WHERE DO PEOPLE GET THEIR NEWS?
New evidence of information inequality, the power of commercial media organisations and a big impact on democracy

The consumption of news is highly unequal, according to research by Patrick Kennedy and Andrea Prat. Analysing detailed survey data on where people get their news in 36 countries, including 21 in Europe, six in Asia, four in Latin America plus the five ‘Anglo offshoots’, their study reveals that:

• Low-income, low-education voters use fewer information sources. All else equal, the average college-educated respondent in the top third of the income distribution consumes two more news sources than the average high school graduate in the bottom third of the income distribution.

• This pattern is reflected at the aggregate level, with countries with high income inequality also demonstrating high information inequality. The positive correlation between these two kinds of inequality is particularly evident in the two countries where the debate on news manipulation is most salient – the United States in reference to the Trump election and the UK with respect to the Brexit vote.

• News sources that cater to information-poor audiences have greater ‘media power’. The presence of large swathes of the population with highly concentrated news consumption means that the news organisations that cater to them are potentially highly influential.

• TV companies tend to be the most influential media outlets in all countries. The most influential non-TV company is Facebook, which is one of the top three most powerful news sources in 14 out of 36 countries studied.

• Rupert Murdoch is the most powerful US news owner, both because Fox News has a large viewership and its viewers are information-poor: they access a smaller number of additional sources than users of most other sources. This observation explains why the most powerful commercial news organisations in the world tend to be TV companies.

• The presence of even a relatively small minority of naive voters is sufficient for those media organisations to swing election outcomes.

• There is no evidence that public service broadcasting reduces information inequality. People who watch state TV are, on average, wealthier and more educated than people who use the largest commercial news provider.

The researchers conclude:

‘Our evidence indicates that information inequality plays an important role in determining the vulnerability of certain segments of voters to news manipulation. In turn, this makes a certain set of large news organisations particularly powerful.’

‘It is possible that this creates a vicious circle, whereby information inequality generates media capture, thus protecting the political interests of elites and maintaining income inequality, which in turn perpetuates information inequality.’
The rise of populist parties in continental Europe is a result of economics not culture, according to research by Luigi Guiso, Helios Herrera, Massimo Morelli and Tommaso Sonno. Their study estimates that the Eurozone ‘policy straitjacket’, which constrained national responses to Europe’s financial crisis, explains three quarters of the greater support for populist parties.

The researchers investigate how the populist vote share across European regions has responded to two major economic shocks: the economic insecurity caused by globalisation, notably the emergence of China; and the European financial crisis of 2008-2013.

They find that globalisation has had a substantially larger effect on populist support in Eurozone countries than in other comparable Western countries.

The evidence suggests that the Eurozone policy straitjacket created a perception that it was in part to blame for the lack of recovery, sparking frustration among voters and opening the way for populist proposals.

Consistent with this interpretation, confidence in European institutions and the European Central Bank has dropped dramatically in the Eurozone countries and only mildly in non-Eurozone countries.

The policy implication is clear, the researchers conclude: ‘if one wants to defeat populism, one must first defeat economic insecurity.’

Europeans who have experienced less growth or more decline in their incomes than others in their home country are more likely to support radical right parties. So too are those who believe that they have a low income in countries where the wealthier parts of the income distribution are doing better than the poorer ones.

These are the key findings of research by Brian Burgoon, Sam van Noort, Matthijs Rooduijn and Geoffrey Underhill. Their study analyses individual-level survey data on how individuals in 16 European countries voted for or supported political parties associated with radical right populism over the period from 2002 to 2010.

The findings suggest that both ‘positional deprivation’ (belonging to a part of society that has done less well than others) and ‘positional inequality’ (being in a society where the better off have gained more) are important to voting or support for radical right populism. Positional deprivation in particular may be important in spurring individual support for any given party – mainstream or radical – whose electoral platforms champion anti-globalisation, nationalism and authoritarianism.

The Economics of Populism special issue is due for publication in issue 97, January 2019.
For more information on Economic Policy, visit www.Economic-Policy.org