio and the Rise of the Nazis in Prewar Germany. *The Quarterly Journal of Economics*, 130(4), 1885-1939.
- Qin, B., Strömberg, D., & Wu, Y. (2018). Media bias in China. *American Economic Review*, 108(9), 2442-76.
- Enikolopov, Ruben and Makarin, Alexey and Petrova, Maria, Social Media and Protest Participation: Evidence from Russia (November 15, 2019). *Econometrica*, forthcoming.